

October 5, 2022

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

The company will announce its third quarter 2022 results on Wednesday November 2nd, 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 results.

Corporate:

- “Long-term debt, including the current portion, was reduced to \$11.2 billion as at June 30, 2022, down from \$11.7 billion at the end of the first quarter. Net debt declined to \$7.5 billion as at June 30, 2022, down nearly \$900 million from March 31, 2022.” *(Cenovus News Release July 28, 2022)*
- “Subsequent to the end of the quarter, as of July 27, 2022, the company had purchased about 19 million shares, for approximately \$425 million. Since the NCIB program began in November 2021, Cenovus has purchased approximately 104 million common shares, to deliver \$2.2 billion in returns to shareholders” *(Cenovus News Release, July 28, 2022)*
- “On June 13, 2022, we announced an agreement to purchase the remaining 50 percent interest in Sunrise from BP Canada giving Cenovus full ownership and further enhancing our core strength in the oil sands. The transaction has an effective date of May 1, 2022, and is anticipated to close in the third quarter of this year.” *(Cenovus MD&A for the period ended June 30, 2022)*
- “On November 30, 2021, Cenovus announced agreements to sell 337 gas stations within our retail fuels network for total cash proceeds of \$420 million before closing adjustments. The sale is currently expected to close in the third quarter of 2022.” *(Cenovus MD&A for the period ended June 30, 2022)*
- “In China we finalized an agreement that will increase gas sales at Liuhua 29-1 for the duration of the contract. This will partially offset some of the reduction in contracted natural gas sales from Liwan 3-1, due to the conclusion of an amendment that temporarily increased sales volumes.” *(Cenovus MD&A for the period ended June 30, 2022)*
- “Cenovus Energy Inc. (TSX: CVE) (NYSE: CVE), through its U.S. operating business, has reached an agreement to purchase bp's 50% interest in the bp-Husky Toledo Refinery in Ohio. Cenovus has owned the other 50% of the refinery since its combination with Husky Energy in 2021. Cenovus's U.S. operating business will assume operatorship from bp upon closing of the transaction, which is expected before the end of 2022, dependent on the satisfaction of closing conditions.” *(Cenovus News Release, August 8, 2022)*
- “The turnaround activity at the Wood River and Borger refineries is done, with work substantially complete in July at Toledo. Cenovus expects to be well positioned for stronger operational momentum in the second half of the year.” *(Cenovus News Release, July 28 2022)*
 - Please note that on September 20, 2022 the Toledo refinery experienced an incident and the refinery is currently fully shut in.

- August 26, 2022: Cenovus announces tender offers for certain outstanding series of notes (<https://www.cenovus.com/News-and-Stories/News-releases/2022/2505307>)
- September 12, 2022: Cenovus announced pricing Early Tender Results and Increase of Tender Offers for Certain Outstanding Series of Notes (<https://www.cenovus.com/News-and-Stories/News-releases/2022/2514018>)
- September 12, 2022: Cenovus Announces Pricing of Tender Offers for Certain Outstanding Series of Notes (<https://www.cenovus.com/News-and-Stories/News-releases/2022/2514434>)

Share Repurchases

2022 Summary of shares repurchased

Period	Shares (millions)	Average price (C\$)	Repurchases (millions)	Date of filing
January	8.5	\$17.65	\$150	2022-02-10
February	14.2	\$19.53	\$277	2022-03-10
March	2.0	\$19.88	\$39	2022-04-08
April	16.9	\$21.79	\$369	2022-05-10
May	0.0	-	\$0	-
June	26.2	\$24.75	\$649	2022-07-05
July	18.5	\$22.93	\$425	2022-08-10
August	9.1	\$22.06	\$201	2022-09-09

Note: Transactions in USD have been converted to CAD

- Public filings of insider transactions, including share repurchases and cancellations, are available at the following website: <https://www.sedi.ca/sedi/>

Guidance

- “Cenovus has updated its 2022 corporate guidance, mainly to reflect changes in the commodity price environment, the restart of the West White Rose Project, the Sunrise oil sands acquisition, accelerated upstream development activity and increased downstream operating costs. The updated guidance is available on Cenovus’s website under [Investors](#).” (Cenovus News Release, July 28, 2022)

2022 Corporate guidance - C\$, before royalties

July 27, 2022

UPSTREAM					
OIL SANDS					
	Production (Mbbbls/d)	Capital investments (\$ millions)	Operating costs (\$/bbl)	Effective royalty rates (%)	
Christina Lake	235 - 250		Fuel 3.75 - 4.50 Non-fuel <u>4.25</u> - <u>5.00</u> Total 8.00 - 9.50	30 - 34	
Foster Creek	190 - 205		Fuel 4.75 - 5.50 Non-fuel <u>6.25</u> - <u>7.00</u> Total 11.00 - 12.50	28 - 32	
Lloydminster Thermal	100 - 110			10 - 12	
Lloydminster Conventional Heavy	16 - 19			9 - 12	
Sunrise	33 - 36			7 - 9	
Oil Sands total	574 - 620	1,550 - 1,750	12.50 - 14.00		
CONVENTIONAL					
	Production (Mbbbls/d)	Capital investments (\$ millions)	Operating costs (\$/boe)	Effective royalty rates (%)	
Crude oil	8 - 10				
NGLs	23 - 25				
Natural gas	560 - 600				
Conventional total	124 - 135	250 - 300	10.00 - 11.50	14 - 17	
OFFSHORE					
	Production (MBOE/d)	Capital investments (\$ millions)	Operating costs (\$/boe)	Effective royalty rates (%)	
Atlantic	12 - 15		40.00 - 45.00	1 - 2	
China	42 - 48		6.00 - 7.50	5 - 7	
Indonesia ⁽¹⁾	10 - 13		12.00 - 13.00	42 - 44	
Offshore total	64 - 76	300 - 350	14.00 - 16.00		
TOTAL UPSTREAM					
	Production (Mbbbls/d, MMcf/d, MBOE/d)	Capital investments (\$ millions)			
Total liquids	640 - 665				
Total natural gas	820 - 880				
Total upstream ⁽²⁾	780 - 810	2,100 - 2,400			
DOWNSTREAM					
	Throughput (Mbbbls/d)	Capital investments (\$ millions)	Operating costs (\$/bbl)		
Canadian Manufacturing ⁽³⁾	100 - 110		12.50 - 13.50		
U.S. Manufacturing ⁽⁴⁾	430 - 470		13.50 - 14.50		
Superior rebuild ⁽⁵⁾		500 - 550			
Downstream total	530 - 580	1,150 - 1,250	13.00 - 14.00		
CORPORATE					
Corporate & other expenditures (\$ millions)		50 - 70	General & administrative expenses (\$ millions) ⁽⁶⁾	475 - 525	
Total capital investments (\$ billions)		3.3 - 3.7	Cash tax (\$ billions)	2.3 - 2.6	
One-time integration costs (\$ millions)		100 - 150	Effective tax rate (%) ⁽⁷⁾	23 - 25	
PRICE ASSUMPTIONS & ADJUSTED FUNDS FLOW SENSITIVITIES ⁽⁸⁾					
Brent (US\$/bbl)	\$ 103.00	Independent base case sensitivities		Increase	Decrease
WTI (US\$/bbl)	\$ 100.00	<i>(As at June 30, 2022 for the remainder of 2022)</i>		(\$ millions)	(\$ millions)
Western Canada Select (US\$/bbl)	\$ 84.00	Crude oil (WTI) - US\$1.00 change		75	(75)
Differential WTI-WCS (US\$/bbl)	\$ 16.00	Light-heavy differential (WTI-WCS) - US\$1.00 change		(30)	30
Chicago 3-2-1 Crack Spread (US\$/bbl)	\$ 38.00	Chicago 3-2-1 crack spread - US\$1.00 change		85	(85)
RINs (US\$/bbl)	\$ 7.25	RINs (RVO) - US\$1.00 change		(55)	55
AEEO (\$/Mcf)	\$ 5.30	Natural gas (AEEO) - C\$1.00 change		(5)	5
Exchange Rate (US\$/C\$)	\$ 0.78	Exchange rate (US\$/C\$) - \$0.01 change		(115)	115

(1) Indonesia capital expenditures are excluded from totals due to being accounted for under the equity method for consolidated financial statement purposes.

(2) Production ranges for assets are not intended to add to equal total upstream.

(3) Canadian Manufacturing throughput and operating costs are associated with the Lloydminster Upgrader & Refinery.

(4) U.S. Manufacturing capital and operating costs are reported in C\$, but incurred in US\$ and as such will be impacted by FX.

(5) Capital expenditure to rebuild Superior Refinery is before expected insurance proceeds.

(6) Forecasted G&A does not include stock based compensation.

(7) Statutory rates of 24% in Canada, 25% in the U.S. and 25% in China are applied separately to pre-tax operating earnings streams for each country. Excludes the effect of divestiture and mark-to-market gains and losses.

(8) Refining results embedded in the sensitivities are based on unlagged margin changes and do not include the effect of changes in inventory valuation for first-in, first-out/lower of cost or net realizable value.

Upstream Production:

- Monthly oil sands production is published by the Alberta Energy Regulator (AER) at the following website: <https://www.aer.ca/providing-information/data-and-reports/statistical-reports/st53>.
- Monthly offshore production for Newfoundland and Labrador is published by the C-NLOPB at the following website: <https://www.cnlopb.ca/information/statistics/#m>.

Oil Sands Realized Bitumen Pricing:

- “Blending condensate with bitumen enables our production to be transported through pipelines. Our blending ratios, calculated as diluent volumes as a percentage of total blended volumes, range from approximately 22 percent to 35 percent. The WCS Condensate differential is an important benchmark as a wider differential generally results in a decrease in the recovery of condensate costs when selling a barrel of blended crude oil. When the supply of condensate in Alberta does not meet the demand, Edmonton condensate prices may be driven by USGC condensate prices plus the cost to transport the condensate to Edmonton. Our blending costs are also impacted by the timing of purchases and deliveries of condensate into inventory to be available for use in blending as well as timing of sales of blended product.” *(Cenovus MD&A for the period ended June 30, 2022)*

	2022								
	Jan	Feb	Mar	April	May	June	July	Aug	Sep
Condensate (C5 @ Edmonton) (US\$/bbl)	83.97	93.88	110.42	105.56	109.15	110.31	92.48	87.59	81.72

Royalties

- See Cenovus 2022 Guidance dated July 27, 2022 for effective royalty rate ranges for each of the upstream assets. The ranges are based on the commodity price assumptions set out in the Guidance document.
- “Royalties for a post-payout project are based on an annualized calculation which uses the greater of: (1) the gross revenues multiplied by the applicable royalty rate (one percent to nine percent, based on the Canadian dollar equivalent WTI benchmark price); or (2) the net revenues of the project multiplied by the applicable royalty rate (25 percent to 40 percent, based on the Canadian dollar equivalent WTI benchmark price). Gross revenues are a function of sales revenues less diluent costs and transportation costs. Net revenues are calculated as sales revenues less diluent costs, transportation costs, and allowed operating and capital costs. Foster Creek and Christina Lake are post-payout projects and Sunrise is a pre-payout project. *(Cenovus MD&A for the period ended June 30, 2022)*
- For our Saskatchewan assets, Lloydminster thermal and Lloydminster conventional heavy oil, royalty calculations are based on an annual rate that is applied to each project, which includes each project’s Crown and freehold split. For Crown royalties, the pre-payout calculation is based on a one percent rate and the post-payout calculation is based on a 20 percent rate. The freehold calculation is limited to post-payout projects and is based on an eight percent rate.” *(Cenovus MD&A for the period ended June 30, 2022)*
- An overview of the Alberta oil sands royalty framework, including applicable sliding scale royalty rates, is available at the following website: <https://www.alberta.ca/royalty-oil-sands.aspx>

Prices

- Benchmark pricing as of September 30, 2022:

Selected Average Benchmark Prices	2022					
	Q3	July	August	September	Q2	Q1
Crude Oil Prices (US\$/bbl)						
Brent	97.81	105.12	97.74	90.57	111.79	97.38
West Texas Intermediate ("WTI")	91.55	99.38	91.48	83.80	108.41	94.29
Differential Brent Futures-WTI	6.26	5.74	6.26	6.77	3.38	3.09
Western Canadian Select ("WCS")	71.69	80.44	70.45	64.18	95.61	79.76
Differential - WTI-WCS	19.86	18.94	21.03	19.62	12.80	14.53
Differential - WTI-WTS	(0.81)	(1.50)	(0.95)	0.02	0.24	(0.01)
Mixed Sweet Blend ("MSW")	89.50	97.35	88.94	82.23	107.91	91.33
Condensate (C5 @ Edmonton)	87.26	92.48	87.59	81.72	108.34	96.09
Differential - WTI-Condensate (premium)/discount	4.29	6.90	3.89	2.08	0.07	(1.80)
Refining Margins 3-2-1 Crack Spreads (US\$/bbl) ⁽¹⁾						
Chicago	38.87	39.58	36.52	40.52	46.50	18.35
Midwest Combined (Group 3)	38.57	40.61	34.12	40.99	44.35	19.94
Natural Gas Prices						
AECO (C\$/Mcf)	5.81	7.21	5.31	4.90	6.27	4.59
AECO (C\$/GJ)	5.50	6.83	5.03	4.64	5.95	4.35
NYMEX (US\$/Mcf)	8.20	6.55	8.69	9.35	7.17	4.95
Differential NYMEX - AECO (US\$/Mcf)	2.69	(0.28)	3.65	4.71	2.23	1.34
RINs						
RVO (US\$/bbl)	7.31	7.73	7.93	6.26	7.80	6.44

⁽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").

Contingent Payment:

- “The contingent payment associated with the acquisition of a 50 percent interest in the FCCL Partnership from ConocoPhillips Company and certain of its subsidiaries ended on May 17, 2022. The quarterly payment was \$6 million for each dollar that the WCS price exceeded \$52 per barrel. As at June 30, 2022, \$177 million is payable under this agreement. This is the final payment under this agreement and it will be made in July 2022.” *(Cenovus MD&A for the period ended June 30, 2022)*

Forward-Looking Information:

This document contains references to forward-looking information previously provided, identified by words such as “expect”, “may”, “plan”, and “will” or similar expressions and includes forecast operating and financial results. This document is prepared solely for the purposes of providing information about Cenovus’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. 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 2022 Corporate Guidance and in the Advisories of the above referenced News Releases and Management’s Discussion and Analysis, available at cenovus.com. For a full discussion of our material risk factors, see “Risk Management and Risk Factors” in our 2021 Annual Management’s Discussion and Analysis, available at sedar.com, sec.gov and cenovus.com.

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