

**Certain Canadian Federal Income Tax Information
for Former Husky Common Shareholders
re Combination of Cenovus and Husky on Jan 1, 2021**

Purpose of this Summary

The following summary is intended to provide general information that may be of assistance to former Husky Energy Inc. (“Husky” or “HSE”) common shareholders (each a “shareholder” and collectively, the “shareholders”) who received Cenovus Energy Inc. (“Cenovus” or “CVE”) common shares (“CVE Common Shares”) and Cenovus common share purchase warrants (“CVE Warrants”) in exchange for Husky common shares (“HSE Common Shares”), in connection with the January 1, 2021 combination of Cenovus and Husky.

Background on the Combination

On October 25, 2020, Cenovus announced that it had entered into a definitive agreement to combine with Husky. The transaction was accomplished through a court approved plan of arrangement (“Arrangement”) under the *Business Corporations Act* (Alberta). The Arrangement closed on January 1, 2021.

For more information regarding the Arrangement, please refer to the joint management information circular of Cenovus and Husky dated November 9, 2020 (the “Circular”). In particular, the section entitled “Certain Canadian Federal Income Tax Considerations” starting on page 100 contains a summary of certain Canadian federal income tax considerations generally applicable to certain shareholders under the Arrangement. Please refer to the Circular for the meaning of capitalized terms not otherwise defined herein.

As described in the Circular, a shareholder is considered under the Arrangement to have disposed of a portion of the shareholder’s HSE Common Shares (“Warrant Consideration Common Shares”) for CVE Warrants; and to have disposed of the remaining portion of the shareholder’s HSE Common Shares for CVE Common Shares (“Share Consideration Common Shares”).

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For Warrant Consideration Common Shares that were disposed of in exchange for CVE Warrants, the shareholder will generally recognize a capital gain (or capital loss) equal to the amount, if any, by which the fair market value (“FMV”) of the CVE warrants received net of any reasonable costs associated with the exchange, exceeds (or is less than) the aggregate adjusted cost base (“ACB”) of such Warrant Consideration Common Shares determined immediately before the exchange.

For Share Consideration Common Shares that were exchanged for Cenovus Common Shares, the shareholder will generally be deemed to have disposed of such Share Consideration Common Shares under a tax-deferred share-for-share exchange pursuant to section 85.1 of the *Income Tax Act* (Canada) unless the shareholder chooses to recognize a capital gain (or capital loss).

The tax consequences of the Arrangement will vary depending on the circumstances of each former HSE common shareholder. The information in this summary is of general nature only and is not intended to be, nor should it be construed to be, legal or tax advice or representations to any particular shareholder. Former HSE common shareholders are urged to consult their tax advisors concerning the tax consequences of the Arrangement to them. Cenovus (including Husky) does not provide shareholders with tax advice.

Fair Market Value Allocation between CVE Common Shares and CVE Warrants

Former HSE common shareholders should consult their own tax advisors regarding the method for determining the ACB allocation that is appropriate for their particular circumstances for Canadian income tax purposes.

The estimates of FMV information and the ACB allocation of such FMV estimates between CVE Common Shares and CVE Warrants below are not binding on the Canada Revenue Agency, CVE/HSE or any shareholder. However, it is recommended that the FMV allocation between CVE Common Shares and CVE Warrants reported by former Husky common shareholders for Canadian income tax purposes be consistent with the allocation estimated by Cenovus.

Effective as of January 1, 2021, each former HSE common shareholder received, in respect of each HSE Common share held, 0.7845 of a CVE Common Share and 0.0651 of a CVE Warrant. 788.5 million CVE Common Shares and 65.4 million CVE Warrants were issued to HSE common shareholders and CVE acquired 1,005 million issued and outstanding HSE Common Shares. Each whole CVE Warrant entitles the holder to acquire one CVE Common Share at any time up to January 1, 2026 at an exercise price of C\$6.54.

The following estimated FMV information may be useful for former HSE common shareholders in determining the allocation of a shareholder's HSE Common Shares between Warrant Consideration Common Shares and Share Consideration Common Shares:

- Cenovus has estimated the total FMV of the CVE Common Shares issued in exchange for a portion of the HSE Common Shares that Cenovus acquired under the Arrangement to be approximately C\$6.1 billion, based on the closing price of C\$7.75 per CVE Common Share on the TSX on December 31, 2020; and
- Cenovus has estimated the FMV of the CVE Warrants issued in exchange for a portion of the HSE Common Shares that Cenovus acquired under the Arrangement to be approximately C\$216 million (or approximately \$3.30 per CVE Warrant).

Based on the foregoing estimated FMV information, the relative portion of a shareholder's HSE Common Shares that are considered Warrant Consideration Common Shares is estimated to be 3.42% of the shareholder's HSE Common Shares, and the relative portion of such HSE Common Shares that are considered to be Share Consideration Common Shares is estimated to be 96.58% of the shareholder's HSE Common Shares.

Former HSE common shareholders must determine their ACB based on their records. Cenovus (including Husky) does not have the information necessary to determine the ACB of the HSE Common Shares which have been exchanged, as the ACB will be unique to each former HSE common shareholder's particular circumstances.

Former HSE shareholders who require assistance regarding the determination of the ACB of their HSE Common Shares should contact their tax advisor. For assistance obtaining records with respect to shareholdings, please contact your broker (if you are not a registered holder) or CVE/HSE's transfer agent, Computershare - Telephone: toll-free North America: (866) 332-8898, outside North America: (514) 982-8717 (if you are a registered holder).