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January 23, 2009

Project Manager
International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom

Submitted via Open to Comments page at www.iasb.org

Dear Sirs:

Re: Exposure Draft – Additional Exemptions for First-time Adopters

Thank-you for the opportunity to comment on the International Accounting Standards Board's (IASB) Exposure Draft *Additional Exemptions for First-time Adopters, proposed amendments to IFRS 1*.

EnCana Corporation is a leading North American unconventional natural gas and integrated oil company which is listed on both the Toronto Stock Exchange and the New York Stock Exchange. EnCana reports under Canadian generally accepted accounting principles ("GAAP"), which will converge with International Financial Reporting Standards ("IFRS") in 2011.

EnCana's responses to the questions outlined in the Exposure Draft are attached in the Appendix to this letter.

We would like to thank you for your time and consideration. If you have any questions, please do not hesitate to contact me or Corine Bushfield at 01-403-645-5824 or by email at corine.bushfield@encana.com.

Sincerely,

William A. Stevenson
Vice-President & Comptroller
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<u>Appendix – Response to Invitation to Comment</u>

Question 1 – Deemed cost for oil and gas assets

Do you agree with the proposed deemed cost option for entities using full cost accounting under previous GAAP? Why or why not? If not, what alternative do you propose and why?

We strongly support the proposed deemed cost option. EnCana is one of the largest Canadian companies following full cost accounting, which is prescribed by Canadian GAAP. EnCana has over 50,000 net wells in North America and drilled between 3,600 and 4,900 net wells annually from 2004 to 2007. The cost and effort to develop opening balances for our oil and gas assets on the date of transition to IFRS would be a major undertaking. Retrospective application would require a significant amount of judgment as historical costs and related depletion have not been specifically tracked at the unit of account level for either accounting or income tax purposes.

In June 2007, the International Accounting Standards Board's Extractive Activities research project team presented findings from a financial statement user survey that highlighted "measuring reserve and resource assets on the balance sheet according to a historical cost measurement model (e.g. successful efforts, full cost, area of interest) does not generate much useful information." We believe these findings support the position that the cost, even if possible, to develop the opening balances for oil and gas assets would significantly outweigh the benefit to financial statement users.

Question 2 – Oil and gas assets - disclosure

Do you agree with the proposed disclosure requirements cost option for oil and gas assets? Why or why not?

We agree that if an entity uses the exemption described in Question 1 above, that it must disclose that fact and the basis on which it allocated the carrying amounts to the underlying assets. We believe financial statement users would benefit from understanding how the exemption was applied in transitioning from the previous GAAP to IFRS.