DIFFERENCES IN ENCANA'S CORPORATE GOVERNANCE PRACTICES COMPARED TO NYSE CORPORATE GOVERNANCE STANDARDS

As a Canadian company listed on the New York Stock Exchange ("NYSE"), Encana is not required to comply with most of the NYSE corporate governance standards and instead may comply with Canadian corporate governance practices. Encana is, however, required to disclose the significant differences between its corporate governance practices and those required to be followed by U.S. domestic companies under the NYSE corporate governance standards.

Encana's corporate governance practices meet or exceed all applicable Canadian requirements. Our corporate governance practices also incorporate some best practices derived from the NYSE rules and comply with applicable rules adopted by the U.S. Securities and Exchange Commission to give effect to the provisions of the *Sarbanes-Oxley Act of 2002*.

For further information about Encana's corporate governance practices, please see pages 56 to 65 of Encana's Information Circular dated February 28, 2012 (the “Information Circular”).

The following is a summary of the significant ways in which Encana's corporate governance practices differ from those required to be followed by U.S. domestic companies under the NYSE's corporate governance standards. Except as described in this summary, Encana is in compliance with the NYSE corporate governance standards in all significant respects.

Corporate Governance Guidelines

Section 303A.09 of the NYSE's Listed Company Manual requires a listed company to adopt and disclose a set of corporate governance guidelines with respect to specified topics. Such guidelines are required to be posted on the listed company's website. Encana operates under corporate governance principles that are consistent with the requirements of NYSE Rule 303A.09, and which are described under the heading "Statement of Corporate Governance Practices" in Encana's Information Circular. Encana has not codified its corporate governance principles into “formal guidelines” in order to post them on its website, but believes that its “Statement of Corporate Governance Practices” together with the “Key Governance Documents” listed on page 65 of the Information Circular represent corporate governance guidelines consistent with the requirements of NYSE Rule 303A.09.

Approval of Equity Compensation Plans

Section 303A.08 of the NYSE's Listed Company Manual requires shareholder approval of all equity compensation plans and material revisions to such plans. The definition of "equity compensation plans" covers plans that provide for the delivery of newly issued and treasury securities, as well as plans that rely on securities re-acquired in the open market by the issuing company for the purpose of redistribution to employees and directors. The TSX rules provide that only the creation of or material amendments to equity compensation plans, which provide for new issuances of securities, are subject to shareholder approval. Encana follows the TSX rules with respect to the requirements for shareholder approval of equity compensation plans and material revisions to such plans.

Independence Standards

The Encana Board of Directors is responsible for determining whether or not each director is independent. In making this determination, the Board has adopted the definition of “independence” as set forth in National Instrument 58-101 *Disclosure of Corporate Governance Practices*. In applying this definition, the Board considers all relationships of the directors with Encana, including business, family and other relationships. Encana's Board of Directors also determines whether each member of Encana's Audit Committee is independent pursuant to National Instrument 52-110 *Audit Committees* and Rule 10A-3 of the *Securities Exchange Act of 1934*. Encana's Board of Directors has not adopted the director independence standards contained in Section 303A.02 of the NYSE's Listed Company Manual.

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