

Canada

North Atlantic Investment Opportunity

Farm-In Opportunity in Offshore Nova Scotia, Canada

EnCana Corporation has a strong acreage position in the offshore waters of Nova Scotia and Newfoundland. The Sable Sub-basin in Nova Scotia contains commercially exploited gas and the Jeanne d'Arc Basin off Newfoundland contains the giant Hibernia, Terra Nova and Whiterose oilfields.

EnCana Corporation on behalf of itself and Petro-Canada, together being the interest holders in Exploration Licence 2414 are offering qualified companies the opportunity to acquire up to 50 percent of the working interest in the licence by participating in the funding of one exploration well. A well is due to be drilled by the end of 2007 (or by the end of 2008, with provincial government approvals and lodging of appropriate guarantees). The drilling of this well would take the Stonehouse Licence into a second exploration period, which expires in 2010. A discovery would allow the area associated with the discovery to be held under a "Significant Discovery Licence" for an indefinite period (subject to negotiations).

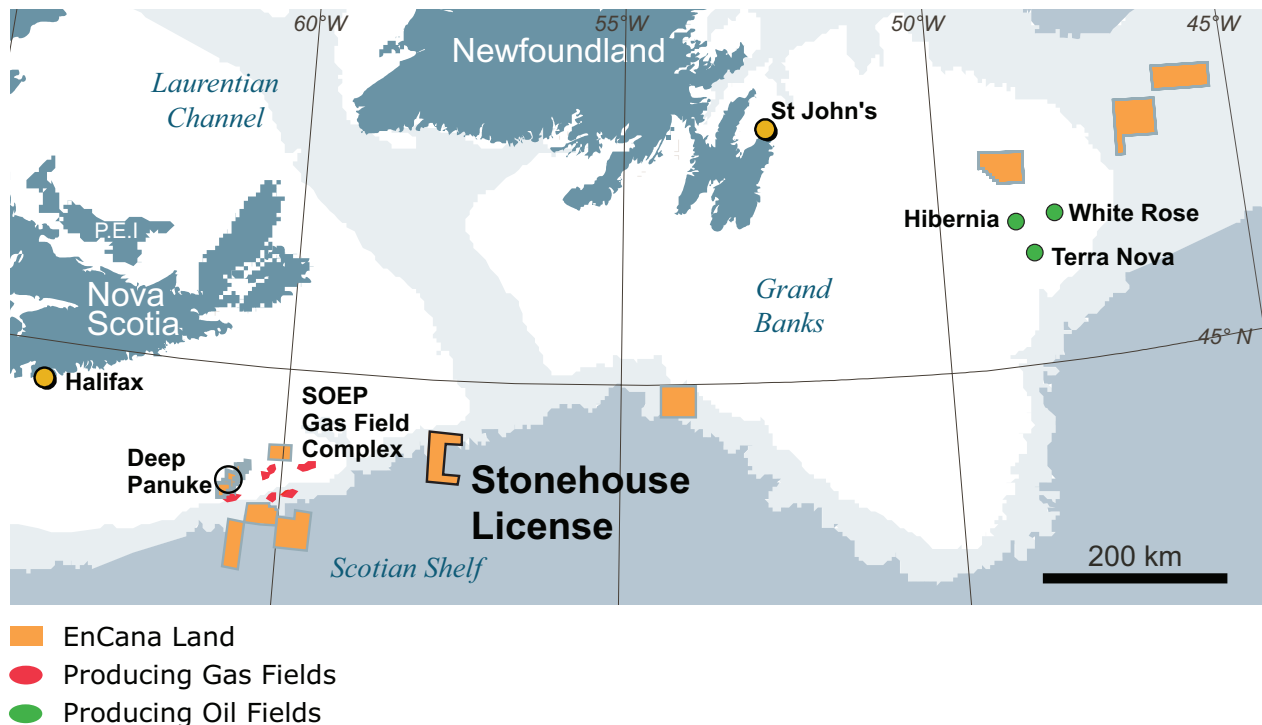
Opportunity

The Stonehouse Licence (1,480 km²; 366,227 gross acres) lies off the Scotian Shelf in water depths ranging from 600 to 3,000m. This part of the Canadian Atlantic Margin is both ice and iceberg-free all year round.

The licence was awarded to EnCana and Petro-Canada in January 2002. In 2003, the Joint Venture acquired a 2,000 km² 3D survey covering most of the block. A 3D SRME/PSDM project is currently underway to better define the likely drilling location.

The Stonehouse Licence contains one major prospect, the Stonehouse North prospect. Additionally there are leads in the east and south of the block. The Stonehouse North prospect is a large anticlinal closure with potential for dry gas reservoir in stacked early Cretaceous sandstones of the Missisauga Formation.

Secondary objectives include the early Cretaceous Mic Mac and mid-Cretaceous Logan Canyon Formations. Equivalents to these Cretaceous reservoirs have been proven to contain gas in the nearby Tantallon M-41 well (Shell 1986) and

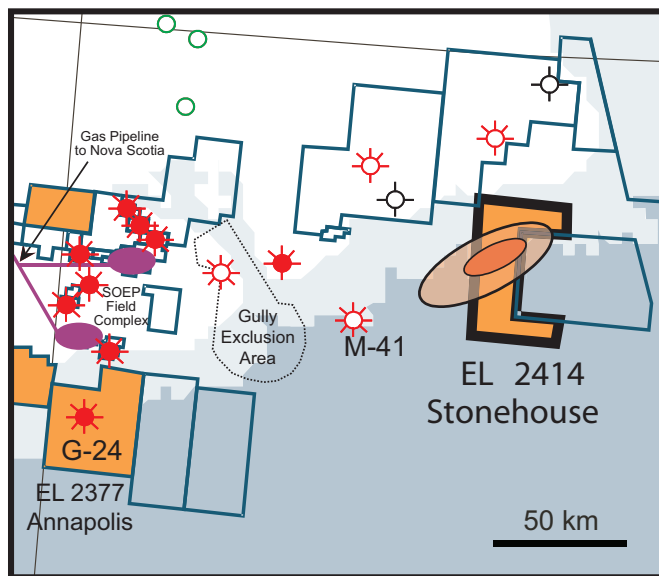


Annapolis G-24 discovery, which is located approximately 200 kms to the west (Marathon/EnCana et al 2003) as well as in many pools within the Sable Sub-basin to the west.

The Tantallon M-41 well lies on the southwestern boundary of the greater Stonehouse North structure and although the gas-bearing sandstones are thin at this location, regional work suggests the likelihood of thicker sand development to the northeast within the Stonehouse licence.

The source for gas in the prospect is from late Jurassic and early Cretaceous marine shales which have sourced the large "Sable Project" group of fields, as well as the Deep Panuke Field, which is operated by EnCana. Sealing for the trap will be provided by the intra-Missisauga shales and the regionally developed "Naskapi Shale Member" lying above the Missisauga Sandstones.

Resource potential for the Lower Cretaceous target is in the multi-TCF range of gas, plus associated liquids. Water depth at a provisional location is approximately 1,600m. It is expected that a "deep water tension-leg platform (TLP)" production facility would be employed in a production scenario with a pipeline back to the Nova Scotia mainland or to a gathering station on the Scotian Shelf. Export to the U.S. industrial north east via the Maritimes and Northeast Pipeline (or via a new pipeline) are feasible by 2010.



- EnCana Land
- Producing Gas Fields
- Gas Discoveries
- Gas Pipeline
- Gas Shows
- Oil Shows
- Stonehouse Play

Process and Schedule

A comprehensive data room will be established in Calgary later in 2007. Technical data, supporting contractual and financial information, as well as a geoscience work station, will be available. Certain data will also be made available on a password-protected FTP or website (upon signing of a Confidentiality Agreement) in advance of the data room. Please contact us if you wish to be notified in advance of the commencement of the data room.

This opportunity is being presented on a non-exclusive basis and is subject to prior sale, withdrawal or modification at any time, without notice. EnCana shall be entitled to reject any or all offers submitted and to, at any time, negotiate and conclude an agreement for sale with any offeror or other party.

EnCana in the North Atlantic

EnCana's North Atlantic strategy is focused on creating value through exploration. EnCana is a long-term active explorer on Canada's East Coast, the arctic regions of the Mackenzie Delta, and West Greenland, and in the past, has been active in Alaska and the UK North Sea. A few of our recent offshore discoveries include Deep Panuke (Eastern Canada), Buzzard (UK North Sea), Tahiti, Tonga (Gulf of Mexico), and Chinook (Campos Basin, Brazil).

EnCana Corporation

With an enterprise value of approximately US\$46 billion, EnCana is one of North America's leading independent oil and gas companies and is driven to be the industry's high performance benchmark in production, per-share growth and value creation.

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