

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶
IRC 368(a)(1)(E), 368(a)(1)(F), 367, 354, 358

18 Can any resulting loss be recognized? ▶
No. U.S. Shareholders generally are required to recognize gain but not loss on the Reorganization (see attached). If shareholders have a loss on the Reorganization, the tax basis of their Encana Corporation common shares (in aggregate) is preserved in the tax basis of the Ovintiv Inc. shares of common stock received (in aggregate) in the Reorganization.

U.S. Shareholders that acquired different blocks of Encana Corporation shares at different times or at different prices are urged to consult their own tax advisors regarding the allocation of their aggregated adjusted basis among the Ovintiv Inc. shares of common stock received in the Reorganization.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶
Please refer to the Encana Corporation Proxy Statement/Prospectus dated December 11, 2019.
The reportable year will be 2020.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ /s/I.Fraulín Date ▶ March 3, 2020

Print your name ▶ I.Fraulín Title ▶ VP, Tax

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	

Attachment to Form 8937
Report of Organizational Actions Affecting Basis of Securities
Ovintiv Inc. FEIN:84-4427672
And Ovintiv Canada ULC, formerly Encana Corporation FEIN: 98-0355077

THIS SUMMARY IS OF A GENERAL NATURE ONLY AND IS NOT TAX ADVICE NOR DOES IT PURPORT TO BE A COMPLETE DISCUSSION OF THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE TRANSACTIONS DESCRIBED BELOW. WE URGE YOU TO CONSULT WITH YOUR OWN TAX ADVISOR WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO YOUR PARTICULAR SITUATION, AS WELL AS ANY TAX CONSEQUENCES OF THE REORGANIZATION (AS DEFINED BELOW) ARISING UNDER THE FEDERAL ESTATE OR GIFT TAX RULES OR UNDER THE LAWS OF ANY STATE, LOCAL, FOREIGN OR OTHER TAXING JURISDICTION OR UNDER ANY APPLICABLE TAX TREATY.

The information contained herein is provided pursuant to the requirements of Section 6045B of the U.S. Internal Revenue Code of 1986, as amended (the “Code”). This discussion includes a general summary of certain U.S. federal income tax laws and regulations that are relevant for purposes of determining the effect of the Reorganization (as defined below) on the tax basis of the shares of common stock of Ovintiv Inc. received by former shareholders of Encana Corporation in exchange for their Encana common shares.

You are urged to read Encana Corporation’s Proxy Statement/Prospectus dated December 11, 2019 (the “Prospectus”), relating the Reorganization. You may access the Proxy Statement/Prospectus under Ovintiv Canada ULC’s (formerly Encana Corporation) profile on SEDAR at www.sedar.com.

Part II Box 14 - Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.

On January 24, 2020, (date of the action) Ovintiv Canada ULC, formerly Encana Corporation (“Encana”) and Ovintiv Inc. (“Ovintiv”) completed a corporate reorganization (the “Reorganization”), as more fully described in the Prospectus, which included, among other things, the following transactions (i) Encana completed a share consolidation on the basis of one post-consolidation share for each five pre-consolidation shares (the “Share Consolidation”) (ii) the exchange by shareholders of Encana of their Encana common shares for shares of common stock of Ovintiv on a one-for-one basis (the “Share Exchange”), and (iii) the conversion of Ovintiv from a Canadian corporation to a Delaware corporation (the “U.S. Domestication”). The effective date of the Reorganization was January 24, 2020 (the “Effective Date”).

The Share Consolidation is intended to qualify as a recapitalization under Section 368(a)(1)(E) of the Code and/or a tax deferred exchange under Section 1036(a) of the Code. The Share Exchange is intended to qualify as reorganization within the meaning of Section 368(a)(1) of the Code. The U.S. Domestication is intended to qualify as a reorganization within the meaning of Section 368(a)(1)(F) of the Code.

Part II Box 15 - Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.

The Share Consolidation

Assuming that the Share Consolidation qualifies as a reorganization within the meaning of Section 368(a)(1)(E) of the Code, a shareholder’s aggregate U.S. tax basis in the Encana common shares received in the Share Consolidation should equal such holder’s aggregate tax basis in the common shares surrendered in such Share Consolidation. Such aggregate tax basis shall be allocated among the Encana common shares received in accordance with Section 358 of the Code and the Treasury Regulations issued under Section

358. Shareholders that acquired different blocks of Encana shares at different times or at different prices are urged to consult their own tax advisors regarding the allocation of their aggregated adjusted basis among, and the holding period of, the Encana common shares received in the Share Consolidation.

To the extent that a registered Encana shareholder received a fraction of an Encana common share in connection with the Share Consolidation, such shareholder should consult their own tax advisor regarding the determination of U.S. tax basis of such holder in such fractional share.

The Share Exchange

In connection with the Share Exchange, a shareholder's U.S. tax basis in a share of Ovintiv common stock received by such holder should be equal to the holder's adjusted tax basis in the Encana common share (determined after giving effect to the Share Consolidation) surrendered in exchange therefore.

The U.S. Domestication

Assuming the U.S. Domestication qualifies as a reorganization under Section 368(a)(1)(F) of the Code, shareholders of Ovintiv are deemed, for U.S. federal income tax purposes, to exchange each share of Ovintiv common stock (as a Canadian corporation) for a share of Ovintiv common stock (as a U.S. corporation) pursuant to Section 367 of the Code. In such case, the U.S. tax basis of a share of common stock of Ovintiv (as a U.S. corporation) that is deemed to be received, for U.S. federal income tax purposes, by a shareholder in the U.S. Domestication should equal such shareholder's U.S. tax basis in the Ovintiv common stock (as determined pursuant to the Share Exchange described above) deemed to be surrendered in exchange therefor, increased by any amount included in the income of such shareholders as a result of the application of Section 367 of the Code. Ovintiv shareholders that are U.S. Holders (as defined in the Prospectus) will be subject to Section 367 of the Code in connection with the U.S. Domestication and the impact on a U.S. Holder is expected to be as follows:

U.S. Holders that held, as of the Effective Date, shares of Ovintiv common stock with a fair market value of less than U.S.\$50,000.

U.S. Holders that owned, as of the Effective Date, shares of common stock of Ovintiv with a fair market value of less than U.S. \$50,000 should have a U.S. tax basis in each share of common stock of Ovintiv (as a U.S. corporation) that is deemed to be received, for U.S. federal income tax purposes, equal to such shareholder's U.S. tax basis in the share of common stock of Ovintiv (as determined pursuant to the Share Exchange described above) deemed to be surrendered in exchange therefor.

U.S. Holders that held, as of the Effective Date, shares of Ovintiv common stock that have an aggregate fair market value of U.S. \$50,000 or more (but that were not a 10% U.S. Holder as of the Effective Date).

A U.S. Holder that owned, as of the Effective Date, shares of common stock of Ovintiv with a fair market value of U.S. \$50,000 or more (but who did not beneficially own (directly, indirectly or by attribution) 10% or more of Encana as of the Effective Date (a "10% U.S. Holder")) at the time of the U.S. Domestication should, unless such holder validly makes the "all earnings and profits" election described below, be required to recognize gain, but not loss, with respect to their shares of common stock of Ovintiv in connection with the U.S. Domestication. In such case, such U.S. Holder should have an aggregate U.S. tax basis in each share of common stock of Ovintiv (as a U.S. corporation) that is deemed to be received, for U.S. federal income tax purposes, equal to such holder's tax basis in the share of Ovintiv common stock (as determined pursuant to the Share Exchange described above) deemed to be surrendered in exchange therefor, increased by the amount of taxable gain, if any, recognized by such U.S. Holder on such exchange.

In lieu of recognizing such taxable gain, if any, a U.S. Holder that validly makes the “all earnings and profits” election will be required to include in income, as a deemed dividend, the “all earnings and profits amount” (as defined under applicable Treasury Regulations) that is attributable, under U.S. tax principles, to such holder’s shares of common stock of Ovintiv. In such case, an electing U.S. Holder should have a U.S. tax basis in each share of common stock of Ovintiv (as a U.S. corporation) that is deemed to be received, for U.S. federal income tax purposes that is equal to such shareholder’s U.S. tax basis in the share of Ovintiv common stock (as determined pursuant to the Share Exchange described above) deemed to be surrendered in exchange therefor.

10% U.S. Holders

A U.S. Holder who was a 10% U.S. Holder on the Effective Date is subject to special rules that generally require such 10% U.S. Holder to include in income, as a deemed dividend, the “all earnings and profits amount” attributable to the shares of common stock of Ovintiv owned by such U.S. Holder. A 10% U.S. Holder should have a U.S. tax basis in each share of common stock of Ovintiv (as a U.S. corporation) that is deemed to be received, for U.S. federal income tax purposes that is equal to such shareholder’s U.S. tax basis in the share of Ovintiv common stock (as determined pursuant to the Share Exchange described above) deemed to be surrendered in exchange therefor.

U.S. Holders who acquired different blocks of Encana common shares at different times or different prices should consult their own tax advisors as to the determination of the tax bases and holding periods of the shares of common stock of Ovintiv deemed to be received in the U.S. Domestication.

Part II, Box 16 - *Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates*

To the extent that a U.S. Holder was required to recognize gain with respect to a share of Ovintiv common stock that was deemed to be surrendered in connection with the U.S. Domestication (see “*U.S. Holders that held, as of the Effective Date, shares of Ovintiv common stock that have an aggregate fair market value of U.S. \$50,000 or more (but that were not a 10% U.S. Holder as of the Effective Date)*” above), such U.S. Holder is expected to have a U.S. tax basis in the Ovintiv share deemed to be received therefor that is equal to the fair market value of such share of Ovintiv common stock on the Effective Date.

The Trading Price as defined in the “Glossary” of the Prospectus, on the NYSE was US\$4.04 per share (on a pre-consolidated basis) and the corresponding share price on the TSX was C\$5.19 per share (on a pre-consolidated basis).