



COO MESSAGE

Encana is committed to operational excellence through operating in the most efficient, safe and cost-effective manner possible. Delivering on our corporate strategy with minimal impact to our staff, the public and the environment is paramount.

I want to take this opportunity to re-affirm the Company's, the Board's and my personal commitment to Ethos, our operations management system. By applying operational discipline and following Ethos' 12 Standards and associated requirements, we can achieve operational excellence.

I ask that you take the time to understand how Ethos impacts the way you do your job and join me as we continue to integrate Ethos into our day-to-day operations and decision-making processes.

A handwritten signature in black ink, appearing to read "Mike McAllister".

MIKE McALLISTER

WHAT IS ETHOS?

The word, Ethos, is defined as the characteristic spirit, guiding beliefs and values of a community, people or system. For Encana, it is our guiding belief that every job can be done safely with sound environmental stewardship. Together, these beliefs permeate the spirit of the organization.

Ethos is Encana's operations/management system. Ethos is a structured and documented set of interdependent standards, practices, processes and procedures used at every level to manage operational risks. It is a framework that clearly states how we conduct our business.

AREAS OF FOCUS

Ethos addresses operational risk by focusing on:

- leadership
- risk management
- expectations and responsibilities
- continuous improvement



Ethos allows us to systematically achieve a desired level of operational performance through planning and discipline. Our desired level of performance is meeting or exceeding the company scorecard for operations excellence with year over year improvement.

ETHOS STRUCTURE

The Ethos framework consists of 12 Standards. Each Standard documents a key category of broad operational risk. The 12 Standards are:

- Leadership and Accountability
- Risk and Hazard Management
- Operational Competency Management
- Contractor and Service Provider Management
- Process Safety Stewardship
- Personal Safety Stewardship
- Occupational Health and Industrial Hygiene
- Environmental Stewardship
- Security
- Compliance Assurance
- Incident and Emergency Management
- Verification, Audit, and Performance

The standards call out the need for practices to be developed and implemented throughout our operations. These practices describe how to address more specific areas of risk. The practices document roles and responsibilities, specific requirements, performance measurements, and necessary training for staff and service providers. In some cases, the practices require operating procedures to be developed. Operating procedures are typically Operating Area specific or site-specific and are a series of step-by-step instructions on how to perform a task.

OPERATIONAL DISCIPLINE

Operational discipline means completing every task the right way, every time, and identifying improvements in safety and efficiency. It is achieved through leaders who instill the concept of operational discipline within the team and a workforce that follows Ethos requirements.

OPERATIONAL EXCELLENCE

Operational excellence is a competitive advantage that leads to increased profitability by running our operations in the most efficient, safe and cost effective manner possible. Applying operational discipline and following Ethos helps us achieve operational excellence.

GOVERNANCE

Our Ethos Governance Committee comprises of select operational staff with overall accountability back to the Board of Directors via the Corporate Responsibility and Environment, Health and Safety (CREHS) Committee. The mandate of the Ethos Governance Committee is to ensure processes are in place to engage stakeholders, ensure quality, maintain continual improvement and make decisions regarding the ongoing effectiveness of our operations management system.