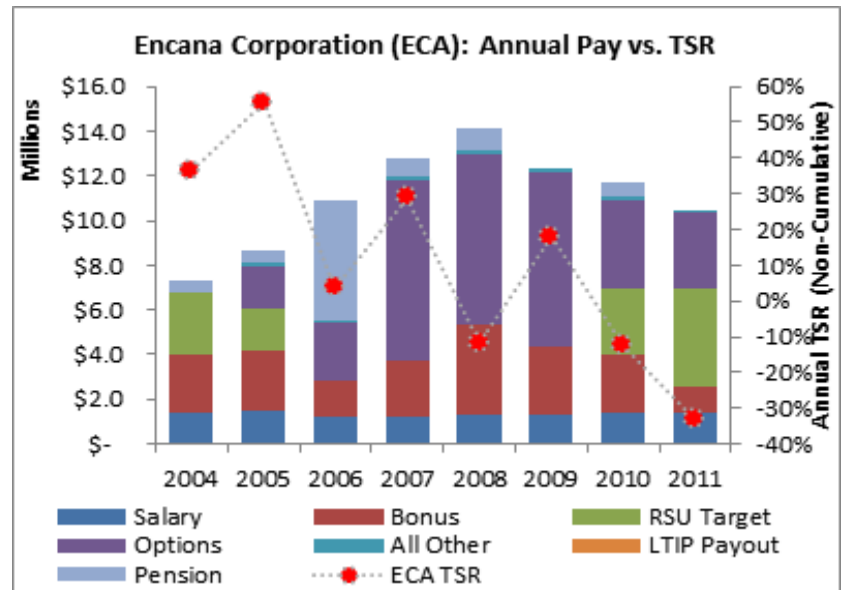
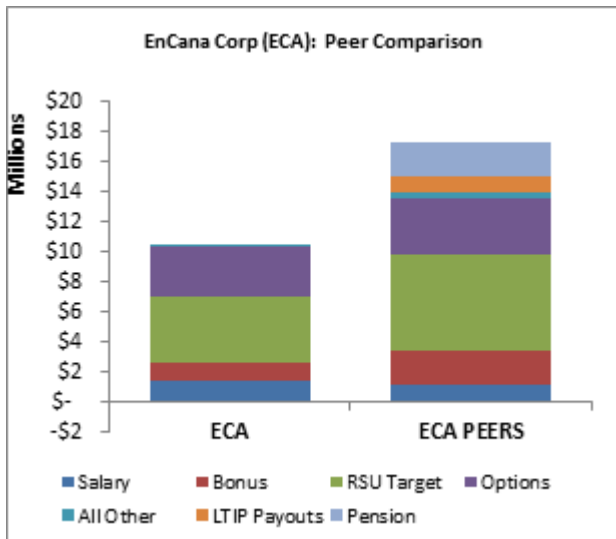


EnCana Corp (ECA): 2004-2011 Pay for Performance

PAY FOR PERFORMANCE SCORE				
1 YEAR = 2	4 YEAR = 2	6 YEAR = 3	8 YEAR = 8	TOTAL: 15/24

Since 2004, ECA's TSR performance has been highly volatile. As a result, although 8-year TSR is a strong 78%, TSR in all other periods was negative. In each of these periods, CEO pay change moved in the same direction as TSR, which suggests a CEO compensation approach that is very resilient to performance fluctuations.

In 2011, ECA ranked 10th out of 11 peers in ROE and ROA and 11th out of 11 in TSR. **While annual bonus in 2011 decreased by more than 50% compared to 2010 (as a result of a discretionary reduction), PSU grants increased to offset the difference almost entirely.** The value of PSU grants, which began in 2010, is determined based on peer group comparisons within a range that is determined by performance. **Because the introduction of PSUs is new and comprises a significant portion of the CEO's pay, it is as yet unclear how closely pay and performance will align in the future.** However, ECA's pay/performance alignment over the past 8 years has resulted in a very good Pay for Performance Score of 15 out of 24.



COMPANY'S DISCLOSED PEER FIRMS	
TICKER	NAME
NYSE:APC	Anadarko Petroleum Corporation
NYSE:APA	Apache Corporation
TSE:CNQ	Canadian Natural Resources Limited
NYSE:CHK	Chesapeake Energy Corporation
NYSE:DVN	Devon Energy Corporation
NYSE:EOG	EOG Resources Inc.
NYSE:HES	Hess Corporation
TSE:HSE	Husky Energy Inc.
TSE:IMO	Imperial Oil Limited
NYSE:NBL	Noble Energy Inc.

FY 2011 FINANCIAL PERFORMANCE RANKINGS						
#	PEER	TSR	PEER	ROE	PEER	ROA
1	TSE:IMO	12.9%	TSE:IMO	25.3%	TSE:IMO	13.3%
2	NYSE:NBL	10.6%	NYSE:DVN	21.8%	NYSE:DVN	11.4%
3	NYSE:EOG	8.5%	NYSE:APA	16.5%	NYSE:APA	8.8%
4	NYSE:APC	0.7%	NYSE:CHK	12.8%	TSE:HSE	6.8%
5	TSE:HSE	-3.4%	TSE:HSE	12.7%	TSE:CNQ	5.6%
6	TSE:CNQ	-13.2%	TSE:CNQ	11.5%	NYSE:HES	4.7%
7	NYSE:CHK	-13.2%	NYSE:HES	9.2%	NYSE:EOG	4.4%
8	NYSE:DVN	-20.3%	NYSE:EOG	8.6%	NYSE:CHK	4.2%
9	NYSE:APA	-23.6%	NYSE:NBL	6.2%	NYSE:NBL	2.8%
10	NYSE:HES	-25.3%	TSE:ECA	0.8%	TSE:ECA	0.4%
11	TSE:ECA	-33.0%	NYSE:APC	-14.6%	NYSE:APC	-5.1%

CEO COMPENSATION RANKINGS AGAINST COMPANY'S DISCLOSED PEER FIRMS										
	PEER	TOTAL PAY	PEER	SALARY	PEER	BONUS	PEER	TOTAL CASH	PEER	TOTAL EQUITY
1	NYSE:APC	\$23,455,584	NYSE:APA	\$1,730,871	NYSE:APA	\$4,698,079	NYSE:APA	\$6,428,950	NYSE:APC	\$14,430,956
2	NYSE:DVN	\$17,951,402	NYSE:APC	\$1,565,488	NYSE:HES	\$3,214,475	NYSE:HES	\$4,698,079	NYSE:CHK	\$13,478,596
3	NYSE:CHK	\$17,672,764	NYSE:HES	\$1,483,604	NYSE:APC	\$3,093,403	NYSE:APC	\$4,658,891	NYSE:EOG	\$11,942,956
4	NYSE:APA	\$17,159,910	TSE:HSE	\$1,459,625	TSE:HSE	\$2,300,000	TSE:HSE	\$3,759,625	NYSE:DVN	\$10,833,382
5	NYSE:EOG	\$14,652,555	TSE:ECA	\$1,399,929	NYSE:DVN	\$2,275,453	NYSE:DVN	\$3,656,346	NYSE:APA	\$9,941,780
6	NYSE:HES	\$14,571,152	NYSE:DVN	\$1,380,893	NYSE:CHK	\$1,929,674	NYSE:CHK	\$2,894,016	TSE:ECA	\$7,725,580
7	NYSE:NBL	\$12,150,665	NYSE:NBL	\$1,058,026	NYSE:NBL	\$1,835,960	NYSE:NBL	\$2,893,986	NYSE:NBL	\$7,055,650
8	TSE:ECA	\$10,364,165	NYSE:CHK	\$964,342	NYSE:EOG	\$1,427,227	TSE:ECA	\$2,607,367	NYSE:HES	\$5,648,349
9	TSE:CNQ	\$7,722,768	NYSE:EOG	\$929,725	TSE:ECA	\$1,207,439	NYSE:EOG	\$2,356,952	TSE:CNQ	\$4,860,000
10	TSE:HSE	\$7,050,398	TSE:CNQ	\$600,000	TSE:CNQ	\$500,000	TSE:CNQ	\$1,100,000	TSE:HSE	\$3,027,750
11	TSE:IMO	\$4,348,470	TSE:IMO	\$524,223	TSE:IMO	\$362,604	TSE:IMO	\$886,827	TSE:IMO	\$2,192,320

PAY FOR PERFORMANCE SCORING

For 2012, the Clarkson Centre for Board Effectiveness (CCBE), prepared a Pay for Performance report for each firm currently listed on the TSX 60 Index that has at least 8 years of historical compensation or share price data available. The CCBE's Performance Score measures how closely CEO pay and TSR are aligned over four different time horizons. Compensation data is gathered from the firm's public filings, and valued at the time of grant. Options are valued using the binomial tree fair value method, and PSUs are valued at the grant date value of the target payout. TSR is calculated using a 30-day average start and end date share price, and assumes the reinvestment of dividends.

CCBE collected pay and performance data for up to ten peer companies for each TSX 60 constituent. Peer companies were selected from each TSX 60 constituent's performance benchmarking peer group, as disclosed in its most recent Management Information Circular. If a performance peer group was not disclosed, the CCBE collected information on the disclosed constituents of the total pay benchmarking peer group. If a peer group had more than 10 constituents, we randomly selected ten from among the disclosed list.

Our Pay for Performance Score takes into account alignment between change in CEO pay and TSR in 1-, 4-, 6- and 8-year observations. CEO pay change is 'smoothed' to account for outlying years. For example, in our 8-year observation we calculate CEO pay change as the percent change of the sum of total CEO pay from 2004-2007 against the sum of total CEO pay from 2008-2011. This helps to normalize our longer observations for unusual events like CEO turnover and large one-time payouts. The Pay for Performance Score gives significantly more weight to longer-term observations than shorter ones.

1-YEAR SCORE	4-YEAR SCORE	6-YEAR SCORE	8-YEAR SCORE
A = 3	A = 4	A = 7	A = 10
B = 3	B = 3	B = 5	B = 8
C = 2	C = 2	C = 3	C = 5
D = 1	D = 1	D = 1	D = 3
E = 0	E = 0	E = 0	E = 0

