

# Corporate guidance

## 2023 Corporate guidance - C\$, before royalties

April 25, 2023

UPSTREAM				
OIL SANDS				
	Production (Mbbbls/d)	Capital investments (\$ millions)	Operating costs (\$/bbl) <sup>(1)</sup>	Effective royalty rates (%)
Christina Lake	235 - 255		Fuel 2.75 - 3.50 Non-fuel 4.75 - 5.50 Total 7.50 - 9.00	24 - 28
Foster Creek	180 - 200		Fuel 3.75 - 4.50 Non-fuel 6.50 - 7.50 Total 10.25 - 12.00	21 - 25
Lloydminster Thermal	105 - 115		15.00 - 17.00	10 - 13
Lloydminster Conventional Heavy	17 - 22		40.00 - 43.00	9 - 11
Sunrise	45 - 50		17.50 - 19.00	7 - 9
Oil Sands total	582 - 642	2,200 - 2,400	11.50 - 13.00	
CONVENTIONAL				
	Production (Mbbbls/d)	Capital investments (\$ millions)	Operating costs (\$/boe)	Effective royalty rates (%)
Crude oil	8 - 10			
NGLs	26 - 29			
	(MMcf/d)			
Natural gas	570 - 620			
Conventional total	125 - 140	350 - 450	10.00 - 11.50	17 - 19
OFFSHORE				
	Production (MBOE/d)	Capital investments (\$ millions)	Operating costs (\$/boe)	Effective royalty rates (%)
Atlantic	7 - 11		65.00 - 70.00	1 - 3
China	32 - 36		9.00 - 12.00	4 - 6
Indonesia <sup>(2)</sup>	16 - 21		9.50 - 11.00	20 - 24
Offshore total	55 - 68	600 - 700	18.00 - 21.00	
TOTAL UPSTREAM				
	Production (Mbbbls/d, MMcf/d, MBOE/d)	Capital investments (\$ millions)		
Total liquids	655 - 670			
Total natural gas	810 - 840			
Total upstream <sup>(3)</sup>	790 - 810	3,150 - 3,550		
DOWNSTREAM				
	Throughput (Mbbbls/d)	Capital investments (\$ millions)	Operating costs (\$/bbl) <sup>(1)</sup>	
Canadian Manufacturing <sup>(4)</sup>	100 - 110		11.25 - 13.25	
U.S. Manufacturing <sup>(5)</sup>	480 - 500		12.25 - 14.25	
Downstream total	580 - 610	800 - 900	12.00 - 14.00	
CORPORATE				
Corporate capital investment (\$ millions)		40 - 50	G&A (less stock-based compensation) (\$ millions) <sup>(6)</sup>	550 - 600
Total capital investments (\$ billions)		4.0 - 4.5	Cash tax (\$ billions)	1.3 - 1.6
One-time integration costs (\$ millions)		40 - 60	Effective tax rate (%) <sup>(7)</sup>	23 - 25

### PRICE ASSUMPTIONS & ADJUSTED FUNDS FLOW SENSITIVITIES<sup>(8)</sup>

		Independent base case sensitivities (As at March 31, 2023 for the remainder of 2023)	Increase (\$ millions)	Decrease (\$ millions)
Brent (US\$/bbl)	\$ 80.00			
WTI (US\$/bbl)	\$ 75.00			
Western Canada Select (US\$/bbl)	\$ 57.00	Crude oil (WTI) - US\$1.00 change	115	(115)
Differential WTI-WCS (US\$/bbl)	\$ 18.00	Light-heavy differential (WTI-WCS) - US\$1.00 change	(75)	75
Chicago 3-2-1 Crack Spread (US\$/bbl)	\$ 28.00	Chicago 3-2-1 crack spread - US\$1.00 change	140	(140)
RINs (US\$/bbl)	\$ 7.00	RINs (RVO) - US\$1.00 change	(120)	120
AECO (\$/Mcf)	\$ 3.10	Natural gas (AECO) - C\$1.00 change	(10)	10
Exchange Rate (US\$/C\$)	\$ 0.74	Exchange rate (US\$/C\$) - \$0.01 change	(125)	125

(1) Upstream operating expenses are divided by sales volumes. Downstream operating expenses are divided by barrels of crude oil throughput.

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

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

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

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

(6) Forecasted general and administrative (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

## **Basis of Presentation**

Cenovus reports financial results in Canadian dollars and presents production volumes on a net to Cenovus before royalties basis, unless otherwise stated. Cenovus prepares its financial statements in accordance with International Financial Reporting Standards (IFRS).

## **Barrels of Oil Equivalent**

Natural gas volumes have been converted to barrels of oil equivalent (BOE) on the basis of six thousand cubic feet (Mcf) to one barrel (bbl). BOE may be misleading, particularly if used in isolation. A conversion ratio of one bbl to six Mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil compared with natural gas is significantly different from the energy equivalency conversion ratio of 6:1, utilizing a conversion on a 6:1 basis is not an accurate reflection of value.

## **Forward-looking Information**

This guidance document contains forward-looking statements and other information (collectively referred to as “forward-looking information”) about the Company’s current expectations, estimates and projections, made in light of the Company’s experience and perception of historical trends. Although the Company believes that the expectations represented by such forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct.

This forward-looking information is current only as of the date indicated above. 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 guidance 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; 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; anticipated ramp up to full rates of production at the Superior Refinery and Toledo Refinery; 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, 2022, supplemented by updates in our most recent quarterly MD&A, available on SEDAR at [sedar.com](http://sedar.com), on EDGAR at [sec.gov](http://sec.gov) and at [cenovus.com](http://cenovus.com)