cenovus ENERGY

April 03, 2018

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 first quarter 2018 results on Wednesday, April 25th, 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 first quarter results.

Corporate:

- As a reminder, Cenovus closed 2017 with shares outstanding of ~1,229 million. *(Fourth quarter report – February 15th, 2018)*
- "…Cenovus successfully completed the sale of its four legacy conventional oil and natural gas assets for combined gross cash proceeds of $3.7 billion. The company used the net proceeds from the three asset sales that closed in 2017, plus cash on hand, to repay and retire its $3.6 billion bridge facility prior to the end of the year. The Suffield asset sale, which was announced in the fourth quarter of 2017, closed on January 5, 2018 for gross cash proceeds of $512 million." *(Fourth quarter report – February 15th, 2018)*
- As a reminder Cenovus largely completed planned workforce reductions in the first quarter of 2018. "Cenovus is also on track to meet its accelerated goal of achieving at least $1 billion in cumulative capital, operating and G&A cost reductions over two years versus an earlier targeted timeline of three years. This includes the company's previously-announced plan to further reduce its workforce by approximately 15% this year, which was largely completed in January and February". *(Fourth quarter report – February 15th, 2018)*
- As a reminder, Cenovus provides sensitivities to benchmark commodity prices in its 2018 guidance document. *(Guidance document – December 13, 2017)*

2018 Corporate Guidance - C$, before royalties

December 13, 2017

PRICE ASSUMPTIONS & ADJUSTED FUNDS FLOW SENSITIVITIES [(8)]				
Brent (US$/bbl)	55.00	**Independent base case sensitivities**	Increase	Decrease
WTI (US$/bbl)	52.00	*(for the full year 2018)*	($ millions)	($ millions)
Western Canada Select (US$/bbl)	37.00	Crude oil (WTI) - US$1.00 change	45	(90)
NYMEX (US$/MMBtu)	3.00	Light-heavy differential (WTI-WCS) - US$1.00 change	(125)	80
AECO ($/GJ)	2.20	Chicago 3-2-1 crack spread - US$1.00 change	85	(85)
Chicago 3-2-1 Crack Spread (US$/bbl)	15.00	Natural gas (NYMEX) - US$1.00 change	120	(110)
Exchange Rate (US$/C$)	0.78	Exchange rate (US$/C$) - $0.05 change	(250)	245

(8) Sensitivities include current hedge positions applicable to the full year 2018. 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.

Production:

- Cenovus provided a first quarter operational update on March 22nd. "Cenovus anticipates first quarter oil sands production of between 350,000 and 360,000 barrels per day." "…Cenovus continues to expect full-year oil sands volumes for

2018 to be within the company's guidance range of 364,000 to 382,000 barrels per day." *(News release – March 22nd, 2018)*

- Monthly oil sands production is available for purchase from the Alberta Energy Regulator (AER) at the following website https://www.aer.ca/data-and-publications/statistical-reports/st53. Please contact Cenovus Investor Relations with any specific questions related to the contents of the ST53 report.
- In the Deep Basin "production averaged 120,243 BOE/d in December. Cenovus continues to take a disciplined approach to development in the Deep Basin. The company drilled 24 net horizontal wells and participated in drilling four non-operated net horizontal wells targeting liquids-rich natural gas in 2017. Twenty net wells were completed and 14 net wells started production. To date, Cenovus has achieved very strong drilling efficiencies with its Deep Basin program, and initial well results have met or exceeded the company's expectations. As previously announced, Cenovus plans to drill 15 net wells in the Deep Basin in 2018." *(Fourth quarter report – February 15th, 2018)*

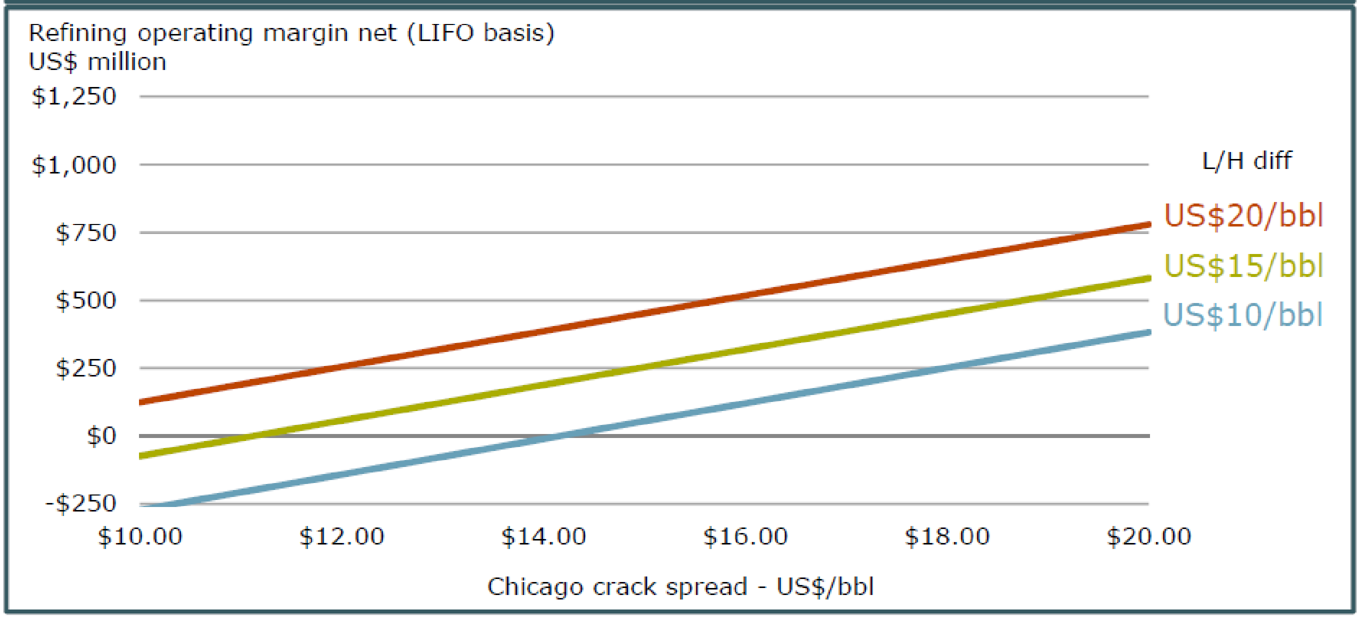
Refining:

- "Cenovus also expects its first quarter results will be impacted by planned maintenance activity currently underway at the company's two U.S. refineries jointly owned with Phillips 66, which operates the facilities." *(News release – March 22nd, 2018)*
- Cenovus's refining operating cash flow is calculated on a first-in, first-out (FIFO) inventory accounting basis. As such, Cenovus's refining operating cash flow is impacted during periods of rising or declining benchmark commodity prices. *(News release - October 29, 2015)*

Selected Average Benchmark Prices	**2018**	**2017**					**2016**				
	Q1	Year	Q4	Q3	Q2	Q1	Year	Q4	Q3	Q2	Q1
Crude Oil Prices *(US$/bbl)*											
Brent	**67.18**	54.82	61.54	52.18	50.92	54.66	45.04	51.13	46.98	46.97	35.08
West Texas Intermediate ("WTI")	**62.87**	50.95	55.40	48.21	48.29	51.91	43.32	49.29	44.94	45.59	33.45
Differential Brent Futures-WTI	**4.31**	3.87	6.14	3.97	2.63	2.75	1.72	1.84	2.04	1.38	1.63
Western Canadian Select ("WCS")	**38.59**	38.97	43.14	38.27	37.16	37.33	29.48	34.97	31.44	32.29	19.21
Differential - WTI-WCS	**24.28**	11.98	12.26	9.94	11.13	14.58	13.84	14.32	13.50	13.30	14.24
Differential - WTI-WTS	**1.37**	1.04	0.47	1.05	1.12	1.51	0.96	1.02	1.53	0.96	0.32
Mixed Sweet Blend ("MSW") (US$)	**56.98**	48.50	54.26	45.32	46.03	48.37	40.11	46.18	41.99	42.51	29.76
Condensate - (C5 @ Edmonton)	**63.04**	51.57	57.97	47.61	48.44	52.26	42.47	48.33	43.07	44.07	34.39
Differential - WTI-Condensate (premium)/discount	**(0.17)**	(0.62)	(2.57)	0.60	(0.15)	(0.35)	0.85	0.96	1.87	1.52	(0.94)
Refining Margins 3-2-1 Crack Spreads [(1)] *(US$/bbl)*											
Chicago	**12.96**	16.77	21.09	19.66	14.78	11.54	13.07	10.96	14.58	17.15	9.58
Midwest Combined (Group 3)	**15.66**	16.61	18.77	20.20	14.27	13.18	12.27	10.95	14.56	13.03	10.52
Natural Gas Prices											
AECO (C$/Mcf)	**1.85**	2.43	1.96	2.04	2.77	2.94	2.09	2.81	2.20	1.25	2.11
AECO (C$/GJ)	**1.76**	2.30	1.85	1.93	2.63	2.79					
NYMEX (US$/Mcf)	**3.00**	3.11	2.93	3.00	3.18	3.32	2.46	2.98	2.81	1.95	2.09
Differential NYMEX - AECO (US$/Mcf)	**1.52**	1.26	1.40	1.39	1.13	1.10	0.89	0.86	1.13	0.99	0.56
FIFO Adjustment (C$ millions)											
FIFO Adjustment		93	71	9	(31)	44	141	108	(37)	107	(37)

(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").

Refining operating margin sensitivities 2018F



U$1 change in crack spread = ~US$65 million refining operating margin
U$1 change in L/H differential = ~US$40 million refining operating margin
U$1 change in WTI = ~US$7 million refining operating margin

Note: Based on an approximately US$50/bbl WTI as a basis and assumes no unplanned downtime or external disruptions. RINs assumed at US$0.90 cpg.

Foreign Exchange:

- As a reminder, our revenues are subject to foreign exchange exposure as the sales prices of our crude oil, natural gas and refined products are determined by reference to U.S. benchmark prices. An increase in the value of the Canadian dollar compared with the U.S. dollar has a negative impact on our reported results. Likewise, as the Canadian dollar weakens, our reported results are higher. In addition to our revenues being denominated in U.S. dollars, a significant portion of our long-term debt is also U.S. dollar denominated. In periods of a strengthening Canadian dollar, our U.S. dollar debt gives rise to unrealized foreign exchange gains when translated to Canadian dollars. *(MD&A at September 30, 2017)*
- Please refer to the above sensitivities table from our guidance document if you are attempting to model the potential impact of changes in the foreign exchange rate.

Hedging:

- “To support the company’s financial resilience as it continued to deleverage its balance sheet in 2017, Cenovus hedged a greater percentage of 2018 forecast liquids production than it typically does, establishing a floor on crude oil prices. Approximately 80% of the company’s forecast oil production is hedged for the first half of the year. Approximately 37% of forecast oil production is hedged for the second half of 2018. There were no natural gas hedges in place as of December 31, 2017. As of the end of 2017, no hedge positions were in place for 2019.” *(Fourth quarter report – February 15th, 2018)*

Current hedge positions for 2018		
Hedges at October 25, 2017	Volume	Price
Crude – Brent Collars January – June	80,000 bbls/d	US$49.54/bbl – US$59.86/bbl
Crude – Brent Fixed Price January - June	60,000 bbls/d	US$53.34/bbl
Crude – Brent Put Contracts January – June	25,000 bbls/d	US$53.00/bbl
Crude – WTI Collars January – June	10,000 bbls/d	US$45.30/bbl – US$62.77/bbl
Crude – WTI Fixed Price January – June	150,000 bbls/d	US$48.91/bbl
Crude – WCS Differential January – June	~25,200 bbls/d	~US$(13.92)/bbl
Crude – WTI Fixed Price July – December	75,000 bbls/d	US$49.32/bbl
Crude – Brent Collars July – December	75,000 bbls/d	US$49.00 – US$59.69/bbl
Crude – WCS Differential July – December	~9,600 bbls/d	~US$(14.48)/bbl

Forward-Looking Information:

This document contains references to forward-looking information previously provided, identified by words such as “anticipated”, “expected”, “plan” and “intend”, “on track” and includes forecast operating and financial results. This document is prepared solely for the purposes of providing information about Cenovus Energy Inc.’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 Energy Inc. 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 2017 and 2018 Corporate Guidance, available at cenovus.com. For a full discussion of our material risk factors, see “Risk Management and Risk Factors” in our 2017 Annual Management Discussion and Analysis, available at www.sedar.com and cenovus.com