

OFFSHORE PETROLEUM BOARD APPROVES DEEP PANUKE NATURAL GAS PROJECT

(Halifax, NS) The Canada-Nova Scotia Offshore Petroleum Board (CNSOPB) has approved, with conditions, EnCana Corporation's Deep Panuke offshore gas project. The Board's Decision Report was released today.

Under the Accord Implementation Acts (Accord Acts), a report such as this is a Fundamental Decision. The federal and provincial governments are given up to thirty days to review Fundamental Decisions prior to implementation. The governments accepted the Board's Decision Report on October 2, 2007.

"The Board is satisfied that subject to the conditions set out in the Decision Report, it is in the public interest that the project be permitted to proceed," said Diana Dalton, Chair and Acting Chief Executive Officer. "Our decision gives EnCana Corporation the necessary approvals to move toward project sanction."

In accordance with the Accord Acts, a project such as this can only proceed if the CNSOPB has approved both a Canada-Nova Scotia Benefits Plan and a Development Plan. The Decision Report contains eleven conditions addressing Benefits Plan requirements and nineteen conditions respecting the Development Plan.

EnCana Corporation is also required to implement environmental mitigation measures contained in the Canadian Environmental Assessment Agency's Comprehensive Study Report (CSR). The federal Minister of the Environment issued his EA decision on September 5, 2007.

A concurrent public review was conducted by CNSOPB Commissioner Ms. Linda Garber, and National Energy Board (NEB) member Mr. Kenneth Bateman from March 5-9, 2007, to coordinate the regulatory requirements for each organization. The public review process was also used by the Responsible Authorities (RAs) under the Canadian Environmental Assessment Act as a means of collecting the views of the public to assist in the preparation of the CSR.

About the Project

The proposed Deep Panuke Offshore Gas Development Project involves the production of natural gas from an offshore field located approximately 250 km southeast of Halifax and the transportation of that gas via subsea pipeline to shore, and ultimately, to markets in Canada and the United States.

Production is scheduled to begin in 2010 and is anticipated to continue for a mean production life of 13 years. Over the life of the Project up to 25.1 E9M3 (892 Bcf) of natural gas will be produced through a facility sized for a peak gas rate of 8.5 X 10⁶ m³/d (300 MMscf/d). The Project will utilize a jack-up type Mobile Offshore Production Unit (MOPU) tied back to production wells with subsea flowlines and umbilicals.

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About the Board

The Canada-Nova Scotia Offshore Petroleum Board is the independent joint agency of the Governments of Canada and Nova Scotia responsible for the regulation of petroleum activities and resources offshore Nova Scotia.

Copies of the CNSOPB Decision Report are available on its website, www.cnsopb.ns.ca. Paper copies may be obtained by contacting: CNSOPB, 6th Floor – TD Centre, 1791 Barrington Street, Halifax, NS, B3J 3K9, or by calling 902-422-5588.

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