

NEWFIELD EXPLORATION CO /DE/  
Form 425  
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**Filed by Encana Corporation**

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**under the Securities Exchange Act of 1934**

**Subject Company: Newfield Exploration Company**

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This filing consists of a message to employees from Douglas J. Suttles, President & Chief Executive Officer of Encana Corporation ( Encana )

### **Important Information for Investors and Shareholders**

This communication is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law.

In connection with the proposed transaction between Encana and Newfield Exploration Company ( Newfield ), Encana will file with the U.S. Securities and Exchange Commission (the SEC ) a registration statement on Form S-4 that is expected to include a Joint Proxy Statement of Encana and Newfield that will also constitute a Prospectus of Encana (the Joint Proxy Statement/Prospectus ). Encana and Newfield plan to mail to their respective shareholders the definitive Joint Proxy Statement/Prospectus in connection with the transaction. **INVESTORS AND SECURITY HOLDERS OF ENCANA AND NEWFIELD ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC CAREFULLY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT ENCANA, NEWFIELD, THE TRANSACTION AND RELATED MATTERS.** Investors and security holders will be able to obtain free copies of the Joint Proxy Statement/Prospectus (when available) and other documents filed with the SEC by Encana and Newfield through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov). Investors will also be able to obtain free copies of the Joint Proxy Statement/Prospectus (when available) and other documents filed with Canadian securities regulatory authorities by Encana, through the website maintained by the Canadian Securities Administrators at [www.sedar.com](http://www.sedar.com). In addition, investors and security holders will be able to obtain free copies of the documents filed with the SEC and Canadian securities regulatory authorities on Encana's website at [www.encana.com](http://www.encana.com) or by contacting Encana's Corporate Secretary. Copies of the documents filed with the SEC by Newfield will be available free of charge on Newfield's website or by contacting [investor relations](#).

### **Participants in the Merger Solicitation**

Encana, Newfield and certain of their respective directors, executive officers and employees may be considered participants in the solicitation of proxies in connection with the proposed transaction. Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of the shareholders of Encana and the stockholders of Newfield in connection with the transaction, including a description of their respective direct or indirect interests, by security holdings or otherwise, will be included in the Joint Proxy

Statement/Prospectus described above when it is filed with the SEC and Canadian securities regulatory authorities. Additional information regarding Encana's directors and executive officers is also included in Encana's Notice of Annual Meeting of Shareholders and 2018 Proxy Statement, which was filed with the SEC and Canadian securities regulatory authorities on March 23, 2018, and information regarding Newfield's directors and executive officers is also included in Newfield's 2018 Proxy Statement, which was filed with the SEC on March 29, 2018. These documents are available free of charge as described above.

**ADVISORY REGARDING FORWARD-LOOKING STATEMENTS** - This communication contains certain forward-looking statements or information (collectively, "FLS") within the meaning of applicable securities legislation, including the United States Private Securities Litigation Reform Act of 1995. FLS include: becoming a leading multi-basin company; timing of closing of the transaction; the expectation that the closing conditions, including shareholder approvals and regulatory approvals, will be satisfied; anticipated benefits from the transaction; Encana's intent to raise its dividend and increase its share buyback following closing; Encana's position relative to peers; anticipated production and commodity mix; anticipated 2019 net debt to EBITDA; anticipated synergies; expectation that the transaction is accretive to all metrics in Encana's five-year plan; number of risked well locations and unrisked resource; and benefits of a multi-basin portfolio. Readers are cautioned against unduly relying on FLS which, by their nature, involve numerous assumptions, risks and uncertainties that may cause such statements not to occur, or results to differ materially from those expressed or implied. These assumptions include: assumptions contained in Encana's corporate guidance and five-year plan; ability to satisfy closing conditions, regulatory and shareholder approvals; future commodity prices and differentials; data contained in key modeling statistics; effectiveness of Encana's drive to productivity and efficiencies; results from innovations; enforceability of transaction agreements; and expectations and projections made in light of, and generally consistent with, Encana's historical experience and its perception of historical trends, including with respect to the pace of technological development, benefits achieved and general industry expectations. Risks and uncertainties that may affect these business outcomes include: integration of Encana and Newfield and the ability to recognize the anticipated benefits from the combination of Encana and Newfield; ability to obtain required shareholder and regulatory approvals for the transaction, timing thereof and risk that such regulatory approvals may result in the imposition of conditions that could adversely affect the expected benefits of the transaction; risk that the conditions to the transaction are not satisfied on a timely basis or at all and the failure of the transaction to close for any other reason; risks relating to the value of the Encana common shares to be issued in connection with the transaction; disruption to Encana's and Newfield's respective businesses that could result from the announcement of the transaction; variability and discretion of Encana's board of directors to declare and pay dividends, if any; variability in the amount, number of shares and timing of purchases, if any, pursuant to the share repurchase program; commodity price volatility; counterparty and credit risk; impact of a downgrade in a credit rating, including to refinance debt required to be repaid because of a downgrade, and its impact on access to sources of liquidity; risks inherent in Encana's corporate guidance and five-year plan; failure to achieve cost and efficiency initiatives; and other risks and uncertainties impacting Encana's business, as described in its most recent Annual Report on Form 10-K and as described from time to time in Encana's other periodic filings as filed on SEDAR and EDGAR. Although Encana believes the expectations represented by such FLS are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned that the assumptions, risks and uncertainties referenced above are not exhaustive. FLS are made as of the date of this news release and, except as required by law, Encana undertakes no obligation to update publicly or revise any FLS. FLS contained in this news release are expressly qualified by these cautionary statements.

Good afternoon everyone. Hopefully by now you've seen the very exciting news that we announced this morning, that we're going to combine with Newfield Exploration and create North America's second largest producer of unconventional hydrocarbons.

This is a fantastic strategic combination completely on strategy for us because now today we'll have three large premium positions in three of the best plays in North America, with also in addition to that, strong plays like the Duvernay, the Eagle Ford and now the Bakken. This combination allows us to exploit the things we're the very best at. Our cube development model, our endless focus on efficiency, our passion for innovation creates real opportunities; and also the scale will help us as well makes us bigger and stronger.

The current plan has us expected to close the transaction in the first quarter after we get all the shareholder votes for both companies and get the appropriate regulatory approvals that we have to have. We'll obviously be working integration over the next few months and how to do this best. Of course, this deal has us acquiring 100 percent of the stock of Newfield Exploration and I'm personally very excited because I've been given the opportunity to lead this new organization.

If you look at the two companies, if we were combined here in the third quarter, together we would be producing over 576,000 barrels of oil equivalent per day and approximately 300,000 barrels a day of liquids. It immediately takes us to over 50 percent on liquids, gives us a great inventory of opportunities for the future.

In addition, the confidence we have in this business going forward allowed us to do two important things as well today. Actually it's all about returning capital to shareholders. So you will have seen in our announcement that we raised our dividend by 25 percent and we're committing to raising our buyback from \$400 million to \$1.5 billion. Both of these would come into effect with the close of the transaction.

This creates a great platform for the future. It not only makes us stronger today, it gives us a better future and a more exciting future tomorrow. One of the things that will be critically important is we start to build relationships with our new colleagues at Newfield. That will start immediately. We'll be forming an integration team to figure out how to put these two companies together in the best possible way. It also means we'll have a presence in Houston. We plan to run the Anadarko asset, the Stack and the Scoop, out of Houston, Texas, but the details on the integration will follow over the next couple of months.

So I'd like to close by saying thank you for all you've done this year. We also announced a very good third quarter. We need to stay very focused through this period on being a safe operation and delivering our plans for the fourth quarter. But it is a very exciting day, consistent with our strategy, accelerates it, it makes us a better company in every dimension.

Thank you and now hopefully you'll be able to go and have your questions answered by the ELT who are standing by. Thank you.