

NEWFIELD EXPLORATION CO /DE/
Form 425
January 29, 2019

Filed by Newfield Exploration Company
pursuant to Rule 425 under the Securities Act of 1933
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under the Securities Exchange Act of 1934
Subject Company: Newfield Exploration Company

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Date: January 28, 2019

As you know, Newfield Exploration Company is working towards merging with Encana Corporation. **What does this change mean for you and your equity at Schwab?**

Under the terms of the merger agreement, Newfield shareholders (NFX) will receive 2.6719 of Encana common shares (ECA) for each share of Newfield common stock held upon the close. Upon completion of the merger Newfield shares (NFX) will automatically convert into Encana shares (ECA). This is anticipated to happen within your Schwab brokerage account and within the Newfield 401(k) Plan **within 7 business days of the close.**

To facilitate this conversion, cash and/or equity, such as Newfield Employee Stock Purchase Plan (ESPP) shares purchased and accelerated grants, within your Equity Award Center account will be transferred to your Schwab brokerage account prior to the anticipated close. **Important to Note: you must have a Schwab brokerage account open and without restrictions prior to transfer of the shares.** If there are any questions in regards to your Schwab brokerage account, please feel free to contact Charles Schwab at 800-654-2593 as soon as possible.

Once conversion to Encana shares has occurred, you can view your Encana shares in your Schwab brokerage account by navigating to Account > Position. Your Schwab brokerage account will remain open and active unless you take action otherwise. **For your record keeping,** it is suggested you download and save any documents needed from the Equity Award Center, as access to this information online may be limited and/or unavailable in the future.

Please note there will be a blackout period covering your shares starting February 4, 2019 to assist in processing your shares properly. During this period you are prohibited from transacting in Newfield Securities in any way, including but not limited to within the Equity Award Center, your Schwab brokerage account, the 401(k) Plan, or any other accounts. This trading blackout may also apply to your immediate family members and others residing in your household. Please contact Ben Paul at 281-210-5475 if you have any questions.

Thank you,

The Benefits Team

FORWARD LOOKING STATEMENTS

This communication contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Examples include discussions as to our expectations, beliefs, plans, goals, objectives and future financial or other performance. These statements, by their nature, involve estimates, projections, forecasts and uncertainties that could cause actual results or outcomes to differ substantially from those expressed in the forward-looking statements.

The words may, forecast, outlook, could, budget, objectives, strategy, believe, expect, anticipate, project, prospective, target, goal, plan, should, will, predict, guidance, may increase, may fluctuate, similar expressions are intended to identify forward-looking statements. Other than historical facts included in this communication, all information and statements, including but not limited to information regarding certain plans, expectations, goals, projections and statements about the benefits of the proposed transaction, the merger parties plans, objectives, expectations and intentions, the expected timing of completion of the proposed transaction, planned capital expenditures, estimated reserves, estimated production targets and commodity mix, estimated pre-tax wellhead rates of return, estimated future operating costs and other expenses and other financial measures, estimated future tax rates, drilling and development plans, the timing of production, and other plans and objectives for future operations, are forward-looking statements. Although, as of the date of this communication, Newfield Exploration Company (the Company or Newfield) believes that these expectations are reasonable, this information is based upon assumptions and anticipated results that are subject to numerous uncertainties and risks, some of which are beyond Newfield's control and are difficult to predict. No assurance can be given that such expectations will prove to have been correct.

Actual results may vary significantly from those anticipated due to many factors, including but not limited to commodity prices and our ability to hedge commodity prices; drilling results; changes in commodity mix; accessibility to economic transportation modes and processing facilities; our liquidity and the availability of capital resources; operating risks, failures and hazards; industry conditions; governmental regulations in the areas in which Newfield operates, including water regulations; financial counterparty risks; the prices of goods and services; the availability of drilling rigs and other oilfield services; our ability to monetize assets and repay or refinance our existing indebtedness; labor conditions; severe weather conditions; new regulations or changes in tax or environmental legislation; environmental liabilities not covered by indemnity or insurance; legislation or regulatory initiatives intended to address seismic activity or induced seismicity; the possibility that the proposed transaction does not close when expected or at all because required regulatory, stockholder or other approvals are not received; other changes to business or employee relationships, including those resulting from the announcement or completion of the transaction; uncertainties as to the timing of the transaction; competitive responses to the proposed transaction; the possibility that the anticipated benefits of the transaction are not realized when expected or at all, including as a result of the impact of, or problems arising from, the integration of the two companies; the possibility that the proposed transaction may be more expensive to complete than anticipated, including as a result of unexpected factors or events; diversion of management's attention from ongoing business operations and opportunities; the ability of Encana Corporation (Encana) to complete the acquisition and integration of the Company successfully; litigation relating to the proposed transaction; and other factors that may affect the future results of the Company or Encana.

Please see Newfield's 2017 Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other subsequent public filings, all filed with the U.S. Securities and Exchange Commission (SEC), for a discussion of other factors that may cause actual results to vary. Unpredictable or unknown factors not discussed herein or in Newfield's SEC filings could also have material adverse effects on Newfield's actual results as compared to its anticipated results. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this communication and are not guarantees of performance. Unless legally required, Newfield undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

IMPORTANT ADDITIONAL INFORMATION REGARDING THE TRANSACTION HAS BEEN FILED WITH THE SEC

In connection with the proposed transaction between Encana and Newfield, Encana has filed with the SEC a registration statement on Form S-4 that includes a Joint Proxy Statement of the Company and Encana (the Joint Proxy Statement/Prospectus). The registration statement was declared effective by the SEC on December 26, 2018, and the Company and Encana commenced mailing the definitive Joint Proxy Statement/Prospectus to their respective stockholders on or about January 8, 2019 in connection with the proposed transaction. Encana and the Company may also file other documents with the SEC regarding the proposed transaction. INVESTORS AND SECURITY HOLDERS OF THE COMPANY ARE ADVISED TO CAREFULLY READ THE JOINT PROXY STATEMENT AND ANY REGISTRATION STATEMENT/PROSPECTUS (INCLUDING ALL AMENDMENTS AND SUPPLEMENTS THERETO) BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT THE TRANSACTION, THE PARTIES TO THE TRANSACTION AND RELATED MATTERS. Investors and security holders may obtain a free copy of the joint proxy statement (when available), any registration statement/prospectus, and other relevant documents filed by the Company with the SEC from the SEC's website at www.sec.gov. Security holders and other interested parties are also be able to obtain, without charge, a copy of the joint proxy statement, any registration statement/prospectus, and other relevant documents (when available) by directing a request by mail or telephone to Investor Relations, Newfield Exploration Company, 4 Waterway Square Place, Suite 100, The Woodlands, Texas 77380. Copies of the documents filed by the Company with the SEC will be available free of charge on the Company's website at ir.newfield.com.

PARTICIPANTS IN THE SOLICITATION

The Company and its directors, executive officers and certain other members of management may be deemed to be participants in the solicitation of proxies from the Company's security holders with respect to the proposed transaction. Information about the persons who may, under the rules of the SEC, be deemed participants in the solicitation of the stockholders of the Company in connection with the proposed transaction, including a description of their respective direct or indirect interests, by security holdings or otherwise, is included in the definitive Joint Proxy Statement/Prospectus described above and

filed with the SEC. Security holders and investors may obtain additional information regarding the interests of such persons, which may be different than those of the Company's security holders generally, by reading the Joint Proxy Statement/Prospectus, any registration statement and other relevant documents regarding the transaction, which have been filed with the SEC. The documents are available free of charge as described above.