

April 11, 2016

This note is provided to analysts and associates that cover Cenovus and will be posted on the Cenovus website under Related links in the [Investors](#) section.

The company will announce its first quarter 2016 results on Wednesday, April 27th, at 4:00AM MT (6:00AM ET) with a conference call to follow at 9:00AM MT (11:00AM ET).

We'd like to remind you of the following items that have been previously disclosed by Cenovus or are a summation of public information. Please note that all such information and statements were made as at the dates of the disclosure documents or conference calls specifically noted below, and this document is not intended to be an update of any such information or statements. Any updates on the prior statements and information summarized in this document will be provided in the company's announcement of its first quarter 2016 results.

Production:

- "The recently completed Christina Lake optimization project is expected to ramp up through 2016. Cenovus is now concentrating on delivering its two oil sands expansion projects that are almost complete. The Foster Creek phase G and Christina Lake phase F expansions are on track with first oil from both projects anticipated in the third quarter of 2016." – [Q4 2015 news release](#) (February 11, 2016)
- "We plan to bring on 7 new well pads at Foster Creek in 2016." – [Q4 2015 conference call](#) (February 11, 2016)
- "Cenovus anticipates production at Foster Creek to average between 60,000 bbls/d and 65,000 bbls/d net in the first half of 2016 and between 65,000 bbls/d and 70,000 bbls/d net in the second half of the year, exiting 2016 above 70,000 bbls/day net." – [Q4 2015 news release](#) (February 11, 2016)
- "To reduce operating and G&A expenses, the company deferred a scheduled turnaround at Foster Creek until 2017." – [Q4 2015 news release](#) (February 11, 2016)

Refining:

- Cenovus's refining operating cash flow is calculated on a first-in, first-out (FIFO) inventory accounting basis. As such, Cenovus's refining operating cash flow is impacted during periods of rising or declining benchmark commodity prices. – [Q3 2015 news release](#) (October 29, 2015)

Selected Average Benchmark Prices

	2016	2015				
	Q1	Year	Q4	Q3	Q2	Q1
Crude Oil Prices (US\$/bbl)						
Brent	35.08	53.64	44.71	51.17	63.50	55.17
West Texas Intermediate ("WTI")	33.45	48.80	42.18	46.43	57.94	48.63
Differential Brent - WTI	1.63	4.84	2.53	4.74	5.56	6.54
Western Canadian Select ("WCS")	19.21	35.28	27.69	33.16	46.35	33.90
Differential WTI - WCS	14.24	13.52	14.49	13.27	11.59	14.73
Condensate (CS @ Edmonton)	34.39	47.36	41.67	44.21	57.94	45.62
Differential WTI - Condensate (Premium)/Discount	(0.94)	1.44	0.51	2.22	-	3.01
Refining Margins 3-2-1 Crack Spreads ⁽¹⁾ (US\$/bbl)						
Chicago	9.58	19.11	14.47	24.67	20.77	16.53
Group 3	10.52	18.16	13.82	22.03	19.34	17.46
Natural Gas Prices						
AECO (C\$/Mcf)	2.11	2.77	2.65	2.80	2.67	2.95
NYMEX (US\$/Mcf)	2.09	2.66	2.27	2.77	2.64	2.98
Differential NYMEX - AECO (US\$/Mcf)	0.56	0.49	0.27	0.61	0.50	0.57

⁽¹⁾ The 3-2-1 crack spread is an indicator of the refining margin generated by converting three barrels of crude oil into two barrels of regular unleaded gasoline and one barrel of ultra-low sulphur diesel using current month WTI based crude oil feedstock prices and on a last in, first out accounting basis ("LIFO").

Corporate:

- As a reminder, as a result of planned capital, operating and G&A cost reductions for 2016, Cenovus updated its guidance for the year. In addition 2016 cash tax guidance of (\$50) to (\$150) million (recovery) based on WTI price of \$36.50. – [Corporate guidance](#) (February 11, 2016)
- The company reduced first quarter dividend by 69% to \$0.05 per share. – [Q4 2015 news release](#) (February 11, 2016)

Hedging:

- As a reminder, we updated our 2016 hedge position as at February 11, 2016. – [Corporate presentation](#)

Mitigating commodity price risk

2016 Hedges at February 11, 2016	Volume hedged	Hedge price	Production 2016F	Volume % hedged
Crude – Brent Fixed Price January – June January – June January – December July – December	17,000 bbls/d 38,000 bbls/d 10,000 bbls/d 5,000 bbls/d	C\$75.80/bbl US\$46.62/bbl US\$66.93/bbl C\$75.46/bbl	204.5 Mbbls/d	24%
Crude – Brent Collars July – December	10,000 bbls/d	US\$45.55 – \$56.55/bbl		
Crude – WTI Fixed Price July – December	10,000 bbls/d	US\$39.02		
Condensate – Mont Belvieu Fixed Price January – December (purchase)	3,000 bbls/d	US\$39.20		
WCS Differential ⁽¹⁾ January – December	31,600 bbls/d	US\$(13.96)/bbl		

⁽¹⁾ Cenovus entered into fixed-price swaps and futures to protect against widening light/heavy price differential for heavy crudes. 2016F production based on February 11, 2016 production guidance update.

Forward-Looking Information:

This document contains references to forward-looking information previously provided, identified by words such as “anticipated”, “expected”, “plan” and “intend”, and includes forecast operating and financial results. This document is prepared solely for the purposes of providing information about Cenovus Energy Inc.’s forecast operating and financial results and is not intended to be relied upon for the purpose of making investment decisions, including without limitation, to purchase, hold or sell any securities of Cenovus Energy Inc. Readers are cautioned not to place undue reliance on forward-looking information as our actual results may differ materially from those expressed or implied. The underlying assumptions, risks and uncertainties are described in the Advisory of our 2016 Corporate Guidance, available at cenovus.com. For a full discussion of our material risk factors, see “Risk Factors” in our 2015 Annual Information Form, available at www.sedar.com and cenovus.com