

learning together improving



LEARNING TOGETHER. TOGETHER IMPROVING.

Ensuring ethical behaviour, high standards of social and environmental performance and governance.

We're proud of the progress we've made thanks to the efforts of staff and external stakeholders, the recognition we've together received and our commitment to continuous improvement. Our Corporate Responsibility Policy outlines our commitment to conducting business ethically, legally and in a manner that is fiscally, environmentally and socially responsible, while delivering sustainable value and strong financial performance.

International recognition

In addition to being listed on the Dow Jones Sustainability Index for the second year in a row, we have been awarded a Sustainable Asset Management (SAM) award for demonstrating leadership in sustainability. We are the only North American company under the 'Oil & Gas Producers' category to be recognized with a class distinction in the Sustainability Yearbook 2009.



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REFLECTION

This year we're pausing to reflect on some of the significant achievements we've made in response to the issues and challenges we've faced as our organization has grown and evolved over the years. Throughout the book you can read some examples of these achievements.

Dollar figures are in U.S. currency unless otherwise noted.

In this document EnCana does not include performance data from non-operated assets such as our 50 percent ownership of two refineries in the U.S. (ConocoPhillips owns the other 50 percent and is operator of the refineries) unless otherwise noted.

In addition to these highlights, you can find our policies, practices and complete performance metrics online at www.encana.com

Committed to learning and improving

While 2008 was a year of great volatility in financial and commodity markets, EnCana remained steadfast in its commitment to responsible natural gas and oil development and to being an industry leader in the sustainable development of unconventional resources. Sustainability continues to be at the very core of our resource play strategy.

The concept of learning and improving, the theme of this year's report, is a cornerstone of our company. We're always looking for ways that we can be better at what we do. It's why we continue to develop and refine practices and programs that make us a more environmentally-responsive operator, a better neighbour and a place where people want to work and it's why we continue to identify, monitor and mitigate risks.

This year we're taking a different approach to sharing how we're delivering on our commitments. Rather than a full printed report, we've printed key highlights of our 2008 corporate responsibility performance along with brief descriptions of how our practices and programs have evolved over the years. The complete set of our practices and performance data is on our website and will be updated throughout the year with fresh examples demonstrating our commitment to responsible energy production.

Building strong programs and practices, and improving performance take time. For example, we are now seeing the results of our efforts to improve energy efficiencies from the past two years. We've not only made progress in reducing our emissions in 2008, we've also improved how we disclose the cost of carbon in our business. More examples of our progress can be found on our website.

As we continually strive to improve our performance, we acknowledge there are some areas where we haven't achieved the high standards we set for ourselves. Despite our best effort, five people were fatally injured while working on EnCana sites since our last Corporate Responsibility Report was published. We are deeply saddened by the loss of our colleagues. Their deaths serve as a stark and unmistakable reminder that the work we do can be dangerous and that safety must always be top of mind. Our leaders across the organization take that responsibility seriously, ensuring our staff understand that it's not worth doing if we can't do it safely. Additionally, we have added a number of new tools to help staff assess and mitigate risks to prevent similar incidents in the future.

The safety of our staff and the residents in the Tomslake area near Dawson Creek, British Columbia has been of particular importance as a result of bombings at our facilities in that area. We support the RCMP's investigation to find those responsible and are working to ensure the safety of the community and our staff. Maintaining positive relations in the communities where we operate is something we value and we work hard at it. We are dedicated to open, honest communication so that we can understand and respond to concerns stakeholders may have about our operations.

On a final note, it is always gratifying to be recognized for our efforts. Once again, our sustainable approach to resource development has been recognized by the World Dow Jones Sustainability Index and the Michael Jantzi Social Index. I invite you to visit our website regularly to learn more about EnCana and how each day we strive to provide energy for people – responsibly.



Randy Eresman
President & Chief Executive Officer



our people

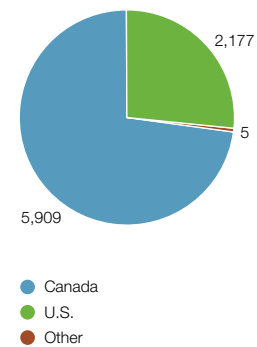
Making EnCana a company where talented people want to work.

Our commitment to corporate responsibility starts with our people, which is why we focus on attracting and retaining the best and brightest people. It's also why we provide our employees with challenging and rewarding work opportunities. And it's why we have a variety of programs to recognize them for their experience and reward them for their hard work. With integrity as our foundation, employees and contractors alike follow established business standards that clearly demonstrate expectations and guide us all in the work we do every day.

Our human resources programs and practices are designed to provide support and development opportunities at every stage of an employee's career. This full-cycle approach, stressing the need to maintain a safe work environment, work-life balance and continual learning and development, helps us sustain a highly skilled and effective workforce.



Total Workforce



We are a Canadian-headquartered company with three operating divisions in Canada and one in the U.S. We invest a small portion of our capital in international exploration opportunities.

Creating opportunities to learn from each other

Part of our commitment to employees includes offering them opportunities for ongoing learning and development. In 2008, more than 2,500 EnCana staff from across North America gathered at our biennial gEnergate Summit – an internal tradeshow for staff to network and share information about new technologies and innovations. The theme of the 2008 summit was *Creating a Sustainable Future*. The summit encourages staff to learn from our challenges and successes and apply what they've learned across the company. The two-day event consisted of an exhibitor hall with displays, panel discussions and feature presentations by keynote speakers.

Encouraging development

Experiencing a different side of our business and industry is valuable to employee development. Development is encouraged at all levels of the organization. One way to help facilitate learning and foster understanding is through employee participation in various exchanges and secondments with government and industry organizations. We also share our expertise and perspective through representation on the Board of Governors of the Canadian Association of Petroleum Producers; the Board for the Colorado Oil & Gas Association; the Petroleum Association of Wyoming; Independent Petroleum Association of Mountain States; Colorado Petroleum Association; Independent Petroleum Association of America; and the American Petroleum Institute.

37%

female employees

EnCana's rate is considerably higher than the industry rate of 25 percent. (Source: Statistics Canada)



REFLECTION

We rely on the knowledge and experience of our employees to contribute to EnCana's growth and success. We've developed innovative practices and programs over the years to attract and retain the very best. These are just a few examples.

- The high performance contract and assessment process and performance-based recognition help employees define and measure their accomplishments and development.
- Regular employee surveys provide us with feedback on working at EnCana.
- Earned first and third Fridays off and enhanced vacation practice promote work-life balance.
- The annual *Healthy New Year* program and the Wellness Checkpoint, an individual assessment and planning tool, help promote health and wellness among employees.
- As a condition of employment, employees are required to regularly confirm their commitment to six policies and practices: Business Conduct & Ethics; Alcohol & Drug; Disclosure, Confidentiality & Employee Trading; Corporate Responsibility; Information Management; and Non-Harassment.



safety

Focusing on safety.

Given that the work we do is not without risks, we stress safety as a core value across our operations. Through our Environment, Health & Safety management system and principles, in combination with our safety practices, we strive to identify, eliminate or control hazards and prevent injuries on our worksites by:

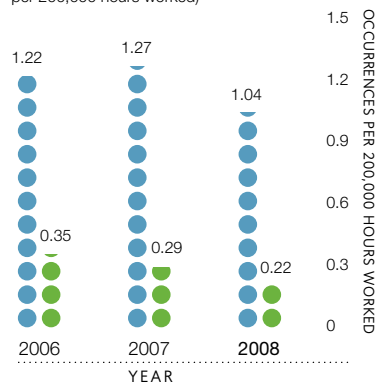
- ensuring our employees and contractors receive the training and experience they need to work safely
- working collaboratively with our service providers and contractors to create safer worksites
- investigating incidents and learning from them when they do happen, to prevent a reoccurrence
- stressing the importance of safe driving
- demanding an alcohol- and drug-free workplace
- communicating our safety successes and challenges openly



Full-scale emergency response exercises are one way we ensure our people and systems are prepared for an emergency situation. One such exercise in 2008 conducted at our operations in Weyburn, Saskatchewan, involved 75 people and took four months to plan. Exercises like this allow us to test our emergency response plans, establish working relationships with local first responders like police and fire departments, and demonstrate to the communities where we operate that we are prepared for emergencies.

Injury frequencies

(Employees and contractors, per 200,000 hours worked)



- Recordable (1) (2) (3) (4)
- Lost time (1) (3) (4) (5)

- (1) The frequency rate is per 200,000 hours worked (equivalent to 100 person years), a standard industry measurement.
- (2) Recordable injuries include permanent total disabilities, lost work day cases, restricted work cases, medical treatment cases and fatalities.
- (3) Contractor refers to contract personnel engaged to perform services for EnCana. Statistics also include service companies (e.g. drilling companies).
- (4) Contractor portion of exposure hours is calculated from capital expenditures.
- (5) Lost time injuries include permanent total disabilities and lost work day cases.

85%

of operating hours

Performed by contractors and service providers. We require them, just like our employees, to sign off on their understanding and acceptance of health and safety policies and practices.

REFLECTION

We focus on keeping safety top of mind at work and at home every single day. We remind each other that it's not worth doing if we can't do it safely, and we're always looking for opportunities to discuss safety.

- Employees and contractors, including in the U.S., have participated for the past seven years in Safety Stand Down Week – a Canadian, industry-wide initiative that encourages management to visit frontline workers and talk about safety.
- A poster campaign and enhanced communication from leaders keeps safety at the forefront in all operating areas.
- Funded the development of an industry safety data tool that ensures training and expectations for safety performance on our worksites.

Reinforcing the safety message

Motor vehicle incidents, including driving-related fatalities, are one of the most pressing safety issues across the oil and gas industry. We made it our business to do something about it.

In 2008, we implemented the Driver Distraction Practice, which prohibits the use of all communication devices, including hands-free devices, while driving any vehicle on company business.



To help communicate the new practice, we launched a Drive Safe campaign that included a DVD for staff to watch with friends and family, which featured general facts and tips about safe driving practices. We also developed an internal Drive Safe website as well as other tools and resources to support the required change in driving behaviour.



environment

Taking our environmental responsibility seriously.

The impact of energy development is something many of our stakeholders are concerned about. Because each area where we operate presents distinct environmental challenges, we are constantly learning and defining how we incorporate environmental considerations into our operations. By working together with our stakeholders, we explore the needs of our operating areas and use technology and innovation to mitigate our impact on the environment.

Looking for more ways to reduce emissions

We're currently testing the conversion of company vehicle engines to clean burning natural gas or bi-fuel, which is natural gas used in conjunction with diesel fuel. EnCana has had significant success with replacing diesel engines with natural gas for the drilling rigs that we hire, and using fuel additives to further reduce rig emissions.

We're also educating our employees and the public on how driving habits can reduce vehicle emissions and energy consumption. Beginning in March 2008, 30 EnCana employees were among the 400 who participated in the year-long pilot program, *Driving Change...Denver*, the world's first internet-based vehicular greenhouse gas (GHG) tracking system. EnCana, the City of Denver and two technology companies worked together to develop the pilot, which resulted in a 35 percent reduction of idling and a 10 percent reduction of CO₂ emissions.

420
kilotonnes

Estimated amount of CO₂ equivalent to be avoided through energy efficiency projects initiated to date – the equivalent of removing 70,000 cars from the road for one year.

EnCana Air Emissions and Energy Intensity ⁽¹⁾	2006	2007	2008
Direct GHG emissions (kilotonnes CO ₂ e) ⁽²⁾			
Canada (includes Cavalier Power Plant)	5,900	6,700	6,600
U.S.	2,000	3,100	3,100
Direct GHG emissions intensity (tonnes CO ₂ e/m ³ OE)			
Canada (includes Cavalier Power Plant)	0.169	0.186	0.180
U.S.	0.141	0.150	0.124
Nitrogen oxides (NOx) emissions (tonnes) ⁽³⁾			
Canada	33,000	33,500	33,100
U.S.	4,900	5,000	6,300
Sulphur dioxide (SO ₂) (tonnes) ⁽⁴⁾	7,200	12,100	9,000
Total gas flared (10 ³ m ³ /yr) ⁽⁵⁾			
Canada	112,500	283,200	176,500
U.S. ⁽⁶⁾	–	22,000	63,200
Total gas vented (10 ³ m ³ /yr)			
Canada	17,600	14,800	13,200
U.S. ⁽⁷⁾	–	93,200	106,600
Solution gas conservation rate (percentage) ⁽⁸⁾	97.8	97.9	97.85

(1) Operated, direct emissions.

(2) Canadian and U.S. emission methodologies both follow American Petroleum Institute (API) standards though are not directly comparable because data capture processes vary according to business system limitations. Since 2006 to 2007, the U.S. division estimated direct GHG emissions for smaller equipment using certain operating assumptions approved by U.S. regulatory agencies for the calculation of other air emissions. The reporting continues to evolve as systems and various regulatory emission requirements change.

(3) Estimated values based on fuel usage, type of equipment firing the fuel, and American Petroleum Institute (API) NOx emission factors or U.S. regulatory permitted NOx emission factors.

(4) Does not include Cavalier Power Plant.

(5) 2006 data has been recalculated due to factor adjustments and production accounting updates.

(6) From 2007 to 2008, additional regulatory requirements to control ozone precursor emissions were enacted in the U.S., resulting in increases in total flared gas.

(7) From 2007 to 2008, refined calculation methodologies resulted in increases in total gas vented.

(8) Alberta only.

Improving energy efficiencies – good for the environment and good for business

We launched our energy efficiency initiative to create measurable reductions in energy use and related air emissions. Since the initiative began, we have approved 56 projects costing C\$32 million. The various initiatives are already making a direct impact on our energy use, with an estimated 420 kilotonnes of CO₂ equivalent to be avoided through energy efficiency projects initiated to date.

EnCana sponsored One Change through the organization's Project Porchlight™ program, which distributed 832,000 compact fluorescent light bulbs to homes in Alberta and B.C.

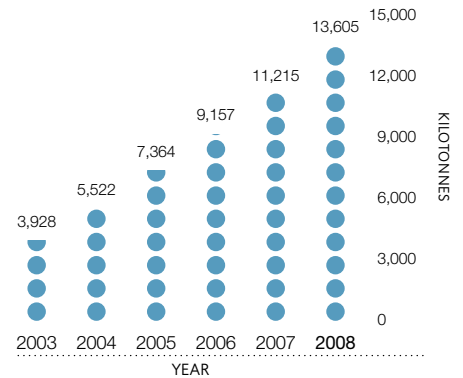
Investing in people and ideas that address future solutions

EnCana is committed to finding ways to reduce GHG emissions through the development of new technology. In 2008, we announced our contribution of C\$3 million over three years to Atlantic Hydrogen Inc.'s CarbonSaver™ Demonstration Project through our Environmental Innovation Fund.

The CarbonSaver™ technology captures carbon in a natural gas stream as a solid, which can then be sold for use in products such as inks, dyes and plastics. This extraction process leaves behind a hydrogen-enriched, low-emissions fuel, which when combusted reduces CO₂ up to seven percent and NOx up to 90 percent in some applications.

Our Environmental Innovation Fund leverages new ideas and technologies that can benefit the energy sector, end users and our company. To date, we have committed almost C\$30 million to 18 projects through the fund.

Total Cumulative Volume CO₂ Sequestered



Our enhanced oil recovery facility at the Weyburn field in Saskatchewan is the site of the largest CO₂ sequestration project in the world. Commercially-proven technology maximizes the recovery of oil reserves while decreasing greenhouse gases released into the atmosphere. More than 13,000 kilotonnes of CO₂ have been sequestered at Weyburn to date.

REFLECTION

We develop energy in a safe and responsible manner, continuously working to improve our technology, systems and practices.

- Our Corporate Responsibility Policy provides guidance for our environmental stewardship.
- The more than 14,500 EnCana-owned and operated solar panels used in our operations in Canada and the U.S. have an installed capacity of 1.28 megawatts, and generated approximately 1,400 megawatt hours of electricity in 2008.
- A C\$7.5 million donation enables the University of Alberta to focus on water resources and environmental engineering research.
- Our partnership with Ducks Unlimited Canada increases awareness of the value of wetlands through Project Webfoot.



engagement

Building and maintaining strong relationships with our stakeholders.

The majority of our operations are in areas where people live and work. Ensuring they understand who we are and what they can expect from us is crucial to our business. We work with stakeholders in a transparent, honest and respectful way by listening to their concerns and working together to find solutions to meet their needs. Open dialogue with stakeholders enables good decision making, helps identify and resolve issues, builds strong communities and supports shared learning before, during and after our operating activities.

Effective stakeholder engagement at EnCana depends on three components: building of trust; dialogue and consultation; and collaboration. Our approach to engagement is tailored to meet the needs of our stakeholders and can include one-on-one meetings, open houses, public meetings, newsletters, and information packages.



Our stakeholders include employees and contractors, landowners, communities, Aboriginal communities, shareholders, private sector partners and competitors, government, financial institutions, regulators, and civil society organizations such as environmental non-government organizations and community-based organizations.

Being a good neighbour starts at home

We launched Courtesy Matters® in 2006 in response to a large community survey. The program has since grown into a company-wide, award-winning initiative aimed at gaining and maintaining trust and respect in the communities where we operate. The program sets expectations for our staff and contractors to demonstrate respect and courtesy by being conscious of concerns such as containing garbage, adhering to speed limits, controlling dust, ensuring gates are closed, and reducing noise.

Creating successful Aboriginal partnerships

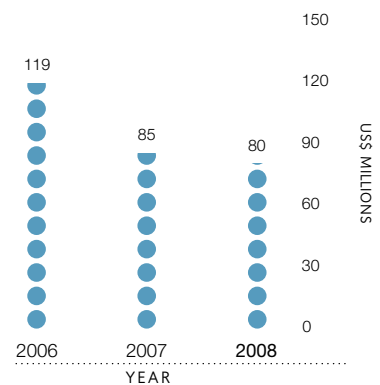
We strive to build mutually-beneficial relationships with Aboriginal communities near our operations through respectful engagement, partnerships, sponsorships, employment, training and business development.

We developed an online training system to teach our staff about Aboriginal history, Aboriginal rights and culture, and how we engage Aboriginal communities in our business. We've developed an Aboriginal Engagement Guide that provides staff with a consistent approach to communicate and collaborate with Aboriginal community members.

60 Aboriginal communities

Number of communities we work with, in or around our operations in Alberta and B.C.

Procurement from Aboriginal suppliers⁽¹⁾



(1) Although there has been a decrease in spending due to a reduction in seismic programs, drilling and construction activity, we continue to provide education and training, and business and employment opportunities to Aboriginal communities.

REFLECTION

Over the years, EnCana has introduced creative ways to work together with our stakeholders. This includes how we educate our employees and contractors on best practices for engagement.

- Community newsletters help keep stakeholders informed of our activities in their area.
- Our Stakeholder Engagement Guide helps staff develop their community relations skills.
- Training for land agents fosters integrity and consistency. We follow up by asking landowners, residents and others how we are living up to these expectations.
- Our Integrity Hotline is one way for concerned stakeholders to communicate with us about issues they may have with the way we work.



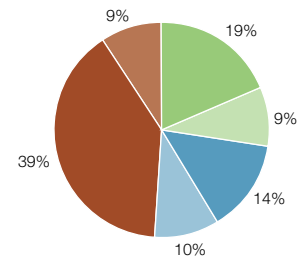
community investment

Investing in communities where we operate starts with understanding their needs.

Contributing to the well-being of communities is the responsibility of a good corporate citizen. At EnCana, we embrace the opportunity to contribute to the strength and sustainability of the communities where we operate. Many of our employees also live in these communities, so they have first-hand knowledge of what will help those communities thrive. We focus on a number of specific areas to help support healthy and vibrant communities for the long term.

- **Community enhancement** we invest in programs and events that help to preserve heritage and lifestyle while contributing to community culture and sustainability.
- **Environment** we partner with a variety of organizations that care for and help protect the environment.
- **Family and community wellness** we work with community organizations that promote wellness; contribute to the prevention of illness and injury; and enhance health care, social and emergency services.
- **Science, trades and technology** we support the development of a sustainable, skilled workforce by investing in educational, vocational and technical training institutions and training ventures tailored to develop skills and promote employment.
- **Sport and recreation** we contribute to the physical and social well-being of communities.
- **Employee programs** we encourage and support our employees to make a difference in their communities by volunteering time and providing monetary donations to charitable organizations they feel passionate about.

Community investment in 2008⁽¹⁾



- Community enhancement
- Employee programs
- Environment
- Family and community wellness
- Science, trades and technology
- Sports and recreation

(1) Administration costs are 0.03% of total spend.

We are aligned with Imagine Canada's standard for corporate giving by contributing a minimum of one percent of our Canadian pre-tax profits to the communities where we work and live across North America.



Volunteer hours count for even more

In February 2008, EnCana introduced an employee volunteer program. The program allows employees and their immediate families to apply for grants based on the number of hours they volunteer with a non-profit or charitable organization.

For 2008, 120 employees have logged 5,400 hours in the program so far and more than C\$90,000 in grants have been issued to 116 organizations. To kick off the program we established Share Your Heart Day to celebrate employees and their families participating in volunteer activities in their communities. On Share Your Heart Day 2008, families participated in activities such as a community clean-up in Drumheller, Alberta; fixing bikes for kids at the Southern Alberta Ronald McDonald House; painting the Boys and Girls Club in Calgary, Alberta; and planting trees in Denver, Colorado.

\$34.6
million

Invested in communities in 2008,
an increase of \$6 million over 2007.

REFLECTION

EnCana has a long history of meaningful investment in our communities. There are too many examples to list here, but we're especially proud of these.

- Volunteering with Energy in Action, a Canadian Association of Petroleum Producers community program, to visit schools and teach students about the oil and gas industry and environmental stewardship.
- Offering scholarships to students in our operating areas.
- Matching of employee charitable donations up to \$25,000 per employee each year.
- Partnering with Alberta 4-H to connect directly with some of tomorrow's leaders.

EnCana recognizes that charitable giving and volunteerism are personal decisions. Our programs allow each employee to decide how, when and where they contribute financially and volunteer their time.



Who is EnCana?

We are a leading North American unconventional natural gas and integrated oil company headquartered in Calgary, Alberta. More than 80 percent of our production is clean burning natural gas. We are also a technical and cost leader in the enhanced recovery of oil through steam-assisted gravity drainage (SAGD).

Our strategic focus is on natural gas and oil resource plays. With nine key natural gas and four key oil resource plays in Canada and the United States we are able to invest for the long term and apply continuous improvements to all areas of our business.

Financial and Operating Highlights ^{(1) (2) (3)}	2008
Total production, net of royalties (Mmcfe/d)	4,639
Gas (MMcf/d)	3,838
Oil and natural gas liquids (bbls/d)	133,580
Total net acreage (thousands of acres)	23,612
North America	22,747
International	865
Revenues, net of royalties (US\$ millions)	30,064
Cash flow (US\$ millions) ⁽⁴⁾	9,386
Common shares outstanding, at end of year (millions)	750.4
Market capitalization (US\$ millions) ⁽⁵⁾	34,879

(1) For detailed information of our financials see EnCana's 2008 Annual Report.

(2) This table includes production, revenue and cash flow from non-operated assets.

(3) Mmcfe/d means millions of cubic feet equivalent per day, MMcf/d means millions of cubic feet per day and bbls/d means barrels per day. Crude oil and natural gas liquids volumes have been converted to millions of cubic feet equivalent on the basis of 6,000 cubic feet of natural gas to one barrel of oil.

(4) See Non-GAAP Measures advisory on page 70 in our 2008 Annual Report.

(5) Based on shares outstanding and New York Stock Exchange (NYSE) closing share price at December 31, 2008.

We continually evaluate and strive to improve the accuracy, completeness and reliability of our measurement and reporting.

We have two main objectives in reporting our corporate responsibility performance:

- to provide relevant and timely information so stakeholders can make independent assessments and informed decisions
- to track our performance so we can identify areas for continued improvement

Visit us online at www.encana.com for more information on our corporate responsibility policies, practices, programs and actions. The Corporate Responsibility section on our website includes the last three years of performance data. You'll also find more stories showing the ways we put our policies and practices into action.

ACKNOWLEDGEMENTS

Our success is a credit to the efforts and contributions of staff and external stakeholders. We thank you for your contributions as we work together to continue to improve our corporate responsibility performance and reporting activities.



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FEEDBACK

We welcome and value your feedback on this report and our corporate responsibility activities.

By email

crreportfeedback@encana.com

By phone

1-403-645-2000

By mail

Group Lead, Corporate Responsibility
EnCana Corporation
1800, 855 – 2nd Street S.W.
P.O. Box 2850
Calgary, Alberta, Canada T2P 2S5

Online

Visit the Corporate Responsibility section of www.encana.com and fill out our online feedback tool.

Environment PC100 FSC Certified Paper

Environmental Benefits Statement

This report is printed on Environment PC100 FSC Certified Paper – Forest Stewardship Council certified paper containing 100 percent post-consumer waste fibres and is totally chlorine free.

By using this environmentally friendly paper, EnCana saved the following resources:

Trees	Water	Energy	Solid waste	Greenhouse gases
20 fully grown	8,466 gallons	14,117 thousand BTUs	937 pounds	1,844 pounds

Calculated based on data research provided by Environmental Defense.

