



LEADERSHIP COMMITMENT

EnCana's leaders are accountable as role models to integrate Corporate Responsibility considerations early and consistently into decision-making. EnCana's workforce will be expected to follow their example.

EnCana's leaders ensure that appropriate structures are in place to effectively identify, monitor, and manage Corporate Responsibility issues and performance relevant to EnCana's business.



DEMONSTRATING LEADERSHIP COMMITMENT

EnCana named Oilweek's 2005 Producer of the Year

Oilweek Magazine named EnCana as 2005's Producer of the Year in their November issue. Size and scope of the company were cited, with explanation that while these accomplishments were admirable, EnCana was singled out for recognition because of its exemplary:

- approach the company has taken toward itself since inception;
- list of industry firsts;
- results from its community relations strategy; and
- company plans for reserves replacement in a mature basin.

"Bigness was never in itself the objective, but perfection was," Gwyn Morgan was quoted as saying in the Oilweek article. "We decided to act like Apollo 13 - failure wasn't an option."

The relatively quick implementation of the PanCanadian/Alberta Energy Company merger that created EnCana set industry standards and resulted in a sharp focus on 'resource plays,' those areas where the new company had massive land holdings and significant expertise. Consistent communications with all stakeholders and a return to the company's roots are credited with the merger looking 'easy' to outsiders.

Industry firsts that were recognized include:

- The world's first commercial-scale Steam Assisted Gravity Drainage (SAGD) oil sands project at Foster Creek;
- Canada's first commercial-scale natural gas from coal (NGC) project with joint venture partner MGV Energy; and
- The country's first commercial-scale carbon dioxide enhanced oil recovery project in Weyburn, Saskatchewan.

Results of these firsts have stretched Canada into the U.S., as evidenced by EnCana's record number of perforations in a completions pass in the Piceance Basin of the U.S. Rockies.

EnCana's community relations results were evidenced by success in the Fort Nelson, B.C. area. EnCana, a significant player in the region, was named the community's Company of the Year, through efforts such as:

- injecting \$80 to \$100 million to the local economy;
- doubling and drilling by implementing summer mats over bog lands;
- actively participating in the local community activities; and
- creation of the first B.C. aboriginal-owned and -operated drilling rig.

EnCana's approach to reserves fits its 2005 theme of being unconventional, and signals the beginning of a something new. "Virtually all of North America is very young with respect to the unconventional play we are now pursuing," Randy Eresman, newly appointed company president was quoted as saying, "the size that we are talking about historically was measured in billions of cubic feet or hundreds of thousands of barrels per day of discoveries. [Now it could be] trillions of cubic feet and hundreds of millions of barrels."

Eresman also mentioned that EnCana will continue to acquire land relating to new resource plays, but will balance any new purchases against land the company already has. At the end of 2004, EnCana held approximately 18 million undeveloped acres in North America.

Oilweek Magazine focuses on Canada's upstream oil and gas industry, and also produces upstream and downstream oil and gas trade exhibitions, conferences and seminars.

DEMONSTRATING LEADERSHIP COMMITMENT

Gwyn Morgan named Outstanding CEO for 2005

EnCana President and CEO Gwyn Morgan is Canada's Outstanding CEO of the Year for 2005, chosen by a national selection panel of 24 senior business leaders and other prominent Canadians.

The purpose of the CEO of the Year Award program, in its 16th year, is to identify and provide recognition for outstanding leadership and achievement by a Canadian Chief Executive Officer. Gwyn was a unanimous choice of the 2005 award panel.

Award recipients are evaluated on a number of factors. Vision and leadership is assessed over several years; of particular importance are situations or initiatives where insight, discernment and the ability to lead and inspire has guided an organization to a new level of growth, achievement or recognition.

Financial performance over the past five fiscal years is examined, as is leadership in board governance policy and procedure, global competitiveness and relationships with employees and customers.

The selection criteria states that 'a truly outstanding CEO uses his or her private sector skills and creativity to help the community overcome social or environmental problems,' an area of priority at EnCana, as outlined by its Corporate Constitution.

The CEO of the Year Awards Gala, held in November, also nurtures leaders of the future. The recognition dinner serves as a fundraiser for the Future Funds Scholarship and provides 10 exceptional and deserving students with \$5000 grants to further their educational ambitions.

EnCana Corporation named Gas Company of the Year

EnCana was named Gas Company of the Year on December 10, 2004 at the sixth annual Platts Global Energy Awards.

The award recognizes the natural gas company that shows clear leadership, and mastery of the business processes involved in a vast range of disciplines, including exploration, drilling, production, gathering, processing, liquefaction, storage, transportation, distribution, or retail delivery.

EnCana was lauded by the judging panel for our rigorous Resource Play Management System, which has put the company in charge of an asset base that is different from many of its competitors. EnCana's unconventional properties contain significant resources with longer production horizons.

EnCana was also a finalist in the category of Community Development Program of the Year for our ongoing support in the Fort Nelson, British Columbia community.

Resource Plays

EnCana's strategy is focusing on assets where we believe we have a clear and natural competitive advantage — North American resource plays. We are using the expertise gained through legacy assets in southeast Alberta on the Palliser and Suffield blocks and approaching business growth in a decidedly unconventional manner.

Resource plays are large, known sources of oil and gas that are trapped beneath the earth's surface. Once identified, they generally have low geological and commercial development risk.

The future of energy production and industry growth demands a fresh approach. Our expansive legacy properties have provided predictable, reliable and profitable shallow gas reserves and production growth for years. And they are expected to continue to do so well into the future. Resource play wells often produce for periods in excess of 20 or 30 years. EnCana's strategy is focusing on long-term value creation and resource development.

In more recent years, we have leveraged our well developed knowledge of these unconventional Alberta plays by building leading positions in:

- the U.S. Rockies at Jonah and Mamm Creek;
- northeast British Columbia at Greater Sierra and Cutbank Ridge; and
- our SAGD oil sands at Foster Creek and Christina Lake in northeast Alberta.

Today, these unconventional plays — resource plays — provide over half of our current production, and represent the prime source of our future growth.



SUSTAINABLE VALUE CREATION

As a high-performance benchmark company, EnCana strives to maximize value for our shareholders. By “value,” we mean both present and future value, arising from our pillars of value creation:

- high-quality assets, including solid credible reserves;
- strong financial management; and
- sound corporate governance.

EnCana will consider the creation of both short-term and long-term sustainable value in our decision-making.



Proved reserves grow 24% to 10.5 trillion cubic feet

EnCana's operating results for 2004 showed the company created substantial value by increasing our North American gas reserves by 24 percent to 10.5 trillion cubic feet and increasing gas sales by 17 percent to 3 billion cubic feet per day. Essentially all of our proved reserves growth came from North American natural gas.

With the acquisition of Tom Brown, Inc. and the sale of our U.K. North Sea assets, we sharpened our strategic focus on North American unconventional resources, and grew the underlying value of the company and net asset value of each share.

Our gas reserves additions were primarily from resource plays:

- Cutbank Ridge in British Columbia;
- coalbed methane and shallow gas in southern Alberta;
- Jonah and Piceance in the U.S. Rockies, and
- Fort Worth, East Texas and the Permian in Texas.

Together, with all our acquisitions and divestitures, we added more than 3 trillion cubic feet of proved reserves compared to the 1.1 trillion cubic feet of gas produced in 2004.

EnCana expands coalbed methane development

EnCana is expanding coalbed methane (CBM) development on its 700,000 acres of 100 percent owned royalty-free lands in southern Alberta — resource play-type properties that are estimated to contain more than 2 trillion cubic feet of recoverable natural gas resources from coal. By 2008, EnCana expects to increase natural gas production from coal seams to more than 200 million cubic feet per day.

EnCana's CBM resources are integrated with the company's widespread shallow gas developments. On its CBM lands east of Calgary, EnCana has extensive shallow gas processing facilities and gathering pipelines already in place, infrastructure that can be readily employed in CBM development. To reduce our footprint on the land, we use the same well to produce gas from different formations, such as shallow gas and CBM. We also try to add new wellsites to an existing oil or gas site.

Our existing infrastructure enables us to lower the cost of producing gas coalbed seams. We are accessing coal seams with a combination of new and existing wells, then processing and transporting the added CBM production through existing facilities. Our CBM wells produce sweet natural gas with very little associated water production. CBM production is priced on the same basis as other natural gas and is expected to generate attractive netbacks and recycle ratios.

Innovation unlocks Mamm Creek potential

Ingenuity, new technology and unconventional methods are key ingredients when looking to unlock the potential of mature fields. EnCana's Mamm Creek team, in Colorado, doubled the production of this field not once, but twice.

In addition to the efforts of the team, the success of the project is attributed to the company's focus on resource play development.

The success of resource plays is dependent on imagination and innovative uses of technology. Shortly after applying their own thinking to the field, the Mamm Creek team realized that there was a reservoir below where the original operator was drilling. As such, results continue to improve.



GOVERNANCE & BUSINESS PRACTICES

EnCana is committed to maintaining the highest standards of integrity and corporate governance practices in order to ensure confidence in our governance systems. These practices encompass not only financial accounting but also include independent reserves evaluations. We will implement changes, as required, to ensure ongoing alignment with leading corporate governance practices.



EnCana complies with all applicable laws and regulations in the countries where we operate, and with generally accepted business and accounting principles and practices and the rules of the stock exchanges on which our shares trade.

EnCana will disclose material and reliable information to our shareholders in a timely manner, subject to legal requirements and competitive constraints.

EnCana will conduct its business in an open, honest, and ethical manner.

EnCana will not tolerate unlawful or unethical behaviour in our workforce, including soliciting, accepting, or paying bribes or other illicit payments.

EnCana recognizes the importance of protecting all assets of the company including financial, physical, human, information, social, environmental, and reputational assets and we will assess and manage our risks to effectively steward these assets.

EnCana will advise our partners, contractors, and suppliers of our Corporate Responsibility Policy, and will work with them to achieve consistency with this policy.

DEMONSTRATING GOVERNANCE & BUSINESS PRACTICES

Corporate Governance

The role of EnCana's Board of Directors is to increase shareholder value within a framework of integrity and trust. The Board of Directors takes its corporate governance responsibilities very seriously. The Board reviews and updates corporate governance best practices, ensures processes are in place to address compliance and disclosure matters, and firmly upholds the principles of transparency, financial integrity and fair management compensation.

Internal education opportunities provided to directors included a tour of company facilities in northeast British Columbia, a reserves workshop covering disclosure requirements and a technical conference focusing on resource plays.

As part of its mandate, the Corporate Responsibility, Environment, Health & Safety Committee of EnCana's Board of Directors visited our Fort Nelson location during 2004, providing them with on-site experience of the company's operations and practices.

Investigations Practice

EnCana provides an effective and consistent procedure to address potential violations of company policies or practices, and other regulations. The company has established an Investigations Committee, which has representatives from EnCana's Audit, Human Resources, Information Technology, Legal and Security groups.

All complaints brought to the attention of the committee are reviewed. Some complaints are forwarded to the business units for resolution. Others, if appropriate, are investigated in a confidential and timely fashion in accordance with EnCana's Investigations Practice. Corrective action is taken when complaints are found to have merit.

In 2004, 39 concerns were addressed, an increase from seven in 2003. The increase is attributed to confidence in the practice, greater education and awareness of the means for redress. Corrective action was taken or is ongoing on 12 cases where complaints were found to have merit.

External parties should normally report their complaints to their primary contact at EnCana. If for any reason a complainant does not wish to report a complaint to their primary contact they may report potential violations directly to the Investigations Committee at Investigations.Committee@encana.com.



HUMAN RIGHTS

While governments have the primary responsibility to promote and protect human rights, EnCana shares this goal and will support and respect human rights within our sphere of influence.

EnCana will not take part in human rights abuse, and will not engage or be complicit in any activity that solicits or encourages human rights abuse.



In providing for the protection of company personnel and assets by public or private security forces, EnCana will promote respect for, and protection of, human rights.

Human rights in Ecuador

While governments have the primary responsibility to promote and protect human rights, EnCana supports and respects human rights within the company's sphere of influence. EnCana prepared and delivered human rights briefings to more than 450 individuals, including members of the government of Ecuador and military participants in the area of the company's operations. At the briefings, EnCana informed participants of its position on human rights, as well as basic human rights as defined by Ecuadorian and international law.



LABOUR PRACTICES

EnCana will apply fair labour practices, while respecting the national and local laws of the communities where we operate.

EnCana will not engage in or tolerate unlawful workplace conduct, including discrimination, intimidation, or harassment.



EnCana will not engage in forced or exploitative labour.

EnCana will strive to provide local employment and economic opportunities in the communities where we operate.

EnCana will treat our workforce with dignity, fairness, and respect.

DEMONSTRATING LABOUR PRACTICES

EnCana gGenerates training and knowledge

Every few years, EnCana stages a summit for all staff, called gEnergate, that encourages sharing of technical, technological and procedural advancements across the company.

Sharing of internal intelligence is a challenge in today's fast-paced and widely dispersed industry. EnCana's answer to this challenge is to gather together technical staff from across the company to share learnings, new ideas and expand professional networks. Technical summits, communities of practice and project lookbacks are used to leverage corporate intelligence. The theme of the 2004 gEnergate Summit held in Calgary, November 29 and 30, 2004, was "Resource Plays Matter!" The Summit was attended by approximately 1,500 staff.

Featuring significant learnings, challenges, solutions and key technologies from all areas of the company, the Summit provided staff the opportunity to showcase the high quality of internal technical work with an extensive focus on EnCana's resource plays.

The format of the Summit included:

- a poster hall, with upwards of 200 posters;
- 13 presentations by staff on the various life-cycle stages of resource plays;
- two presentations on resource plays by external speakers;
- remarks from company executives, including CEO Gwyn Morgan.

EnCana's gEnergate summit support the company's unconventional approach to business, and are seen as an investment in generating ideas, better processes, and company success.

Expectations of contractors

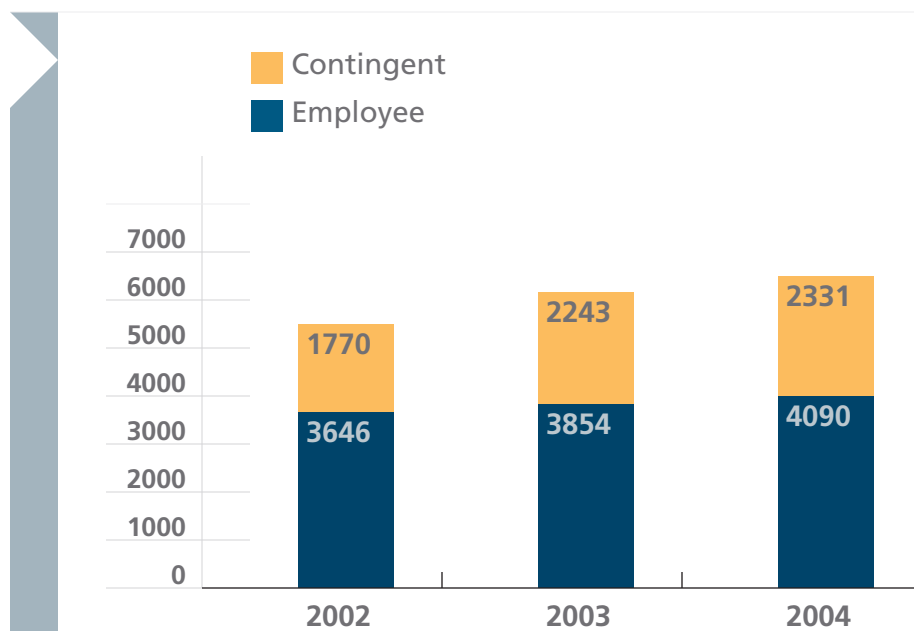
EnCana believes that anyone representing the company should also represent the company's values and approach to business. EnCana requires that contractors, suppliers and consultants who provide goods or services to EnCana enter into one of EnCana's standard form agreements. These agreements contain the terms and conditions that govern the relationship between EnCana and the contractor, supplier or consultant and include certain things that they must do or provide to EnCana.

We believe that our work with partners, contractors and suppliers should be consistent with our Corporate Responsibility Policy.

ENCANA'S GROWING WORKFORCE

Workforce

	2002	2003	2004
Employee	3646	3854	4090
Contingent	1770	2243	2331
Total	5416	6097	6421



At year-end 2004, EnCana's staff comprised approximately 6,400 people: 36 percent are contingent.

98 percent of employees are in full-time positions.

Voluntary Turnover (%)

	2003	2004
	4.9	6.3



ENVIRONMENT, HEALTH & SAFETY

COMMITMENT

EnCana is committed to protecting the health and safety of all individuals affected by our activities, including our workforce and the public. We will not compromise the health and safety of any individual in the conduct of our activities. EnCana will provide a safe and healthy working environment, and will expect our workforce to comply with the health and safety practices established for their protection.



EnCana will safeguard the environment, and will operate in a manner consistent with recognized global industry standards in environment, health, and safety.

In all our operations, we will strive to make efficient use of resources, to minimize our environmental footprint, and to conserve habitat diversity and the plant and animal populations that may be affected by our operations.

EnCana will strive to reduce our emissions intensity and increase our energy efficiency.

DEMONSTRATING ENVIRONMENT, HEALTH & SAFETY RESPONSIBILITY

Monitoring Environment, Health and Safety

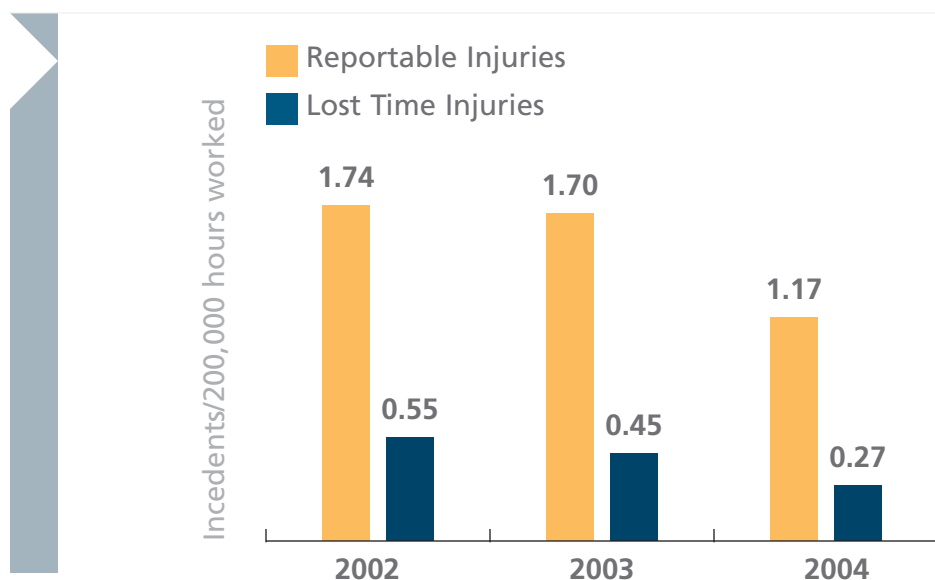
EnCana conducts internal Environment, Health and Safety (EH&S) audits within the business units to ensure compliance with the EH&S management system and regulations. Audit findings are shared with site staff so that immediate improvements can be implemented.

The audits also generate reports to track compliance and monitor progress, with material findings of non-compliance being reported to the Corporate Responsibility, Environment, Health & Safety Committee of the Board. In 2004, there were no material audit findings of non-compliance.

A corporate EH&S audit program was developed with the assistance of Pilko and Associates, a leading management consultant firm. This program will be piloted in 2005.

Striving for Excellence in Operational Safety

Safety of staff and those who work or live around EnCana's operations is of prime importance. During 2004, EnCana's reportable injury rate was reduced from 1.70 to 1.17 incidents per 200,000 hours worked, a rate that is below Canadian industry norms. The company attributes this record to collaborative engagement with its major contractors and suppliers to improve safety performance.



EnCana considers the health and safety of its workers a high priority.

Tragically, five contract workers died in 2004 in separate operational accidents. Three of these deaths were associated with drilling operations and two with oilfield trucking operations. EnCana expresses its deepest sympathy to the families and friends of those workers. All of these incidents were, or are being, investigated by occupational health authorities and the company. Any resulting safety lessons about preventing future occurrences of this nature are shared with EnCana staff, contractors and other industry workers.

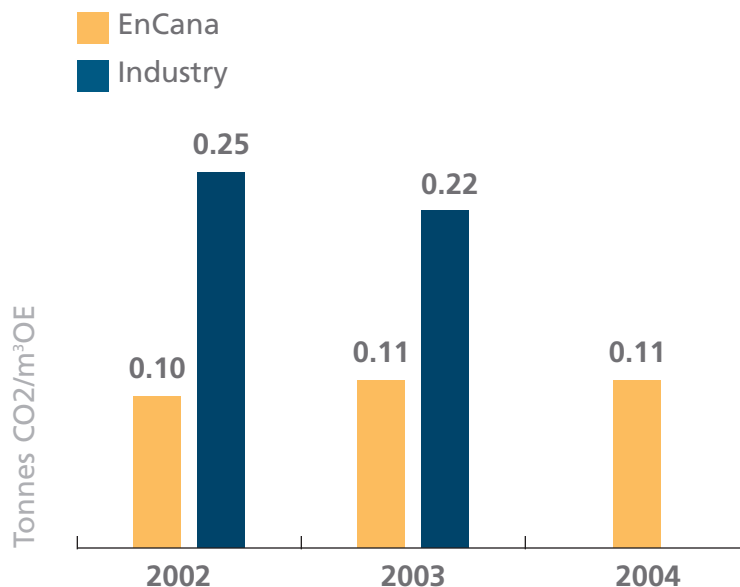
In 2004, EnCana focused special attention on safe drilling and completions practices with a goal of further reducing incidents and improving environmentally responsible performance. Examples of new best practices include the introduction of an EnCana wellsite representative orientation program in the Fort Nelson Business Unit, and a derrick inspection program in the company's U.S. operations.

Reducing Emissions Intensity

The oil and gas industry faces the challenge of reducing greenhouse gas (GHG) emissions intensity while meeting market demands for increased production. GHGs, primarily carbon dioxide, are released in the course of oil and gas production and processing. EnCana is committed to reducing our emissions intensity and increasing our energy efficiency through the use of technology. The company commissioned the development of a software program, Emissions Manager™, to establish a baseline and understand its emissions profile in order to identify opportunities for improvement. The software is being implemented in EnCana's Canadian and U.S. operations. EnCana is pursuing emission reduction technologies developed internally and by other industry participants, plus it is examining investment in innovations outside the oil and gas industry that reduce emissions.

	2002	2003	2004	
CO2 equivalent direct emissions	3,012,198	3,320,441	3,946,307	Tonnes

MONITORING GHG EMISSIONS

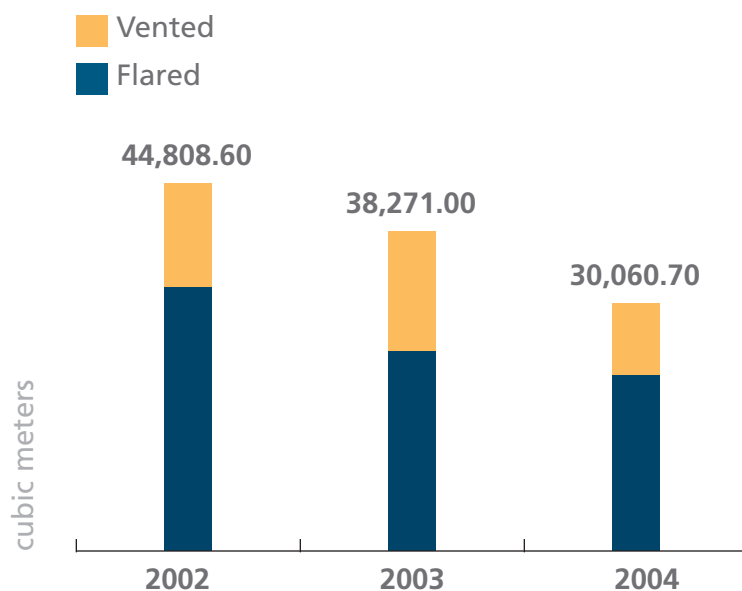


GHG emissions intensity from Canadian operations remained well below the 2003 industry average of 0.22, even as production increased

For the third straight year, EnCana was able to increase its solution gas conservation in 2004. At 97 percent conservation, EnCana performs above the 2003 Alberta industry average of 95.4 percent. On a normalized basis, EnCana flares and vents 30,000 m3 gas/m3 oil equivalent.

SOLUTION GAS FLARED AND VENTED IN ALBERTA

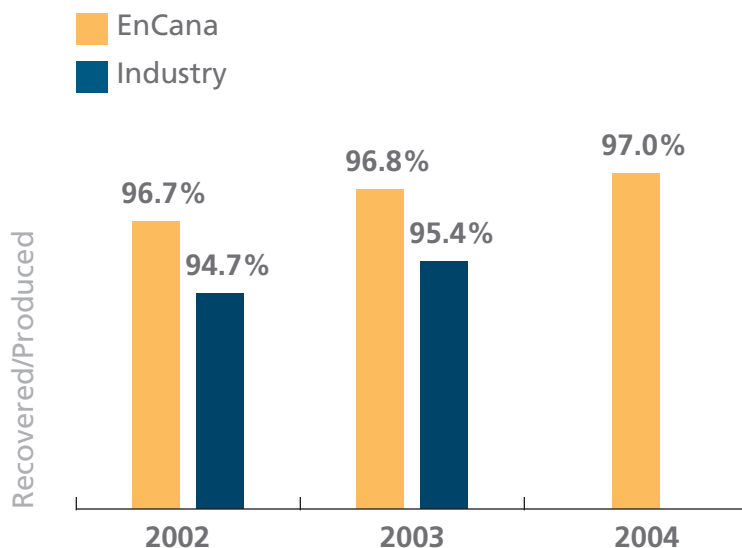
	Flared	Vented
2002	31,682.00	13,126.60
2003	23,863.00	14,408.00
2004	22,020.40	8,040.30



EnCana solution gas flared and vented in Alberta has consistently decreased in recent years.

SOLUTION GAS CONSERVED

	EnCana	Industry
2002	96.70 %	94.70 %
2003	96.80 %	95.40 %
2004	97.00 %	*



EnCana consistently exceeds the industry average in Alberta. * – Industry rates for 2004 are not yet available

CO2 Goes Underground at Weyburn

Since 2000, carbon dioxide (CO₂) has been injected and stored in EnCana's 50-year-old Weyburn oilfield, in southeast Saskatchewan, enhancing oil recovery from a mature field, and storing CO₂ that would otherwise be vented from a North Dakota coal gasification plant.

The Weyburn oilfield is one of the largest medium-sour crude oil reservoirs in Canada, containing approximately 1.4 billion barrels of original oil in place. Discovered in 1954, the field has been on water flood since 1964 and has been on CO₂ miscible flood since 2000. Water flood injection is used to increase reservoir pressure, while pushing oil to producing wells to improve recovery. A miscible flood is an enhanced oil recovery technique where a fluid (CO₂) is injected into the reservoir to expand and sweep the oil to the producing wells, increasing recovery rates beyond water flooding.

Apart from giving new life to an old field, the use of CO₂ as a miscible flood agent makes Weyburn Canada's largest greenhouse gas (GHG) sequestration project. The project has garnered international acclaim, serving as the site for an International Energy Agency feasibility study into long-term underground CO₂ storage.

In September 2004, the agency concluded that 99.8 percent of CO₂ injected in the Weyburn field will remain securely stored underground for at least 5,000 years. The Weyburn oilfield is projected to store 14 million tonnes of CO₂ over the life of the enhanced oil recovery project, the equivalent of taking 3.2 million cars off the road for one year. EnCana is examining other oil fields where enhanced oil recovery using CO₂ injection and storage may also work.



EnCana Funds Environmental Innovation

A project to pilot the reuse of shallow gas well frac fluid has been funded through the EnCana Environmental Innovation Fund.

The project explores the effectiveness of recycling used frac fluid as make-up water for drilling mud. If successful, the new practice could be applied across much of EnCana's operations,

reducing consumption of fresh water and the disposal of spent frac water.

The program includes water and soil testing to ensure that drilling mud made up with recycled frac fluid performs adequately, and that the same drilling mud can be safely disposed of using normal practices.

The EnCana Environmental Innovation Fund provides financing for projects that showcase and demonstrate new technologies and solutions to the environmental issues linked to the energy sector.

Long-term Support for Alberta Ecotrust Foundation

In 2003, EnCana entered a long-term partnership to fund environmental projects across Alberta. The 25-year, \$1.25 million pledge to Alberta Ecotrust Foundation, the first of its kind in Canada, ensures sustainability of the projects, and helps the Foundation explore expansion to other provinces in Canada such as British Columbia, Saskatchewan and Nova Scotia.

Alberta Ecotrust Foundation is a non-government agency comprising representatives of environmental organizations and industry that was formed to support grassroots environmental projects throughout Alberta. This demonstrates a collaborative partnership of people and organizations and ethical practices.

EnCana's long-term commitment to the Foundation mirrors the company's long-term commitment to the communities in which we operate.

EnCana Donation Protects Natural Diversity in B.C.

EnCana Corporation announced in April 2004 a donation of \$750,000 to The Nature Trust of British Columbia, to be used for land acquisitions, land maintenance and community education. The Nature Trust of British Columbia is a leader in protecting British Columbia's natural diversity of plants and animals through the acquisition and management of land. The Nature Trust works with landowners, corporations, foundations, conservation organizations, and governments to keep British Columbia beautiful.

The Trust buys land to conserve it from population encroachment, which is consistent with EnCana's approach to corporate responsibility and commitment to safeguard the environment and operate in a manner consistent with recognized global industry standards in environment, health, and safety.

Partnering with The Nature Trust also allows EnCana to build shareholder value through the goodwill generated by community involvement, and the preservation of natural habitat.



STAKEHOLDER ENGAGEMENT

EnCana is committed to timely and meaningful dialogue with stakeholders, and will address their legitimate issues and concerns within our sphere of influence.

EnCana will engage stakeholders clearly, honestly, and respectfully.



DEMONSTRATING STAKEHOLDER ENGAGEMENT

Understanding stakeholder expectations

At EnCana we seek to become, and are privileged to be, members of the communities where we operate. As active members of these communities, our primary goal is to involve stakeholders in a transparent and meaningful way in decisions that affect them. In this regard, successful interactions are based on three themes: building trust, dialogue and consultation, and collaboration. For us, stakeholder involvement enables good decision making, helps identify and resolve issues, builds strong communities, and supports shared learning.

As part of our ongoing efforts for continual improvement, EnCana has developed comprehensive guidelines and training on stakeholder engagement. Our approach provides a template for engaging all landowners, residents and other stakeholders who may have questions about our proposed or existing activities.

As an example, EnCana hosts open houses and one-to-one meetings with stakeholders to provide opportunities for community feedback and input on operational plans that are close to residents, landowners and Aboriginal communities. This helps us understand the expectations of our stakeholders and attempt to integrate their environmental, social and economic goals with our own. Our commitment also involves continuous and lasting improvements, through:

- regular reviews of our activities in each community in which we operate;
- asking landowners, residents, communities and other stakeholders for their feedback on our role as a corporate neighbour; and
- developing long-term relationships.

In order to ensure that we capture and address the concerns, suggestions and resulting actions from our engagement activities, EnCana has established a thorough tracking process. This allows us to review and learn from our practices, and record how we've identified and engaged in dialogue with stakeholders, and addressed legitimate issues and concerns within our sphere of influence.

Reducing drilling impacts in Colorado

EnCana works hard to address community concerns and reduce our environmental footprint in all of the areas in which we operate. The approach we take to mitigate our impact on the environment varies due to the unique opportunities and requirements in each development area. The Mamm Creek gas field in western Colorado is one example of how technology and innovation help reduce the drilling impact.

Minimized footprint

We are able to directionally drill about 95 percent of wells in the Mamm Creek field. This means up to 10 wells are drilled from one central pad location to remote bottom-hole locations. Directional drilling reduces our footprint on the environment dramatically not only by reducing the number of drill site pads, but by eliminating the need for a network of roads and pipelines between wells.

Reduced traffic and noise levels

Sophisticated rig design technology has dramatically reduced the level of noise from drilling operations in areas where rigs are located close to homes. For example, we use drill site power packs as the engines to power the rigs quietly. This same type of engine is used by hospitals. Our recycling efforts and pipeline systems used to transport water has reduced the number of water trucks being driven on community roads as well as the level of related traffic noise. We further reduce noise levels and exceed regulatory standards by completely enclosing the compressor stations and by using large-scale acoustically controlled mufflers.

Lower water consumption

Water recycling systems in Mamm Creek allow us to reuse 100 percent of the water produced in the drilling process in drilling and completion operations.

Flareless well completions

Where possible, new technology allows us to complete wells without flaring gas. This reduces noise, light and potential odor issues as well as resulting in additional natural gas available for sale.

Charting unconventional operations requires unconventional techniques

During the planning stages of large-scale development programs, local stakeholders, including First Nations, area trappers, local landowners, municipal leaders and industry regulators require an understanding of the scope, size and impact of a project in a region. To help stakeholders in northeast British Columbia gain this understanding of proposed programs, EnCana and a few of its peers worked with the British Columbia Oil and Gas Commission to develop and prepare General Development Plans (GDP). This planning tool maps out the proposed multi-well programs to enable effective stakeholder input into program design and implementation. In 2004, five GDPs in the Greater Sierra area helped many stakeholders understand and provide valuable input on the drilling of close to 200 wells and the installation of approximately 400 kilometres of pipeline.

The benefits of GDPs include:

- proactive and continuing opportunities to work with First Nations and other stakeholders to incorporate their concerns;
- incorporation of First Nations traditional knowledge;
- improved planning processes;
- decreased environmental footprint as a result of a better understanding of constraints and concerns; and
- reduced timing for regulatory approval.

Addressing stakeholder concerns

During 2004, an unusual event occurred that affected stakeholders in the Colorado western slopes area. A natural gas seep surfaced in April that created bubbling in Divide Creek, an area located within the Piceance Basin. EnCana moved quickly to provide bottled water and other assistance to nearby residents. EnCana also voluntarily ceased drilling operations within a two-mile radius of the seep and agreed to a fine of \$371,200 for faulty cement work on a well near the seep, as well as other regulatory violations.

Based on consultation with local residents and the Colorado Oil and Gas Conservation Commission, the majority of these funds will be applied toward a study of the underlying regional hydrogeology among other initiatives. EnCana has continued to perform extensive testing and monitoring of the seep area.

We regret this event. The company is increasing staff complement and changing procedures to minimize the chance of recurrence, better understand the basin's, hydrogeology and improve communications with landowners and regulatory agencies.



SOCIO-ECONOMIC and COMMUNITY DEVELOPMENT

EnCana emphasizes collaborative, consultative, and partnership approaches in our community investment and programs, recognizing that no corporation is solely responsible for changing the fundamental economic, environmental, and social situation in a community or country.



Through our activities, EnCana will assist in local capacity-building and develop mutually beneficial relationships, to make a positive difference in the communities and regions where we operate.

DEMONSTRATING SOCIO-ECONOMIC and COMMUNITY DEVELOPMENT

Forging First Nations business partnerships

An innovative and precedent-setting partnership between EnCana contractor Ensign Drilling and the Fort Nelson First Nation gives the First Nation a 50 percent interest in an \$8 million rig, and creates 20 direct jobs and 50 indirect jobs in the northern community.

The historic agreement means the Fort Nelson First Nation is the first Aboriginal community in British Columbia to own and operate an oil and gas drilling rig.

The joint venture is expected to bring opportunities, jobs, training and expanded business expertise to the Fort Nelson First Nation. EnCana's participation through the drilling contract with the partnership enables the Fort Nelson First Nation to apply for financing and government grants.

The First Nation shares with EnCana their traditional knowledge of the land. The agreement supports the ongoing viability of the rig, with EnCana utilizing the rig through a best efforts clause that stipulates 'first up and last down' priority, and Ensign managing the rig on behalf of the Fort Nelson First Nation.

EnCana works with approximately 70 Canadian Aboriginal communities and organizations on various educational and business endeavours. In 2004, Aboriginal firms and partnerships provided more than \$90 million in direct services to EnCana, which included road maintenance, construction, fuel supply, security, and the provision of supplies for drilling, camps and catering.

EnCana's leadership role in the Fort Nelson arrangement supports the principles laid out in our corporate constitution, and furthers our philosophy of partnering with the communities in which we operate as we develop our business.

EnCana invests in developing future generations

One of the constraints faced by the oil and gas industry is a shortage of skilled workers. EnCana is contributing to the solution through a direct investment into a number of educational institutions in areas where the company operates.

Oil and gas drilling in British Columbia's northeast saw 64 percent growth in 2004 with 1,300 new wells drilled and C\$3.5 billion in private investment poured into the endeavours. EnCana is investing billions of dollars in northeast British Columbia on projects that will last for decades and operate year-round.

Recognizing an opportunity to encourage and train local workers, EnCana committed C\$3 million to Fort St. John's Northern Lights College, becoming corporate leaders in an industry effort to more than double training spaces for new workers in the skills-starved oil and gas sector. The British Columbia government pledged C\$6 million to the expansion, with other companies to put up the rest.

The C\$12 million expansion will boost the number of seats in high-demand courses such as power engineering and instrumentation mechanics to 297 from a current capacity of 117. Classes start in 2006.

EnCana supports wellness and disease prevention

The EnCana Wellness Centre at Mount Royal College (MRC) in Calgary, Alberta opened in February 2003 to provide an innovative, holistic approach to the delivery of health and wellness services for students, employees and the community. The Centre was founded through a partnership between EnCana, Calgary's Integrative Health Institute and the college.

The EnCana Wellness Centre provides:

- massage therapy;
- physiotherapy and chiropractic services;
- health services;
- student counseling services;
- employee wellness programs;
- human rights services; and
- an on-site rehabilitation room.

Through its leadership in this initiative, EnCana is encouraging a healthy lifestyle while providing high quality programs and services that the local community is looking for. The partnership provides students, staff and their families access to MRC fitness and recreation facilities, supporting the company's philosophy regarding health and well-being.



EnCana Cares: making a difference together

EnCana provides an opportunity for staff to donate to charitable organizations of their choice through an annual charitable giving campaign and its ongoing Matching Gifts program. EnCana provides a dollar-for-dollar match of employees' donations. In 2004, EnCana staff donated more than \$1.5 million to a wide variety of worthy causes through this program.

EnCana employees were moved by the tragedy in South Asia arising from the earthquake and resulting tsunamis. Recognizing the profound need, the company amended its standard dollar-for-dollar matching gifts policy by double-matching all individual employee contributions which, when complemented by the Government of Canada's dollar-for-dollar match of individual donations, translated into more than \$750,000 for those organizations delivering aid to victims.

EnCana advances rural health care in Ecuador

An integrative approach to health care has been undertaken in the Cuyabeno and Putumayo Cantons of the Sucumbios Province, Ecuador through:

- the building and operating of two medical clinics (one in Aguas Negras in Cuyabeno, the other in Tipishca in Putumayo);
- education on basic health care;
- the training and provision of supplies to promote ancestral, natural medicines;
- the building of latrines to improve the sanitation for local communities.

The construction of the clinics began in 2000, with the community providing the land and labour, and EnCana providing the technical support and materials. Every 15 days, both clinics dispatch medical brigades to remote communities with limited access to health care. These communities are accessible by foot, with mules carrying equipment and medicine, or by boat.

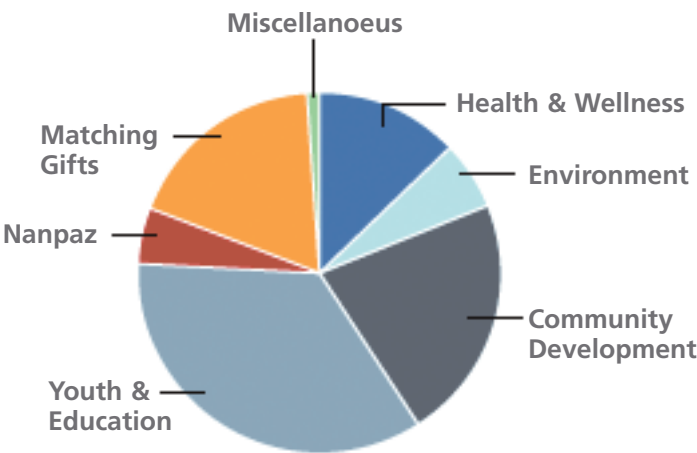
EnCana’s Integrated Community Health Initiative in Ecuador’s Sucumbios province received federal government recognition at the Canadian Manufacturers and Exporters 12th annual Canadian Awards for International Co-operation in Calgary. The International award is granted to projects implemented by Canadian companies in developing nations that, by improving economic or social conditions, create progress in the local economy with the aim of achieving sustainable medium- and long-term development to reduce poverty.

EnCana won the Improving Physical or Social Infrastructure Award as well as, the World Oil Health, Safety and Environment/Sustainable Development Award in Houston, USA.

CONTRIBUTING TO THE COMMUNITY

Breakdown of 2004 Community investment

		US\$
Health & Wellness	13%	1,483,485
Environment	6%	704,990
Community Development	22%	2,591,755
Youth & Education	35%	4,111,600
Nanpaz	5%	603,846
Matching Gifts	18%	2,074,881
Miscellaneous	1%	129,442

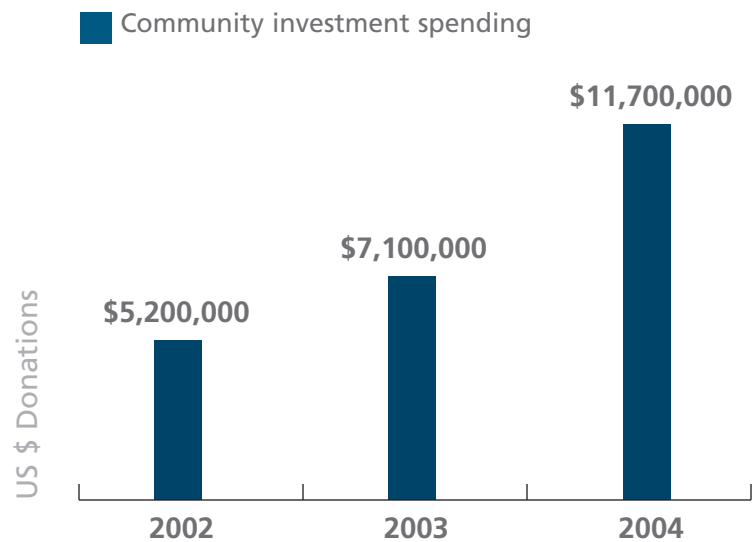


In 2004, EnCana’s prime focus was on education initiatives addressing the shortage of skilled workers in the oil and gas industry.

INVESTING IN THE COMMUNITIES WHERE WE OPERATE

Community investment spending

2002	\$5,200,000
2003	\$7,100,000
2004	\$11,700,000



EnCana invested \$11.7 million during 2004 in the communities where we operate, and also dedicated staff and resources to numerous programs to ensure sustainability of programs we support. EnCana is a member of Imagine Canada, which sets a benchmark for corporate giving at one percent of pre-tax profits.

PAYMENTS TO GOVERNMENTS

	Canada	US	Equador	
2003	637,695,225	245,806,176	174,301,349	1,057,802,750
2004	692,660,520	355,630,079	343,132,858	1,391,423,457

EnCana directed almost \$1.4 billion during 2004 in royalty payments to local, regional and national governments in countries where we operate. Income taxes are reported in the financial statements.



FREQUENTLY ASKED QUESTIONS



What is the composition of EnCana's Board?

EnCana's Board of Directors has 16 members, 15 of whom are independent. One Board member has an executive function with EnCana Corporation. Two members of the Board are women, and 15 of the 16 members are Canadian.

Are the roles of CEO and Chairman separate?

EnCana does separate the roles of CEO and Chairman. Shareholders approved a by-law which requires the Chairman and the Chief Executive Officer of the corporation to be different individuals. This move ensures separation of the Board from management and reflects a best practice for corporate governance.

What are the committees of the Board, and what are their responsibilities?

The following are the committees of EnCana's Board of Directors:

- Audit Committee
- Corporate Responsibility, Environment, Health & Safety Committee
- Human Resources and Compensation Committee
- Nominating and Corporate Governance Committee
- Pension Committee
- Reserves Committee

The following functions are the responsibility of the indicated committee, or entire Board:

- Audit — Audit Committee (100% of EnCana's Audit Committee membership is independent directors)
- Corporate Social Responsibility — Corporate Responsibility, Environment, Health & Safety (CREHS) Committee
- Corporate Strategy and overall supervision of the management of EnCana's business and affairs — Board of Directors
- Oversight of pension and savings plans — Pension Committee
- Review of externally disclosed reserves information — Reserves Committee
- Remuneration of Board members and senior executives — Human Resources and Compensation Committee
- Risk management — Board of Directors
- Selection and nomination of Board members and senior executives — Nominating and Corporate Governance Committee

Does EnCana report the Board's remuneration?

EnCana reports Board remuneration annually in the Information Circular.

Has EnCana published a code of ethics or ethics policy?

Yes. EnCana has a Corporate Responsibility Policy and Business Conduct and Ethics Practice in place. Adherence to the Corporate Responsibility Policy and Business Conduct and Ethics Practice is expected throughout the organization, and of contractors.

The code addresses the following issues:

- compliance with laws and regulations;
- giving and receiving inducements and bribes;
- giving and receiving gifts;
- donations to political parties;
- conflict of interest issues; and
- employee use of company resources.

Does EnCana have a policy setting out standards for dealing with suppliers and customers?

EnCana's Corporate Responsibility Policy, Business Conduct and Ethics Practice, and Non-harassment Practice all provide standards for dealing with suppliers and customers.

Does EnCana include environmental criteria in the selection of contractors and suppliers?

EnCana requires that contractors, suppliers and consultants who provide goods or services to EnCana enter into one of EnCana's standard form agreements. These agreements contain the terms and conditions that govern the relationship between EnCana and the contractor, supplier or consultant and include certain things that they must do or provide to EnCana.

For example, there are specific requirements that pertain to quality standards, and to environment and safety.

Diligence and attention to environmental issues is specified in contracts. When the service or product is in an area of environmental sensitivity, a company's capability and track record are considered in the evaluation process.

Does EnCana have a human rights policy addressing the company's operations in conflict zones or countries with poor human rights records?

Yes. Our Corporate Responsibility Policy commits EnCana to a set of specific policy undertakings regarding human rights.

Does EnCana have a policy or code of conduct governing its contractors or suppliers?

Yes. EnCana requires that contractors, suppliers and consultants who provide goods or services to EnCana enter into one of EnCana's standard form agreements. These agreements contain the terms and conditions that govern the relationship between EnCana and the contractor, supplier or consultant and include certain things that they must do or provide to EnCana.

At EnCana, we expect all suppliers and contractors and potential suppliers and contractors to be familiar with and uphold the corporate values and practices. Our policy regarding human rights applies to any activity undertaken by or on behalf of EnCana.

Does the company have systems or programs to manage human rights issues?

EnCana has a security program that balances the protection of company personnel and assets with human rights issues. The program provides guidelines and requirements which address training on human rights issues, mechanisms to monitor compliance (or its suppliers' compliance), and mechanisms to engage with affected communities regarding the company's human rights impact.

EnCana also has an Investigations Committee, established to investigate and resolve incidents that potentially violate established company policies or practices.

The committee comprises representatives from Corporate Security, Internal Audit, Human Resources, Information Technology and Legal. Representatives for jurisdictions outside Canada receive complaints and manage them through liaison with the other members of the Investigations Committee.

An Investigations Steering Committee has also been formed, to review and/or oversee the investigations process. The Investigations Steering Committee consists of representatives from Legal, Internal Audit, Human Resources, Information Technology, and Corporate Services and is chaired by the representative from Environment, Health, Safety and Security. Certain investigations under this practice concerning accounting or auditing matters are overseen by the Audit Committee of the Board of Directors.

Does EnCana have a public policy committing it to non-discrimination and equal opportunities?

EnCana commits to non-discrimination and equal opportunity through its Corporate Responsibility Policy.

What percentage of employees are women?

As of December 2004, women comprised 33 percent of EnCana's workforce.

What proportion of employees has a training and development review each year?

Training and development reviews are provided to 100 percent of employees each year.

Describe wellness programs in place at EnCana.

EnCana's Alcohol & Drug policy — This policy and its related practices apply to all staff members when they are engaged in company business, working on or off company premises, and when driving company vehicles. EnCana's contractors are expected to develop and enforce Alcohol and Drug Policies and Practices that are consistent with this policy and its associated requirements.

Employee and Family Assistance Program — EnCana's Employee and Family Assistance Program (EFAP) provides counseling to employees and their families through an external service provider. The EFAP will normally provide for a period of confidential counseling each calendar year for each employee and each family member.

Wellness Checkpoint — Employees are encouraged to complete this optional, confidential, anonymous online questionnaire designed to assess their current lifestyle habits and choices. Employees immediately receive a detailed report containing their personal results.

Wellness programs — promotes employee wellbeing through health promotion initiatives:

- employee-sponsored fitness classes and interest clubs;
- lunch & learn sessions on various health and wellness topics;
- health education for global workplaces in a variety of methods; and
- life skills education: customized workshops on stress management, managing change and transitions.

Medical Services — Develops standards for health assessment and services, and ensures regulatory compliance for medical practices in all EnCana locations, including:

- fitness-for-work assessment for pre-employment, periodic health, and return-to-work purposes;
- international travel health services such as travel medical assessments, immunization information, emergency evacuation information, travel medical kits, general and country-specific travel health education;
- 24-hour emergency medical support, corporate crisis management and coordinates critical incident debriefing services; and
- employee emergency care, medical referrals, and health education and counseling.

Disability Management — Supports employees, supervisors and business through disability management in illness case management and referrals (for absences longer than five days). This program provides for liaising with treating physicians, health care providers, and the workplace on confirmation of disability benefits, estimated duration, fitness-for-work assessment, return-to-work protocols and modified work accommodations.

Does EnCana have an environment, health and safety policy?

Yes. Our Corporate Responsibility Policy commits EnCana to a set of specific policy undertakings on environment, health and safety (EH&S).

How does EnCana manage environment, health and safety issues?

The Corporate Responsibility, Environment, Health & Safety Committee of EnCana's Board of Directors approves environmental policy and oversees compliance with government laws and regulations.

Our EH&S management program includes the following elements:

- monitoring and reporting programs for health and safety performance in day-to-day operations, as well as inspections and assessments which are designed to provide assurance that health, safety and related regulatory standards are met;
- EnCana has a corporate environment, health and safety group that is led by the Vice-President, Corporate Environment, Health, Safety and Security; and
- this position reports to the Executive Vice-President, Corporate Relations, who reports directly to the Chief Executive Office.

Health and safety is integrated into line management responsibility. Each business unit has environment, health and safety staff who report directly to operational personnel and indirectly to a central environment, health and safety function.

Approximately 150 staff are dedicated to EH&S activities overall.

Does the company have a formal Environmental Management System (EMS)?

Yes. Safety and environment risks are managed by adhering to EnCana's policies and standards which meet or exceed government regulations and industry standards. In addition, EnCana maintains a system (called EH&S Best Practices) that identifies, assesses and manages safety and environmental risk, which includes regular reporting to senior management and the Board of Directors.

EnCana has guiding documents, including the Corporate Responsibility Policy, which deal with:

- expectations and requirements for leadership;
- risk management;
- emergency preparation and response;
- training and competency;
- responsible conduct;
- supplier and contractor performance;
- incident management;
- document management;
- reporting; and
- ongoing evaluation of the system.

EnCana has begun to employ cumulative effects assessment methodologies and constraints mapping to assist in siting and impact assessment for potential projects. In addition, our consultation process includes active Aboriginal and community engagement to help ensure that we are aware of potential issues that may influence our construction or operations (e.g., avoidance of vegetation that is important to local Aboriginal populations)

Contingency plans are in place for a timely response to an environmental event, and remediation/reclamation strategies are employed to restore the environment.

Does EnCana have systems to measure and monitor environmental, health and safety performance?

For health and safety, EnCana uses software called Incident Tracker System, an online system used to record health and safety incidents. All employees have access to the software to create an incident report. From these reports, action plans are prepared and appropriate timelines determined. Reports are reviewed monthly by operating groups. A corporate report is also prepared monthly.

EnCana follows the Canadian Association of Petroleum Producers (CAPP) stewardship guidelines. Data is tracked on real-time, monthly, quarterly and annual bases depending on the nature of the data requirement. One of the tools we use for environmental performance tracking is software called Emissions Manager™. Reports on spills, emissions, regulatory compliance issues and other metrics are prepared on a variety of bases. Reports are provided weekly to the Executive Team, and quarterly to the Coordinating Committee.

Does EnCana conduct environment, health and safety audits?

Staff has been designated to conduct environmental audits, and report to a central service group rather than operating units. The audit protocol measures conformance with the relevant legislation, regulations, approvals, permits, and the EH&S Best Practices management system applicable to the audited facilities and projects.

In 2004 EnCana Corporation adopted company-wide, multi-level, internal audit processes to help ensure:

- EH&S audits and inspections are regularly conducted by regional EH&S staff;
- compliance with prevailing EH&S regulations in its various operating jurisdictions;
- EH&S risks associated with acquisitions and divestitures are properly managed; and
- EH&S management system performs properly throughout EnCana.

For specific requirements, EnCana often engages a third-party auditor. For example, an external auditor prepares and attests to the information in EnCana's annual greenhouse gas emissions reports.

Does EnCana set specific environment, health and safety/wellness performance targets?

No. EnCana's goal is to continually improve upon our safety, environmental and regulatory compliance record for employees and contractors. These objectives are contained in the Corporate Responsibility Policy.

Does EnCana have a formal environment, health and safety/wellness training program?

Yes. TRACCESS is a learning management system that is the platform for employees to access on-line learning and increase job competency. This supports operations training, and delivers and tracks employees' competencies and manages all aspects of learner training and record keeping. The system tracks whether individuals have covered the appropriate modules to be allowed on an operating site. Reports are monitored to ensure individuals have current and appropriate training.

Does EnCana have formal programs for engagement/consultation with communities affected by business activities?

Timely and meaningful dialogue with affected and interested community members is a cornerstone of the EnCana Corporate Responsibility Policy. The methods through which EnCana accomplishes this objective depend on the needs of the local community, business objectives, and what are deemed the best means to achieve collaboration, all of which are captured in community relations action plans. These include, but are not limited to:

- one-to-one meetings;
- open houses;
- advertisements and local newspaper articles; and
- advisory committees.

EnCana also uses a variety of material to complement consultation mechanisms. These include:

- project-specific brochures;
- formal presentations;
- trade booth-style displays focused on key topics of interest; and
- facilitators in multi-stakeholder processes.

Community relations specialists are employed within business units in the communities and in the corporate office.

Does EnCana have a formal policy on Aboriginal/indigenous relations?

Yes, EnCana has a formal Aboriginal Relations Policy. EnCana's philosophy is that effective Aboriginal relations extend far beyond policy development. Our goal is to build strong, mutually beneficial relationships, rather than just another industry program.

EnCana works with approximately 70 Aboriginal communities and organizations. The company strives to treat all communities with which we work in a fair and equitable manner, guided by EnCana's values, as detailed in our Corporate Constitution, and the Corporate Responsibility Policy. These values include open communication, integrity, mutual respect, trust and making a positive difference through community capacity building.

EnCana's philosophy and approach draw from Canadian Association of Petroleum Producers (CAPP) and industry practices, and from the Canadian provincial consultation guidelines.

Does EnCana have formal engagement and consultation programs specific to Aboriginal or indigenous communities?

Yes, EnCana has formal engagement and consultation programs specific to Aboriginal and indigenous communities. For example, Athabasca Tribal Council (ATC) Consultation Protocol Agreements and Industrial Relation Corporations (IRC) — Protocol agreements have been signed between the ATC, Chipewyan Prairie First Nation, Fort McMurray First Nation and EnCana. EnCana provides resources to communities to facilitate capacity development and meaningful consultation. In addition, EnCana has several other protocol agreements and economic accords with various Metis and First Nation communities across Western Canada.

EnCana has involved many Aboriginal communities in benefit sharing and joint venture agreements for transportation, drilling rigs, camps and catering, security, courier, fuel supply, site construction, waste disposal, road maintenance and a host of other activities whereby EnCana has made long term commitments to build equity ownership and capacity in ventures that substantively involve the communities in the economic benefits of resource development.

Does EnCana conduct regular employee surveys?

Yes. Company-wide employee surveys are undertaken every few years. Smaller surveys of various sub-groups are undertaken on an ongoing basis.

Does EnCana have a policy pertaining to community donations and community relations?

EnCana's Corporate Responsibility Policy commits us to a set of specific policy undertakings regarding community development.

As a member of Imagine Canada, EnCana contributes a minimum of one percent of its pre-tax profits to charitable and non-profit organizations in communities where it operates. EnCana welcomes applications in the following areas:

- health and wellness;
- youth and education;
- environment; and
- community development.

Does EnCana have formal objectives as part of its community donations program?

EnCana is focused on contributing to the strength and sustainability of the communities in which we are privileged to operate. At EnCana, we believe our success depends upon our ability to listen and appropriately respond to the people and communities where we do business, and to remain aware of ever-changing issues and ideas.

By partnering with our employees, community organizations and other businesses we have an opportunity to positively shape the future of the communities in which we operate. As we grow our business, we have an even greater ability to sustain and improve relationships with our neighbours by enhancing community-related programs and by setting new benchmarks for environmental responsibility. EnCana's Community Investment strategy is designed to meet the company's business objectives while providing benefit to the communities where it operates.

Does EnCana match employees' charitable donations?

Yes, through two programs: our Foundation yearly matching campaign at Canadian locations; and our Matching Gifts Program which is available year-round to all staff.