



CANADA-NOVA SCOTIA BENEFITS

DEEP PANUKE 2016 ANNUAL REPORT

Encana Corporation
Halifax, Nova Scotia

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I. Executive Summary

During 2016, Encana maintained ongoing production from Deep Panuke, adopting a seasonal strategy focusing on production during the winter months of higher demand. The following report provides an overview of Encana's activities in Nova Scotia from January 1 – December 31, 2016.

Highlights of the report include:

- Total spending by Encana on Deep Panuke was \$109 million Canadian dollars.
- 645,542 person hours of work by Nova Scotians.
- 150,613 person hours of work by Canadians from other provinces.
- 793,337 person hours of work carried out within Nova Scotia.

Person Hours (January-December 2016) & Cumulative Hours

	2016	CUMULATIVE
CATEGORY BY RESIDENCE	PERSON HOURS	PERSON HOURS
Nova Scotia Residents	645,542	6,456,092
Canadian Residents from other provinces	150,613	1,136,315

Note: Table above includes all Nova Scotian and all Canadian Person Hours for Deep Panuke.

II. Introduction

The following report is filed in compliance with Condition 10 (Monitoring, Reporting and Auditing) of the Canada-Nova Scotia Benefits Plan Decision Report ("the Decision Report") for the Deep Panuke Offshore Gas Development as issued by the Canada-Nova Scotia Offshore Petroleum Board (CNSOPB). This report covers the period from January 1, 2016 to December 31, 2016.

II.I Local Office

Encana's local office for Deep Panuke is located at Founders Square at 1701 Hollis Street in Halifax. Resident in the office is the senior manager and an interdisciplinary management team, supported by employees and contract staff. Appropriate levels of decision-making are directed from or take place in the office including management, engineering, procurement, commercial arrangements, accounting, regulatory, stakeholder engagement, and environment, health, safety and quality. Through 2016, Encana production field centre (PFC) contractor SBM maintained its office in Dartmouth, NS near the offshore supply base.

At December 31, 2016, the total complement of Encana employees and contract staff supporting Deep Panuke was 22. In 2016, Encana personnel worked at the Encana office, at Deep Panuke pipeline landfall in Goldboro, the offshore supply base or offshore at the PFC.

III. Business Opportunities & Supplier Development

III.I Communication of Business Opportunities

In 2016, Encana and SBM continued to share business opportunities for Deep Panuke with the local supply community. Information is posted to the Business Opportunities section of the Deep

Panuke pages on the Encana website (www.encana.com/deeppanuke), shared with the electronic bulletin board BIDS, distributed via an email distribution list to disadvantaged group representatives and communicated by RSS feed and social media. Business opportunities are also often reported through third party organizations such as the Maritimes Energy Association.

III.II Stakeholder Communications

Encana is committed to relationships with stakeholders to inform and involve them in Deep Panuke. Stakeholder liaison in 2016 included meetings, presentations and/or participation at industry conferences and workshops, phone calls, email notices, social media, print material distribution, media relations, participation and/or support of community events and ongoing website updates to www.encana.com/deeppanuke.

Through 2016, there were 3,291 unique visitors and 4,244 visits (includes repeat visitors) to Deep Panuke web pages on the Encana website.

IV. Business Expenditures and Employment

IV.I Business Expenditures

The total expenditure for Deep Panuke during the period of January 1-December 31, 2016 was \$109 million Canadian.

IV.II 2016 Person Hours

Total Nova Scotia Person Hours for Deep Panuke from January 1 to December 31, 2016 were 645,542 and Other Canadian hours were 150,613, with 793,337 hours of work performed within the Province of Nova Scotia during the period.

Nova Scotia person hours focused on support for ongoing production operations. Cumulative Nova Scotia Person Hours to date are recorded as 6,456,092. Total cumulative hours of work performed within the Province of Nova Scotia was 8,267,991.

V. Disadvantaged Groups

As in previous years, Encana continued to share information on opportunities from Deep Panuke through contact with groups and organizations representing the business, employment and educational/training interests of disadvantaged groups identified in the Decision Report, including aboriginal people, persons with disabilities, members of visible minorities, and women.

Encana supported the delivery of core programs and services to members of these groups by purchasing event tickets or donating fundraising items. Among the groups receiving such support in 2016 were FEED Nova Scotia, Mental Health Foundation of NS and Special Olympics of NS.

In 2016, Encana continued its liaison with representatives of aboriginal groups in Nova Scotia on fisheries and environmental issues through the Fisheries Advisory Committee of the CNSOPB. As in previous years, any new hires to Deep Panuke participate in on-line Aboriginal Awareness Training offered by Encana.

Encana also provided funding through its employee matching gift program to the Immigrant Services Association of Nova Scotia (ISANS) for the private sponsorship of a Syrian refugee family that relocated to Nova Scotia in 2016.

Encana worked with the Entrepreneurs with Disabilities Network (EDN), a provincial organization facilitating entrepreneurship among persons with disabilities, by supporting its Mental Health Hero Luncheon, organized by EDN members in the Festival of Trees project of the Mental Health Foundation of Nova Scotia.

In 2016, an Encana engineer participated as a role model, through the Techsploration program, to encourage young women to consider STEM (science, technology, engineering and mathematics) careers related to the offshore oil and gas industry. This included hosting a group of students at Encana offices in February, speaking at Hants North Rural High School in April, and attending conferences in May, October and December in Truro and Halifax. For more information, visit www.techsploration.ca

Data from Encana’s annual diversity survey of staff and data received from Encana contractors supporting Deep Panuke is reported as follows:

Group	Responses Received
Aboriginal Peoples	3
Women	30
Members of Visible Minorities	1
Persons with Disabilities	0
	Note: Individual survey forms may include responses to more than one group.

VI. Education & Training/ Research & Development

Encana invests in research and development, education and training initiatives in Nova Scotia with a focus on advancing the development of the offshore oil and gas industry. To December 31, 2016, Encana has spent approximately \$8.7 million on education & training and research & development initiatives under the Deep Panuke Education & Training and R&D Fund (the Fund).

Encana provided sponsorship by donating fundraising items to the Atlantic Geoscience Society, Techsploration, the Cape Breton Regional Science Fair, The Supernova Program at Dalhousie University, Let’s Talk Energy, Young Women’s Conference (NSCC Marconi Campus), EdGEO Workshop and Skills Canada-Nova Scotia. Encana donated 29 computers to the Department of Education’s “Computers for Schools Program” sponsored by the Nova Scotia School Board Association” for use in schools to supplement equipment acquired through other sources.

Encana provided energy literacy information for the teacher and students and was represented by the Canadian Association of Petroleum Producers (CAPP) at a local high school event in Halifax for Let’s Talk Energy week (February 20-27th). A CAPP HSE policy analyst attended and spoke to more than 40 grade 11 and 12 students.

To support the development of staff at Deep Panuke, Encana funded training totaling approximately \$15,000 from January 1 – December 31, 2016. Cumulative training now totals \$585,000. In 2016, contractors reported 453 placements for training totaling approximately \$288,000.

Two projects funded under the Deep Panuke Research and Development Calls for Proposals in themes of *Geoscience* and *Environment* reached completion in 2016:

- Reservoir quality and sediment delivery, Mesozoic Scotian basin by Dr. Georgina Pe-Piper at Saint Mary's University in Halifax, NS
- Acoustic Tracking of Marine Species in NS Waters by Dr. Fred Whoriskey at Dalhousie University in Halifax, NS

VII. Activity Forecast for 2017

The Encana team in Halifax will continue to manage and monitor production operations at Deep Panuke. Encana also will continue its oversight of logistics services including helicopter transport, support vessels, ROV services and supply base supporting natural gas production operations. The onshore facilities at Goldboro, NS will continue to be monitored and inspected in accordance with Encana's ongoing asset integrity management plan for Deep Panuke.