



CANADA-NOVA SCOTIA BENEFITS

DEEP PANUKE 2017 ANNUAL REPORT

DMEN-RP-CO-0028.01I

Encana Corporation
Halifax, Nova Scotia

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I. Executive Summary

During 2017, Encana maintained 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, 2017.

Highlights of the report include:

- Total spending by Encana on Deep Panuke was \$104 million Canadian dollars.
- 619,251 person hours of work by Nova Scotians.
- 88,808 person hours of work by Canadians from other provinces.
- 697,162 person hours of work carried out within Nova Scotia.

Person Hours (January-December 2017) & Cumulative Hours

CATEGORY BY RESIDENCE	2017 PERSON HOURS	CUMULATIVE PERSON HOURS
Nova Scotia Residents	619,251	7,075,343
Canadian Residents from other provinces	88,808	1,225,123

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, 2017 to December 31, 2017.

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. Encana's production field centre (PFC) contractor SBM also maintains a Nova Scotian office in Dartmouth, NS near the offshore supply base.

At December 31, 2017, the total complement of fulltime Encana employees and contract staff supporting Deep Panuke was 21. In 2017, 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 2017, 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 2017 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 2017, there were 3,616 unique visitors and 4,937 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, 2017 was \$104 million Canadian.

IV.II 2017 Person Hours

Total Nova Scotia Person Hours for Deep Panuke from January 1 to December 31, 2017 were 619,251 and Other Canadian hours were 88,808, with 697,162 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 7,075,343. Total cumulative hours of work performed within the Province of Nova Scotia was 8,965,153.

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 2017 were FEED Nova Scotia, Mi'kmaw Native Friendship Centre, Mental Health Foundation of NS, Ronald McDonald House and Special Olympics of NS.

In 2017, 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 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 2017, 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 eight students at Encana offices in April, speaking at Truro Junior High School in May, as well as attending a conference in Halifax in May. For more information, visit www.techsploration.ca

In November 2017, two Encana engineers attended a Halifax Regional School Board lunchtime event to speak about the engineering profession and careers in the offshore oil and gas industry. The event was held at Dalhousie University and was part of an engineering conference for junior high and high school students.

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	31
Members of Visible Minorities	2
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, 2017, 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).

In 2017, Encana provided sponsorship to Skills Canada-Nova Scotia by donating fundraising items. Skills Canada – Nova Scotia (SCNS) is a not-for-profit organization that provides Nova Scotian youth with opportunities to explore skilled trades and technologies through a range of programming.

To support the development of staff at Deep Panuke, Encana funded training totaling approximately \$14,000 from January 1 – December 31, 2017. Cumulative training now totals \$598,000. In 2017, contractors reported 493 placements for training totaling approximately \$307,000.

One remaining project funded under the Deep Panuke Research and Development Calls for Proposals - *Environment* is ongoing:

- Modeling Gas Dispersion and Dissolution during undersea Gas Blowouts using Multiphase Computational Fluid Dynamics by Dr. Jan Haelssig of Dalhousie University and Stantec Consulting Limited in Halifax, NS.

VII. Activity Forecast for 2018

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.

Although Encana has not set a date for the cessation of production operations or for the formal commencement of suspension and decommissioning activities; early decommissioning planning, regulatory, and procurement activities have commenced and will continue through 2018.