

Corporate guidance

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		<i>Fuel</i> 3.75 - 4.50 <i>Non-fuel</i> 4.25 - 5.00 <i>Total</i> 8.00 - 9.50	30 - 34
Foster Creek	190 - 205		<i>Fuel</i> 4.75 - 5.50 <i>Non-fuel</i> 6.25 - 7.00 <i>Total</i> 11.00 - 12.50	28 - 32
Lloydminster Thermal	100 - 110		16.00 - 18.00	10 - 12
Lloydminster Conventional Heavy	16 - 19		41.00 - 44.00	9 - 12
Sunrise	33 - 36		18.00 - 21.00	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			
	(MMcf/d)			
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
WTI (US\$/bbl)	\$ 100.00	<i>(As at June 30, 2022 for the remainder of 2022)</i>		(\$ 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
AECO (\$/Mcf)	\$ 5.30	Natural gas (AECO) - C\$1.00 change		(5) 5
Exchange Rate (US\$/C\$)	\$ 0.78	Exchange rate (US\$/C\$) - \$0.01 change		(115) 115

(1) Indonesia capital investments 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 investment 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.



Advisory

Forward-looking Information

This guidance document contains certain forward-looking statements and future-oriented financial information (collectively referred to as “forward-looking information”) within the meaning of applicable securities legislation, including the United States Private Securities Litigation Reform Act of 1995, about our current estimates and projections about the future. This forward-looking information is current only as of the date indicated above and is prepared solely for the purpose of providing our reasonable estimates and expectations for the time period indicated, based on certain assumptions made by us in light of our experience and perception of historical trends. This forward-looking information may not be appropriate for other purposes. Although Cenovus believes this forward-looking information is reasonable based on the assumptions contained in this document, there can be no assurance that it will prove to be correct and it may not be appropriate for other purposes. Readers are cautioned not to place undue reliance on forward-looking information as actual results may differ materially from those expressed or implied. Cenovus undertakes no obligation to update or revise any forward-looking information except as required by law.

In addition to the price assumptions disclosed herein, the factors or assumptions on which the forward-looking information in this document is based include: projected capital investment levels, the flexibility of capital spending plans and associated sources of funding; achievement of further operating efficiencies, cost reductions and sustainability thereof; achieving corporate, operating and sustaining capital synergies as a result of the acquisition of Husky Energy Inc.; our forecast production volumes are subject to potential ramp down of production based on business and market conditions; foreign exchange rate, including with respect to our US\$ debt and refining capital and operating expenses; future improvements in availability of product transportation capacity; realization of expected impacts of storage capacity within oil sands reservoirs; the ability of our refining capacity and existing pipeline commitments to mitigate a portion of heavy oil volumes against wider differentials; planned turnaround and maintenance activity at both upstream and downstream facilities; accounting estimates and judgments; ability to obtain necessary regulatory and partner approvals; and the successful and timely implementation of capital projects or stages thereof.

The information in this Guidance document is also subject to risks disclosed in our annual Management’s Discussion and Analysis (“MD&A”) for the period ended December 31, 2021, supplemented by updates in our most recent quarterly MD&A, available on SEDAR at sedar.com, on EDGAR at sec.gov and at cenovus.com.