

October 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 third quarter 2016 results on Thursday, October 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 third quarter 2016 results.

Production:

- "Once again, Christina Lake continues to demonstrate top-tier performance, with an average SOR of 1.8 in the quarter with the plant running near capacity of 80,000 barrels per day net." – [Q2 2016 conference call](#) (July 28, 2016)
- "Foster Creek also continues to perform well and in-line with our expectations with field volumes ramping up as new sustaining pads are brought on. Production at Foster Creek averaged 65,000 barrels per day net during the second quarter. In the month of June, the field also averaged 69,000 barrels per day net. So overall, we remain on track to exit the year producing in excess of 70,000 barrels per day net from Foster Creek." – [Q2 2016 conference call](#) (July 28, 2016)
- "As of today, the expansion facility at Foster Creek G is now producing oil and Christina Lake F remains on track for first oil in the third quarter. We expect these phases to ramp up over a twelve to eighteen month period, bringing our total production capacity to 195,000 barrels per day on a net basis." – [Q2 2016 conference call](#) (July 28, 2016)

Refining:

- "The Wood River debottleneck project remains on track for start-up in the third quarter of this year. This light-ends processing project is expected to add 18,000 barrels per day of gross crude capacity, with added flexibility to process more light or dilbit heavy crudes." – [Q2 2016 conference call](#) (July 28, 2016)
- 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					
	Year to Date	Q3	Q2	Q1	Year	Q4	Q3 Year to Date	Q3	Q2	Q1
Crude Oil Prices (US\$/bbl)										
Brent	43.01	46.98	46.97	35.08	53.64	44.71	56.61	51.17	63.50	55.17
West Texas Intermediate ("WTI")	41.33	44.94	45.59	33.45	48.80	42.18	51.00	46.43	57.94	48.63
Differential Brent - WTI	1.68	2.04	1.38	1.63	4.84	2.53	5.61	4.74	5.56	6.54
Western Canadian Select ("WCS")	27.65	31.44	32.29	19.21	35.28	27.69	37.80	33.16	46.35	33.90
Differential WTI - WCS	13.68	13.50	13.30	14.24	13.52	14.49	13.20	13.27	11.59	14.73
Condensate (C5 @ Edmonton)	40.51	43.07	44.07	34.39	47.36	41.67	49.25	44.21	57.94	45.62
Differential WTI - Condensate (Premium)/Discount	1.50	3.91	1.52	(0.94)	1.44	0.51	1.75	2.22	-	3.01
Refining Margins 3-2-1 Crack Spreads⁽¹⁾ (US\$/bbl)										
Chicago	13.77	14.58	17.15	9.58	19.11	14.47	20.66	24.67	20.77	16.53
Group 3	12.70	14.56	13.03	10.52	18.16	13.82	19.61	22.03	19.34	17.46
Natural Gas Prices										
AECO (C\$/Mcf)	1.85	2.20	1.25	2.11	2.77	2.65	2.81	2.80	2.67	2.95
NYMEX (US\$/Mcf)	2.29	2.81	1.95	2.09	2.66	2.27	2.80	2.77	2.64	2.98
Differential NYMEX - AECO (US\$/Mcf)	0.89	1.13	0.99	0.56	0.49	0.27	0.56	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").


Hedging:

- As a reminder, Cenovus had the following hedges in place as of July 28, 2016. – [Corporate presentation](#)

Mitigating financial risk

	Forward hedge contracts as at July 28, 2016	Hedge position	Hedge price	Volume % hedged ⁽²⁾ and average price
2016	Crude – Brent Fixed Price July – December	10,000 bbls/d	US\$66.93/bbl	32% of remaining year volumes hedged at ~C\$63.38/bbl
	July – December	5,000 bbls/d	C\$75.46/bbl	
	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/bbl	
	WTI – Collars July – December	30,000 bbls/d	US\$45.39 – \$55.36/bbl	
	Condensate – Mont Belvieu Fixed Price July – December (purchase)	3,000 bbls/d	US\$39.20/bbl	
	WCS Differential⁽¹⁾ July – December	31,400 bbls/d	US\$(13.96)/bbl	
2017	Crude – Brent Fixed Price July – December	10,000 bbls/d	US\$53.09/bbl	
	Crude – WTI Fixed Price January – June	70,000 bbls/d	US\$46.35/bbl	
	WTI – Collars July – December	30,000 bbls/d	US\$43.92 – \$53.96/bbl	
2018	Crude – Brent Fixed Price January – June	10,000 bbls/d	US\$54.06/bbl	

⁽¹⁾ Cenovus entered into fixed-price swaps and futures to mitigate the impact of light/heavy price differential for heavy crudes.
⁽²⁾ Percent volume hedged is based on 2016F liquids of 204.5 Mbbls/d as per July 28, 2016 guidance.


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Forward-Looking Information:

This document contains references to forward-looking information previously provided, identified by words such as “anticipated”, “expected”, “plan” and “intend”, “on-track” 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