



CANADA-NOVA SCOTIA BENEFITS

DEEP PANUKE 2014 ANNUAL REPORT

Encana Corporation
Halifax, Nova Scotia

March 31, 2015

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I. Executive Summary

During 2014, Encana maintained ongoing production from Deep Panuke. The following report provides an overview of Encana's activities in Nova Scotia from January 1 – December 31, 2014.

Highlights of the report include:

- Total spending by Encana on Deep Panuke was \$123 million Canadian dollars.
- 712,760 person hours of work by Nova Scotians.
- 174,398 person hours of work by Canadians from other provinces.
- 892,616 person hours of work carried out within Nova Scotia.

Person Hours (January-December 2014) & Cumulative Hours

	2014	CUMULATIVE
CATEGORY BY RESIDENCE	PERSON HOURS	PERSON HOURS
Nova Scotia Residents	712,760	5,077,901
Canadian Residents from other provinces	174,398	836,335

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, 2014 to December 31, 2014.

II.I Local Office

Encana's local office for Deep Panuke is located in 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, communications and community relations, and environment, health, safety and quality.

Through 2014, Encana production field centre (PFC) contractor SBM maintained its office in Dartmouth, NS near the offshore supply base.

At December 31, 2014, the total complement of Encana employees and contract staff supporting Deep Panuke was 33. During the year, Encana personnel worked at the Encana office, at Deep Panuke pipeline landfall in Goldboro, the offshore supply base in Dartmouth or offshore at the PFC in the Deep Panuke field.

III. Business Opportunities & Supplier Development

III.I Communication of Business Opportunities

In 2014, 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 (<http://www.encana.com/communities/canada/atlantic/business-opportunities/>), shared with the electronic bulletin board BIDS, distributed via an email distribution list to disadvantaged group representatives and communicated by RSS feed. As well, Encana has used Twitter to notify followers of Deep Panuke business opportunities.

Deep Panuke business opportunities are also often reported through third party organizations such as the Maritimes Energy Association for its members and local media.

III.II Stakeholder Communications

One of the key Project Management Principles contained in The Benefits Plan (Volume 3, Deep Panuke Development Plan Application) described Encana's commitment to developing relationships with stakeholders to inform and involve them in Deep Panuke during the development and operations phases.

In 2014, Encana continued to liaise with stakeholders to share information on Deep Panuke. Methods of liaison 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 (Deep Panuke pages).

Through 2014, there were 7,861 unique visitors and 10,455 visits (includes repeat visitors) to Deep Panuke web pages on the Encana website. The web pages recording frequent visits during the period were those about Deep Panuke producing natural gas, a diagram of the platform, business opportunities, contact information and community information.

Encana also monitors a general information email box (dpinfo@encana.com), and members of the Deep Panuke team respond regularly to unsolicited inquiries about employment and business opportunities.

IV. Business Expenditures and Employment

IV.I Business Expenditures

The total expenditure for Deep Panuke during the period of January 1-December 31, 2014 was \$123 million Canadian.

IV.II 2014 Person Hours

Total Nova Scotia Person Hours from January 1 to December 31, 2014 for Deep Panuke were 712,760 and Other Canadian hours were 174,398 with 892,616 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 5,077,901. Total cumulative hours of work performed within the Province of Nova Scotia was 6,595,392.

V. Disadvantaged Groups

V.I Sharing Business and Employment Opportunities

As directed by the CNSOPB in the Decision Report, the four disadvantaged groups engaged for Deep Panuke are:

- Aboriginal people
- Members of visible minorities
- Persons with disabilities
- Women

In 2014, contact was made with groups and organizations representing the business, employment and educational/training interests of these groups as described in the following sections. As well, Encana continued to support the groups' delivery of core programs and services to their members by purchasing tickets for events or donating items for fundraising. Among the groups receiving support in 2014 were:

- Canadian Paraplegic Association
- Special Olympics
- Mental Health Foundation of NS
- L'Arche Halifax
- Mi'kmaq Native Friendship Centre

V.II Aboriginal Liaison

In 2014, Encana liaised with representatives of the Mi'kmaq Rights Initiative, the Native Council of Nova Scotia (through the Fisheries Advisory Committee of the CNSOPB) and the Encana Native Council Opportunities Fund.

Encana maintains contact with the Kwilmu'kw Maw-Klusaqn Negotiation Office (KMKNO) Impact and Benefits Officer on behalf of the Assembly of Nova Scotia Mi'kmaq Chiefs (the Assembly). Under the five-year agreement between Encana and the Assembly regarding education and training and related opportunities from Deep Panuke, activity in 2014 focused on supports for skilled trades training, the continued development of a Mi'kmaq oil and gas strategy, as well as initiatives to support Mi'kmaq business and supply chain development.

Activities in 2014 under the agreement included funding for a KMKNO Business Development Officer, training at Eskasoni, Millbrook, Shubenacadie and Pictou Landing First Nations, an Aboriginal Youth Skilled Trades Fair, and elder and youth workshops at Millbrook First Nation. In addition, funding was provided in 2014 for three Mi'kmaq high school students to attend the Canada-Wide Science Fair in Windsor, Ontario and for seven Mi'kmaq representatives to attend the First Annual International Indigenous Energy Summit in Vancouver BC, followed by a conference in Nova Scotia to share learnings from the summit.

Work continued on a provincial skills database of Mi'kmaq individuals and businesses to assist with tracking capacity and training to respond to the needs of the offshore oil and gas industry by allowing front-line workers to match people and businesses for individual hiring and

contracting opportunities. The required software is now being developed by Membertou Geomatics Solutions.

Two representatives of Encana also attended the learning seminar on consultation and environmental assessment hosted by the Nova Scotia Office of Aboriginal Affairs in November 2014.

V.III Persons with Disabilities

In 2014, Encana continued to work with the Entrepreneurs with Disabilities Network (EDN). EDN promotes and facilitates entrepreneurship among persons with disabilities and has approximately 500 members across Nova Scotia. Encana's support in 2014 was directed to EDN's emerging entrepreneur award, participation by 20 EDN members in the Festival of Trees project of the Mental Health Foundation of Nova Scotia and assistance with EDN's participation at Ability Starts Here, an annual provincial conference on inclusive education and employment for persons with disabilities, which included participation by 49 EDN members at an entrepreneurs' market. A representative of Encana also attended Ability Starts Here.

Encana also liaised with the Canadian Paraplegic Association (Nova Scotia) to provide support for fundraising activities, as well as the CACL Antigonish Workshop.

In 2014, Encana continued to utilize the services of New Leaf Enterprises, a division of Easter Seals, that works with adults with physical disabilities to develop job skills and to support employment opportunities.

V.IV Members of Visible Minorities

In 2014, Encana engaged with representatives of the Black Business Initiative (BBI) and Immigrant Services Association of Nova Scotia (ISANS) to support their programming and to share information on Deep Panuke.

A representative of Encana was invited in June 2014 to join the Internationally Educated Engineers Working Group facilitated by ISANS. The working group brings together key stakeholders to identify barriers and ensure coordinated approaches for internationally educated engineers in Nova Scotia.

With Encana's support, a joint project of the BBI, Junior Achievement and BridgeCAT was launched in 2014 to support a team of African Nova Scotian students participating in the JA company program.

As well, Encana's support for the SuperNOVA program at Dalhousie University carried on in 2014 for the delivery of six subsidized summer science camps for students of African Nova Scotian heritage in Halifax and Dartmouth, as well as two clubs, 15 science workshops and 15 bursaries. SuperNOVA worked closely with existing community-based youth organizations to recruit participants for the camps. SuperNOVA programming focuses on supporting students with demonstrated interest in science, technology, engineering and mathematics (STEM), which is a key area of study for careers in the offshore oil and gas industry. Students of African heritage are under-represented in STEM fields.

V.V Women

Supporting young women to consider careers in STEM encourages their participation in the offshore oil and gas industry. Encana supported several initiatives in 2014 aimed at increasing the participation of women in these fields.

Funding from Encana for Techsploration's Women in Action web video series supported the development of three new videos in 2014 profiling a geologist and an environmental engineer (with videos in French and English). Techsploration encourages girls in Nova Scotia to consider educational paths in sciences, trades and technology that could lead to a career in the offshore oil and gas industry. The videos convey career and educational information and can be viewed via www.youtube.com/techsploration. An Encana engineer also volunteered during 2014 as a program mentor for young women from Shelburne High School.

In March 2014, Encana supported the Chair's office, Women in Science and Engineering (WISE) Atlantic Region at Mount Saint Vincent University, to host a public forum regarding attitudes toward women and STEM. The forum was held at Saint Mary's University.

As well, a representative of Encana attended a webinar in March 2014 hosted by the Nova Scotia Advisory Council on the Status of Women on best practices for supporting women in non-traditional sectors.

V.VI Diversity Training and Reporting

In 2014, new hires to Deep Panuke were required to participate in on-line Aboriginal Awareness Training offered by Encana.

Data from Encana's annual diversity survey of staff supporting Deep Panuke was the following:

Group	Responses Received	
Aboriginal Peoples	*	
Women	10	29%
Members of Visible Minorities	*	
Persons with Disabilities	*	
Total Survey Forms Issued = 35	(Please note individual survey forms may include response to more than one group. As well if responses numbered less than three for any group, it is marked with an asterisk to protect individual privacy)	

Data from Encana's contractors for 2014 with respect to diversity is reported as the following:

Group	Number of Positions
Aboriginal persons	5
Women	60
Members of Visible Minorities	4
Persons with Disabilities	0
TOTAL (January - December 2014)	69

VI. Education & Training/ Research & Development

In 2014, Encana continued to invest 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, 2014, Encana confirms spending of approximately \$8.6 million on education & training and research & development initiatives under the Deep Panuke Education & Training and R&D Fund (the Fund).

VI.I Education & Training Funded Projects

The following update is provided for this education & training initiative approved by the CNSOPB under the Fund:

- Techsploration

In 2014, Encana completed support for a three-year extension to the Women in Action web video series featuring women in fields where they are under-represented, in particular careers related to the offshore oil and gas industry. In 2014, three new videos were in production or added to the series. There were more than 200,000 views of the videos in the series by the end of 2014. Also in 2014, an Encana engineer mentored a Techsploration school team from Shelburne, NS, escorting them during a tour of Encana's offices and industry facilities such as a site where survival training is conducted for offshore helicopter transport. The mentor also visited the students' school in Shelburne to conduct a learning session with all students in grades 8-10, and participated in a Techsploration year-end conference where she met with approximately 60 young women in a round robin career session. For more information, visit www.techsploration.ca

VI.II Other Education & Training

Encana actively supports local universities through the employment of students enrolled in co-op programs at Nova Scotian institutions. Since May 2007, 45 co-op placements have been offered by Encana, generally on a four-month term, with some students selected for more than one placement. During production operations, Encana co-op students are predominantly hired from the Faculty of Engineering at Dalhousie University.

In October 2014, in cooperation with the Canadian Association of Petroleum Producers (CAPP), Encana participated in the provincial science teachers' conference for Nova Scotia, providing information to educators on careers in the offshore oil and gas industry as well as the Canadian energy map developed by the Royal Canadian Geographic Society in partnership with CAPP. The map can be used by teachers as an energy education tool. See <http://energyiq.canadiangeographic.ca/> For the teachers' conference, Encana also supported a booth for representatives of Techsploration to attend and share information with educators on the Women in Action web video series and other Techsploration programming.

As well Encana supported the attendance of a student from the School of Resource and Environmental Studies at Dalhousie University to attend the Oil and Gas 101 learning day hosted by the Maritimes Energy Association in November 2014. Encana also sponsored the event, which was attended by more than 50 non-technical personnel working in industrial sectors as well as business development professionals interested in learning the basics of the oil and gas industry.

To support the development of staff at Deep Panuke, Encana funded training totaling \$88,496 from January 1 – December 31, 2014. Cumulative training now totals \$553,784.

In the area of education & training, in 2014 contractors reported 573 placements for training totaling \$340,990.

VI.III Research & Development Funded Projects

The following section provides an update on selected R&D projects approved under the Fund.

- 2014 Nova Scotia Energy R&D Conference

Six researchers who received funding presented findings from their research at the conference in Halifax, Nova Scotia from May 21 – 22. For further information on the session, please see <http://www.encana.com/news-stories/our-stories/community-researching-offshore.html>

- Integrated Bird Management at Offshore Installations

Research led by Acadia University into potential bird-platform interactions at Encana's Deep Panuke platform wrapped up in 2014. A final report was issued by Acadia (to be included in Encana's 2014 Environmental Effects Monitoring report). Based on the research findings, the following article was published regarding the Leach's Storm petrel foraging movements in the Journal of Avian Biology in March 2014. See

<http://onlinelibrary.wiley.com/doi/10.1111/jav.00361/abstract>

Subsequently print publication of the article appeared in the July edition of the Journal, where it was selected as an Editor's Choice. See <http://www.avianbiology.org/blog/editors-choice-impressive-seabird-foraging-studies>. Another article, "Migratory movements and wintering areas of Leach's Storm Petrels tracked using geolocators", was published in the Journal of Field Ornithology in June 2014. The researchers anticipate other scholarly publications will stem from the findings of the three-year initiative.

VI.IV Other Research & Development

In 2014, Encana continued to provide funding and/or participation through a number of task forces and committees on safety and environmental issues linked to the offshore such as the Sable Island Stakeholder Committee and the Gully Advisory Committee.

Encana has continued to participate in several technical advisory groups from the Environmental Studies Research Fund and represents the Canadian Association of Petroleum Producers as part of the CNSOPB's SARA (Species at Risk) Working Group.

Encana also supported the annual meeting of the Fishermen and Scientists Research Society, held in February 2014 in Truro, NS.

VII. Activity Forecast for 2015

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.