

# Cenovus and Husky Combine to Create a Resilient Integrated Energy Leader



## BENEFITS OF COMBINATION

Annual synergies  
**\$1.2 billion**

Free funds flow WTI break-even of US  
**\$36/bbl**  
in 2021

Cash flow savings  
**~\$600 million**

Accelerated path to  
**<2x net debt to EBITDA**  
within 24 months

## CONTACTS

### Cenovus

Investor Relations  
Sherry Wendt,  
Director, Investor Relations  
403-766-7711

Media Relations  
Reg Curren,  
Senior Advisor,  
Media Relations  
403-766-7751

cenovus.com

### Husky

Investor Relations  
Leo Villegas,  
Director, Investor Relations  
403-513-7817

Media Relations  
Kim Guttormson,  
Manager,  
Communication Services  
403-298-7088

huskyenergy.com

## TRANSACTION HIGHLIGHTS

- Accretive to all shareholders on cash flow and free funds flow per share
- Anticipated annual run rate synergies of \$1.2 billion, largely achieved within the first year, independent of commodity prices
- Expected free funds flow break-even at West Texas Intermediate (WTI) pricing of US\$36 per barrel (bbl) in 2021, and at less than WTI US\$33/bbl by 2023
- Low exposure to Western Canadian Select (WCS) locational differential risk while maintaining healthy exposure to global commodity prices
- Increased and more stable cash flows support investment grade credit profile
- Net-debt-to-adjusted-EBITDA ratio of less than 2x expected to be achieved in 2022
- Anticipated quarterly dividend of \$0.0175 per share (upon Board approval) and positioned for consistent growth
- Husky shareholders will receive 0.7845 of a Cenovus share plus 0.0651 of a Cenovus share purchase warrant in exchange for each Husky common share

## AN INTEGRATED OIL & NATURAL GAS LEADER – KEY FACTS

|   | Standalone Cenovus <sup>1</sup> | Standalone Husky <sup>1</sup> | Pro forma company <sup>1</sup> |
|---|---------------------------------|-------------------------------|--------------------------------|
| Production (BOE/d)                      | ~475,000                        | ~275,000                      | ~750,000                       |
| Upgrading & refining capacity (BOE/d)   | ~250,000                        | 410,000                       | ~660,000                       |
| 2P reserves (mmBOE)                     | ~7,000                          | ~2,000                        | ~9,000                         |
| Takeaway capacity from Alberta (bbls/d) |                                 |                               |                                |
| Current pipelines                       | ~135,000                        | ~130,000                      | ~265,000                       |
| Planned pipelines/expansions            | ~275,000                        | ~30,000                       | ~305,000                       |
| Crude oil storage (mmbbls)              | ~10                             | ~6                            | ~16                            |
| Sustaining capital (\$billion per year) | 1.2                             | 1.8                           | 2.4                            |

Commitment to ESG leadership      Ambition to achieve net zero emissions by 2050; specific ESG targets and plan to be announced post close

<sup>1</sup> Based on year-to-date production.

## ADVISORIES

This Fact Sheet contains forward-looking information that is subject to risks and assumptions. For more information, please refer the advisory of the news release dated October 25, 2020.