



CANADA-NOVA SCOTIA BENEFITS

DEEP PANUKE 2015 ANNUAL REPORT

Encana Corporation
Halifax, Nova Scotia

March 31, 2016

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I. Executive Summary

During 2015, 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, 2015.

Highlights of the report include:

- Total spending by Encana on Deep Panuke was \$121 million Canadian dollars.
- 732,649 person hours of work by Nova Scotians.
- 149,367 person hours of work by Canadians from other provinces.
- 808,838 person hours of work carried out within Nova Scotia.

Person Hours (January-December 2015) & Cumulative Hours

	2015	CUMULATIVE
CATEGORY BY RESIDENCE	PERSON HOURS	PERSON HOURS
Nova Scotia Residents	732,649	5,810,550
Canadian Residents from other provinces	149,367	985,702

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, 2015 to December 31, 2015.

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, stakeholder engagement, and environment, health, safety and quality. Through 2015, Encana production field centre (PFC) contractor SBM maintained its office in Dartmouth, NS near the offshore supply base.

At December 31, 2015, the total complement of Encana employees and contract staff supporting Deep Panuke was 30. In 2015, 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 2015, 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 during the development and operations phases. Stakeholder liaison in 2015 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 2015, there were 6,650 unique visitors and 5,060 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, 2015 was \$121 million Canadian.

IV.II 2015 Person Hours

Total Nova Scotia Person Hours from January 1 to December 31, 2015 for Deep Panuke were 732,649 and Other Canadian hours were 149,367 with 879,263 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 5,810,550. Total cumulative hours of work performed within the Province of Nova Scotia was 7,474,654.

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 and women.

In 2015, 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 supported the groups' delivery of core programs and services to members by purchasing event tickets or donating fundraising items. Among the groups

receiving such support in 2015 were the Mi'kmaq Native Friendship Centre, the Black Business Initiative (BBI) and the Canadian Paraplegic Association (NS).

V.II Aboriginal Liaison

In 2015, Encana liaised with representatives of the Mi'kmaq Rights Initiative and the Native Council of Nova Scotia (through the Fisheries Advisory Committee of the CNSOPB).

Under the final year of a five-year agreement between Encana and the Assembly of Nova Scotia Mi'kmaq Chiefs (the Assembly) regarding education and training and related opportunities from Deep Panuke, activity in 2015 focused on supports for skilled trades and post-secondary training as well as initiatives to support employment, Mi'kmaq business and supply chain development.

V.III Persons with Disabilities

In 2015, Encana continued to work with the Entrepreneurs with Disabilities Network (EDN), a provincial organization facilitating entrepreneurship among persons with disabilities. Encana's support in 2015 was directed to EDN's emerging entrepreneur award, participation by EDN members in the Festival of Trees project of the Mental Health Foundation of Nova Scotia and assistance with and attendance at Ability Starts Here, an annual provincial conference on inclusive education and employment for persons with disabilities.

Encana also liaised with the Canadian Paraplegic Association (NS) to provide support for fundraising activities and 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

During 2015, Encana engaged with representatives of the BBI and Immigrant Services Association of Nova Scotia (ISANS).

In 2015, a representative of Encana continued to participate in 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.

Encana was a supporter in June 2015 of the Business Summit hosted by the BBI in Halifax. As well, Encana supported a joint project of the BBI, Junior Achievement (JA) and BridgeCAT. The project saw a team of African Nova Scotian students participating in the JA company program.

V.V Women

Encana provided support in 2015 to encourage young women to consider STEM (science, technology, engineering and mathematics) careers with connection to the offshore oil and gas industry. Funding from Encana for Techsploration's Women in Action web video series supported the development of two new careers videos in 2015. Techsploration encourages girls in Nova Scotia to consider educational paths leading to STEM careers. As well, an Encana engineer volunteered with Techsploration during 2015 as a program mentor for young women from St. Agnes Junior High School in Halifax.

In addition, a representative of Encana participated in 2015 on the steering committee for a regional conference on women in STEM hosted by the NSERC Women in Science and Engineering chair's office at Mount Saint Vincent University (MSVU).

In 2015, Encana also was a member of the Centre for Women in Business based at MSVU.

V.VI Diversity Training and Reporting

In 2015, 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 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	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, 2015, 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).

VI.I Education & Training Funded Projects

- Techsploration

In 2015, Encana supported the addition of two new videos to the Women in Action web video series. Also in 2015, an Encana engineer mentored a Techsploration school team from Halifax, NS, escorting them during a visit to Encana's offices in Halifax. The mentor also visited the students' school to conduct a learning session with all students in grade 9, and participated in a Techsploration year-end conference in Truro, NS where she met with approximately 60 young women in a career session. For more information, visit www.techsploration.ca

VI.II Other Education & Training

In April 2015, an Encana engineer participated as a role model at a career information session for young women hosted by the office of the NSERC Women in Science and Engineering chair (Atlantic Region) at MSVU.

In October 2015, 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 the offshore oil and gas industry as well as careers in the industry.

To support the development of staff at Deep Panuke, Encana funded training totaling \$16,387 from January 1 – December 31, 2015. Cumulative training now totals \$570,171. In the area of education & training, in 2015 contractors reported 571 placements for training totaling \$455,448.

VI.III Research & Development Funded Projects

Five projects funded under the Calls for Proposals in themes of *Offshore Safety and Risk* and *Environment* reached completion in 2015:

- Development of a new H2S sensor by Pro-Oceanus Systems Inc. in Bridgewater, NS
- Safety culture metrics by Dr. Mark Fleming at Saint Mary's University in Halifax, NS
- Fiber optic sensors for dissolved gases by Dr. David Risk at St. Francis Xavier University in Antigonish, NS
- Passive acoustic monitoring research by Akoostix in Dartmouth, NS
- Inner garments for helicopter passenger transport suits by Climate Technical Gear in Dartmouth, NS

VII. Activity Forecast for 2016

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.