

Cenovus Energy Inc.

Interim Supplemental Information (unaudited)

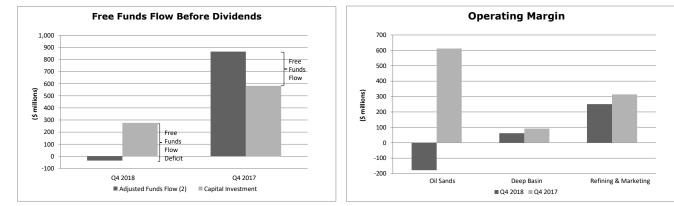
For the period ended December 31, 2018

(Canadian Dollars)

SUPPLEMENTAL INFORMATION (unaudited)

Financial Statistics

| Per venues Part of 4 Q3 Q2 Q1 Grost States 190.255 1,380 2,992 3,248 2,406 7,352 Deep Bash Retings and Marketing Deep State 130.256 1,380 2,992 3,248 2,408 7,352 Deep State 130.256 3,150 2,177 2,232 9,852 Dest returns constitutions 120.841 4,845 5,857 5,532 4,610 17,043 Constraintion from Constrainting Operations 20.841 4,845 5,857 5,532 4,610 17,043 Operating Margin (1) Constrainting Operations 20.838 4,549 5,854 2,829 4,621 18178 Operating Margin (1) Constrainting Operations 20.838 (120 662 476 69 2,107 Constrainting Operations 20.838 (120 755 554 205 2,374 2,410 130 112 2,12 4,91 4,91 4,91 4,91 4,91 4,91 4,91 4,91 | (\$ millions, except per share amounts) | | | | | | |
|--|--|---------|---------|--------|----------------|--------|--------|
| Cores Sales Of US ands Locat Display Locat Lass Locat Lass Locat Display Locat Lass Locat Lass Locat Display Locat Lass Locat Display Locat Display <thlocat Display<!--</th--><th>_</th><th></th><th></th><th>2018</th><th></th><th></th><th>2017</th></thlocat | _ | | | 2018 | | | 2017 |
| Ol Sands 19,026 1,380 2,992 3,248 2,466 7,822 553 Corporate and Eliminations 10724 1002 118 2,217 253 553 Corporate and Eliminations 10724 1002 118 2,218 6,219 6,233 6,149 4,543 5,437 4,541 1,41 1,41 1,41 1,41 1,41 1,11 < | | Year | Q4 | Q3 | Q2 | Q1 | Year |
| Deep Basin corrors and Eliminations 1904 (29) 1900 (29) 214 (29) 221 (29) 223 (29) 233 (29) 230 (29) 233 (29) 230 (29) | | | | | | | |
| Refining and Marketing 11,183 3,048 3,126 2,777 2,222 9,823 Corpords and Winterstom 20,844 44.845 5,837 5,432 4,461 7,641 7,135 Corventional (Peer Hovaltes) - Discontinued Operations 20,844 44.845 5,837 5,832 4,610 7,135 Total Revenues 20,845 5,845 5,846 5,847 5,837 4,610 7,135 Operating Margin (1) Vear 04 03 02 20,11 183 Operating Margin from Continuing Operations 1,339 110 123 110 23 12 12 12 42 20,83 Operating Margin from Continuing Operations 2,337 13 132 112 132 112 212 448 Total Cosh Fromodes 2,337 133 132 12 12 448 Total Cosh From Operating Alumenter 2,334 445 1,435 1,435 1,435 1,435 1,435 1,435 1,435 < | | | | | | 2,406 | |
| Corporate and Blininations 17240 (a) (182) (a) (182) (a | | | | | | | |
| iss: Revenues 5455 (23) 2865 195 4 93 221 Centering More Canthung Operations 20.481 4.545 5.857 5.812 4.610 17.463 Cold Revenues 20.835 4.543 5.857 5.812 4.610 17.463 Operating Margin (1) Year Q4 Q3 Q2 Q1 Year Oblig Revenues 1.086 (176) 687 475 106 2.18 Operating Margin (1) Year Q4 Q3 Q2 Q1 Year Oblig Revenues 1.086 (176) 687 475 106 2.18 Operating Margin from Confining Operations 2.397 139 113 12 12 17 2.93 Total Constructions 2.397 139 | | | | | | | |
| Revenues 20.444 4,545 5.57 5.822 4,610 17,041 Operating Margin (1) 20.855 4,633 5,805 5,803 4,622 18,17 Operating Margin (1) 20.855 4,633 2,02 01 Year Oblig and Same Same Same Same Same Same Same Same | | | | | | | |
| Conventional (Net of Rozinities) - Discontinued Operations 11 (1) (3) (1) (3) (1) | | | | | | | |
| Total Revenues 20,853 4,543 5,856 5,829 4,627 18,178 Operating Margin (1) Year Q4 Q3 Q2 Q1 Year Oli Sands 1,046 (178) 662 47.6 10.6 2,187 Dee basin 1,338 (116) 75.3 55.4 2,534 35.7 46.8 35.7 46.8 35.7 46.8 35.7 46.8 35.7 46.8 35.7 46.8 35.8 55.8 2.934 13.2 11.9 1.9 2.935 1.9 2.935 1.9 2.935 1.9 2.935 1.9 2.935 1.9 2.803 3.0 9 2.9 1.9 2.935 1.9 2.803 3.059 9 2.01 Year 7 7.01 1.03 0.70 7 1.01 1.01 1.01 1.01 1.01 1.01 1.01 1.01 1.01 1.01 1.01 1.01 1.01 1.01 1.01 1.01 1 | | | | | | | |
| Operating Margin ⁽¹⁾ Year Q4 Q3 Q2 Q1 Testing Margin ⁽¹⁾ Oll Sands 312 672 73 78 99 215 Deep Basin 1398 (160 755 554 426 2.39 Operating Margin from Continuing Operations 939 215 135 51 215 2.43 Total Operating Margin from Continuing Operations 2.33 132 1.12 2.12 2.44 Total Operating Margin from Continuing Operations 2.33 132 1.12 2.12 2.44 Adjusted Funds Flow ⁽²⁾ 2 2.43 1.23 2.12 2.49 Adjusted Funds Flow ⁽²⁾ 2 2.43 1.25 5.33 (12) 3.09 Total Cash From Operating Activities 2.55 543 2.97 (24) (41) 2.21 Total Adjusted Funds Flow (2) 1.567 1.564 (36) 97.7 7.4 (41) 2.91 Total Adjusted Funds Flow (2) 1.567 1.564 (36)< | | | | | 5,829 | | |
| Operating Margin ⁽¹⁾ Year Q4 Q3 Q2 Q1 Testing Margin ⁽¹⁾ Oll Sands 312 672 73 78 99 215 Deep Basin 1398 (160 755 554 426 2.39 Operating Margin from Continuing Operations 939 215 135 51 215 2.43 Total Operating Margin from Continuing Operations 2.33 132 1.12 2.12 2.44 Total Operating Margin from Continuing Operations 2.33 132 1.12 2.12 2.44 Adjusted Funds Flow ⁽²⁾ 2 2.43 1.23 2.12 2.49 Adjusted Funds Flow ⁽²⁾ 2 2.43 1.25 5.33 (12) 3.09 Total Cash From Operating Activities 2.55 543 2.97 (24) (41) 2.21 Total Adjusted Funds Flow (2) 1.567 1.564 (36) 97.7 7.4 (41) 2.91 Total Adjusted Funds Flow (2) 1.567 1.564 (36)< | | | | | | | |
| Ol Sands 1066 (178) 682 476 106 2.187 Deep Basin 1,398 (116) 755 554 205 2,397 Refining and Marketting 996 215 436 551 (48) 538 Conventional - Discontinuing Operations 2,337 113 1,151 27 12 2.43 Adjusted Funds Flow (2) 2017 Year 24 03 02 01 Year Total Cash Trom Operating Activities 2,154 485 1.259 533 (12) 118 | Operating Margin ⁽¹⁾ | Vear | 04 | | 02 | 01 | |
| Desp Basin 332 62 73 78 99 207 Refining and Marketing 996 251 436 357 448 538 Ownerbinal-Hollowething Operations 2,337 133 1,11 1,27 157 2,34 Total Operating Margin 2,331 132 1,12 238 1,69 3,483 Adjusted Funds Flow (²⁾ 7 7 490 20 Q (Q) Year Deduct (Ad Back): 2,154 485 1,259 533 (123) 3,059 Deduct (Ad Back): 2,154 495 1,259 533 (123) 3,059 Net Change in Other's Mixed/maxic Capital 1,352 1,36 (0,03) 0,63 (0,03) 2,24 (Ad) 1,36 (0,03) 0,63 (0,03) 2,24 (Ad) 1,36 (0,03) 0,64 (0,3) 2,24 (Ad) 1,36 (0,03) 0,64 (0,3) 2,24 (Ad) 1,36 (0,03) 0,64 (0,23 | | | - | | | | |
| Refining and Marketing 1,338 (116) 755 554 2,394 135 1,151 755 2,394 135 1,151 935 155 2,394 135 1,151 935 155 2,394 135 1,151 935 165 2,394 135 1,192 938 169 3.463 Objecting Barning Activities 2,431 132 1,192 938 169 3.463 Deduct (Add Back): Vear Q4 Q3 Q2 Q1 Year Deduct (Add Back): 2,154 455 1,151 117 (16) 117 (16) 117 (16) 117 (16) 117 (16) 117 (16) 117 (16) 117 (16) 117 (16) 117 (16) 117 (16) 117 (16) 117 (16) 117 (16) 117 (16) 1202 (16) 1202 (16) 1202 (16) 1202 (16) 1202 (16) <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> | | | | | | | |
| Deparating Margin from Continuing Operations 2,394 133 1,191 911 135 2,992 Conventional - Discontinued Operations 2,431 132 1,192 938 169 3.483 Adjusted Funds Flow (2) 2018 2017 Total Cash From Operating Activities 2,154 485 1,299 533 (13) 13 | | 1,398 | (116) | 755 | 554 | 205 | 2,394 |
| Conventional - Discontinued Operations 37 (3) 1 27 12 (491 Total Operating Margin 2.431 132 1.192 938 160 3.468 Adjusted Funds Flow (2) Year Q4 Q3 Q2 Q1 Year Total Cash From Operating Activities 2,154 485 1.259 533 (107) Net Change In Other Assets and Liabilities (72) (22) (15) (17) (18) (107) Net Change In Other Assets and Liabilities (72) (22) (15) (107) (18) (107) Net Change In Other Assets and Liabilities (72) (23) (25) (21) (21) (21) (21) (21) (21) (21) (21) (21) (21) (22) (22) (23) (22) (24) (24) (23) (24) (21) (23) (22) (24) (23) (24) (23) (24) (23) (24) (24) (24) (24) (24) (24) | | | | | | | |
| Total Operating Margin 2,431 132 1,192 938 169 3,483 Adjusted Funds Flow (2) Year Q4 Q3 Q2 Q1 Year Total Cash From Operating Activities 2,154 485 1,259 533 (123) 3,059 Deduct (Ad Back): (72) (22) (15) (17) (16) (107) Net Change in Other Assets and Liabilities (72) (22) (15) (17) (16) (22) (16) (22) (16) (22) (16) (22) (16) (22) (16) (22) (16) (23) (24) (24) (24) (24) (24) (24) (24) (24) (25) (24) (24) (25) (24) (26) (22) (25) (24) (26) (23) (25) (24) (26) (23) (26) (23) (26) (24) (26) (23) (26) (21) (24) (26) (21) (26) (21) (26) </td <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> | | | | | | | |
| Adjusted Funds Flow (2) Z018 2017 Adjusted Funds Flow (2) Year Q4 Q3 Q2 Q1 Year Total Cash From Operating Activities 2,154 485 1,259 533 (123) 3,059 Deduc (Add Back): 2,154 485 1,259 533 (107) (18) (107) Net Change in Non-Cash Working Capital 552 543 297 774 (41) 2,94 Total Adjusted Funds Flow 1,674 (35) 977 774 (41) 2,914 Total Adjusted Funds Flow 1,364 (0.03) 0.29 0.63 (0.03) 2.64 Total Adjusted Funds Flow 1,364 (0.03) 0.29 0.63 (0.03) 2.64 Total Adjusted Funds Flow 1,364 (0.03) 0.29 (75) (1,670) (41) (292) (75) (1,670) (41) (292) (75) (1,670) (41) (292) (75) (1,670) (41) (292) (75) (410) <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<> | | | | | | | |
| Adjusted Funds Flow ⁽³⁾ Year Q4 Q3 Q2 Q1 Year Deduct Add Back): 2,154 485 1,259 533 (123) 3,059 Net Change in Ober Asets and Labilities 722 (125) (123) 3,059 Net Change in Non-Cash Working Capital 552 543 297 (224) (64) 252 Total Adjusted Funds Flow 1,356 (0.03) 0.80 0.63 (0.03) 2,64 Total Adjusted Funds Flow 1,356 (0.03) 0.80 0.63 (0.03) 2,64 Total Adjusted Funds (Loss) from Continuing Operations - Diluted (2,759) (1,47) (14) (292) (752) (34) Per Share from Continuing Operations - Diluted (2,759) (1,672) (14) (9,04) (2,05) (1,01) (9,14) (2,22) (742) (722) (743) (2,22) (743) (2,21) (743) (2,22) (743) (2,22) (743) (2,22) (743) (2,22) (743) (2,22) (743) | | 2,731 | 152 | 1,192 | 550 | 105 | 3,403 |
| Total Cash From Operating Activities 2,154 485 1,259 533 (123) 3,059 Deduct (Add Sack): (72) (22) (15) (17) (18) (107) Net Change in Non-Cash Working Capital 552 543 297 (224) (64) 252 Total Per Share - Basic 1.36 (0.03) 0.80 0.63 (0.03) 2.64 Total Per Share - Diluted 1.36 (0.03) 0.79 0.63 (0.03) 2.64 2018 2017 2018 2017 2018 2017 2018 2017 2018 2017 2018 2017 2018 2017 2018 2017 2018 2017 2018 2017 2018 2017 2018 2017 2018 2017 2018 2017 <td< th=""><th></th><th></th><th></th><th></th><th></th><th></th><th></th></td<> | | | | | | | |
| Deduct (Add Back): Image: Construct (Add Back): Image: Co | | Year | | | | • | |
| Net Change in Nor-Cash Working Capital (72) (12) (11) (11) (18) (10) Net Change in Nor-Cash Working Capital 1,674 (36) 977 774 (41) 2,914 Total Per Share - Basic 1,36 (0.03) 0.80 0.63 (0.03) 2,264 Total Per Share - Diluted 1,36 (0.03) 0.80 (0.03) 2,264 Cols 2017 Qerating Earnings (Loss) from Continuing Operations (3) (2,275) (1,670) (41) (292) (752) (34) Total Operating Earnings (Loss) from Continuing Operations - Diluted (2,275) (1,630) (0.03) (0.22) (752) (34) Total Operating Earnings (Loss) from Continuing Operations - Diluted (2,272) (1,672) (42) (222) (1,612) (42) (222) (34) (0.03) (0.24) (0.04) (0.23) (0.24) (0.24) (0.24) (0.24) (0.24) (0.24) (0.24) (0.24) (0.24) (0.24) (0.24) (0.27) (1.03) | | 2,154 | 485 | 1,259 | 533 | (123) | 3,059 |
| Net Change in Non-Cash Working Capital 552 543 297 (224) (64) 7252 Total Adjusted Funds Flow 1.36 (0.03) 0.80 0.63 (0.03) 2.64 Total Adjusted Funds Flow 1.36 (0.03) 0.77 (74 (13 2.64 Total Adjusted Funds Flow 1.36 (0.03) 0.79 0.63 (0.03) 2.64 Total Adjusted Funds Flow (2,755) (1,670) (41) (229) (23) Per Share from Continuing Operations - Diluted (2,275) (1,660) (0.03) 0.24 (1.63) (0.61) (0.61) (0.61) (0.61) (0.61) (0.61) (0.63) (0.22) (1.36) (0.32) (0.22) (1.33) (0.22) (1.33) (0.22) (0.33) (0.24) (1.01) (0.20) (0.33) (0.24) (1.01) (0.23) (2.268 (2.37) (1.10) (0.20) (0.33) (0.74) 2.268 (2.37) (1.10) (0.20) (0.33) (0.74) 2.268 (2. | | (72) | (22) | (15) | (17) | (10) | (107) |
| Total PerShare - Basic Total PerShare - Diluted 1,674 (36) 977 774 (41) (41) 2,914 (2,64) Earnings 0.033 0.63 0.633 (0.03) 2.64 Operating Earnings (Loss) from Continuing Operations ⁽³⁾ (2,755) (1,670) (41) (292) (752) Operating Earnings (Loss) from Continuing Operations - Diluted (2,755) (1,670) (41) (292) (752) (34) Total Operating Earnings (Loss) from Continuing Operations - Diluted (2,751) (1,672) (42) (722) (743) (2,64) Total Per Share - Diluted (2,373) (1,360) (0.03) (0,22) (752) (43) Total Per Share - Diluted (2,373) (1,360) (0.03) (0,22) (0,60) 0.11 Net Earnings (Loss) from Continuing Operations - Basic and Diluted (2,37) (1,100) (0,20) (0,33) (0,74) 2,06 Total Per Share - Saic and Diluted (2,37) (1,100) (0,20) (0,33) (0,54) 3,365 Total Per Share - Saic and Diluted (2,37) (1,030 | | | | | | | |
| Total Per Share - Basic Total Per Share - Diluted 1.36 (0.03) 0.63 (0.03) 2.64 Earnings 2018 2014 2018 2017 2018 2017 Per Share from Continuing Operations ⁽³⁾ Per Share from Continuing Operations - Diluted (2,755) (1,670) (41) (292) (752) (34) Total Per Share - Diluted (2,24) (1,350) (0.03) (0.24) (0,61) (0.03) (0.24) (0,61) (0.03) (0,24) (0,61) (0,03) (0,24) (0,61) (0,03) (0,24) (0,61) (0,03) (0,24) (0,61) (0,03) (0,24) (0,61) (0,03) (0,24) (0,61) (0,03) (0,24) (0,61) (0,03) (0,24) (0,61) (0,03) (0,24) (0,61) (0,03) (0,24) (0,61) (0,03) (0,24) (0,61) (0,14) (1,62) (0,13) (2,268) (1,61) (1,03) (0,24) (0,64) 3,66 (1,14) (1,64) (3,64) 3,66 (1,61) (1,62) | | | | | | | |
| Total Per Share - Diluted 1.36 (0.03) 0.79 0.63 (0.03) 2.64 Earnings Year Q4 Q3 Q2 Q1 Year Operating Earnings (Loss) from Continuing Operations - Diluted (2,755) (1,670) (141) (222) (7,52) (34) Total Operating Earnings (Loss) from Continuing Operations - Diluted (2,24) (1,36) (0.03) (0.24) (0.61) (0.03) Total Per Share - Diluted (2,25) (1,672) (1,42) (272) (7,43) (2,26) Total Per Share - Diluted (2,263) (1,350) (2,24) (1,00) (0.20) (0.33) (0,74) (2,26) Total Per Share from Continuing Operations (2,268) (2,21) (1,10) (0.20) (0.33) (0,74) (2,05) Total Per Share - Basic and Diluted (2,37) (1,10) (0.20) (0.33) (0,74) (2,06) Total Per Share - Basic and Diluted (2,37) (1,10) (0,20) (0,33) (0,34) (2,37) Total Per Share - Basic | | | | | | | |
| Zernings Zolls Zoll7 Operating Earnings (Loss) from Continuing Operations ⁽³⁾ Per Share from Continuing Operations - Diluted (2,755) (1,670) (41) (222) (752) (3,61) Total Operating Earnings (Loss) from Continuing Operations - Diluted (2,24) (1,36) (0,03) (0,24) (0,61) (0,03) Total Operating Earnings (Loss) from Continuing Operations (2,22) (1,36) (0,03) (0,22) (743) 126 Net Earnings (Loss) from Continuing Operations (2,216) (1,350) (2,22) (1,03) (0,22) (0,60) (0,03) Net Earnings (Loss) (1,10) (0,20) (0,03) (0,24) (2,04) 2,06 Total Per Share - Basic and Diluted (2,210) (1,10) (0,20) (0,13) (0,52) 3,366 Total Per Share - Basic and Diluted (2,17) (1,10) (0,23) (0,51) 3,366 Total Per Share - Basic and Diluted (2,17) (1,10) (0,23) (0,51) 3,366 Total Per Share - Basic and Diluted (2,17) (1,10) (2,24) | | | | | | | |
| Earnings Year Q4 Q3 Q2 Q1 Year Operating Earnings (Loss) from Continuing Operations - Diluted (2,755) (1,670) (41) (292) (752) (34) Per Share from Continuing Operations - Diluted (2,24) (1,672) (42) (272) (743) 126 Total Per Share - Diluted (2,22) (1,672) (42) (272) (743) 126 Per Share - Diluted (2,22) (1,672) (42) (210) (9,14) 2,268 Per Share from Continuing Operations - Basic and Diluted (2,37) (1,10) (0,20) (0,33) (0,74) 2,066 Total Per Share from Continuing Operations - Basic and Diluted (2,37) (1,10) (0,20) (0,33) 3,056 Total Per Share and Diluted (2,17) (1,00) (0,20) (0,33) 3,056 Total Per Share - Basic and Diluted (2,17) (1,10) (0,20) (0,33) 3,056 Total Per Share - Basic and Diluted (2,17) (1,10) (0,20) (0,33) 3,056 | | | | | | | |
| Operating Earnings (Loss) from Continuing Operations - Diluted (2,755) (1,670) (41) (292) (752) (34) Per Share from Continuing Operations - Diluted (2,24) (1.36) (0.03) (0.24) (0.61) (0.03) Total Operating Earnings (Loss) (³) (2,22) (1.36) (0.03) (0.22) (0.60) 0.11 Net Earnings (Loss) from Continuing Operations (2,21) (1.36) (242) (410) (914) 2,268 Per Share from Continuing Operations - Basic and Diluted (2,669) (1.356) (241) (418) (654) 3,366 Total Per Share - Basic and Diluted (2,669) (1.350) (242) (410) (9.14) 2,268 Total Per Share - Basic and Diluted (2,669) (1.356) (241) (418) (654) 3,366 Total Per Share - Basic and Diluted (2,17) (1.10) (0.20) (0.33) (0.74) 2,66 Otal Net Earnings (Loss) (1,350) (241) (418) (554) 3,66 Total Otas ds (2,77) (2,17) </th <th>_ ·</th> <th></th> <th></th> <th></th> <th></th> <th></th> <th></th> | _ · | | | | | | |
| Per Share from Continuing Operations - Diluted (2.24) (1.36) (0.03) (0.24) (0.61) (0.03) Total Operating Earnings (Loss) ⁽³⁾ (2,272) (1,472) (42) (272) (743) 126 Total Per Share - Diluted (2,216) (1,366) (0.03) (0.24) (0.61) (0.03) Net Earnings (Loss) from Continuing Operations (2,216) (1,365) (242) (410) (2,268) Per Share from Continuing Operations - Basic and Diluted (2,37) (1.10) (0.020) (0.33) (0.74) 2.066 Total Per Share - Basic and Diluted (2,37) (1.10) (0.020) (0.33) (0.74) 2.066 Total Per Share - Basic and Diluted (2,37) (1.10) (0.020) (0.33) (0.74) 2.066 Total Per Share - Basic and Diluted (2,37) (1.10) (0.020) (0.33) 3.05 Total Per Share - Diluted (1.350) (2,41) (418) (53) 3.05 Coli Sands (2,669) (1,356) (241) (418) (53) 3.05 Oli Sands (2,37) (3,130) (2 | | | _ | | | | |
| Total Operating Earnings (Loss) ⁽³⁾ Total Per Share - Diluted (2,729) (1,672) (42) (272) (743) 126 Total Per Share - Diluted (2,22) (1.36) (0.03) (0.22) (0.60) 0.11 Net Earnings (Loss) from Continuing Operations - Basic and Diluted (2,916) (1,350) (242) (410) (914) 2,268 Per Share - Basic and Diluted (2,377) (1.10) (0.20) (0.33) (0.53) (0.74) 2,066 Total Per Share - Basic and Diluted (2,177) (1.10) (0.20) (0.33) (0.53) 3,366 Total Per Share - Basic and Diluted (2,177) (1.10) (0.20) (0.33) 0.55 Net Capital Investment (2,27) (1.10) (0.20) (0.33) 0.55 Oil Sands 379 52 80 108 139 455 Total Oil Sands 63 28 15 5 15 92 Oil Sands 63 28 15 5 15 92 Deep Basin 11 16 425 35 53 180 | | | | . , | . , | . , | . , |
| Total Per Share - Diluted (2.22) (1.36) (0.03) (0.22) (0.60) 0.11 Net Earnings (Loss) from Continuing Operations Per Share from Continuing Operations - Basic and Diluted (2,916) (1,350) (242) (410) (914) 2,268 Per Share from Continuing Operations - Basic and Diluted (2,37) (1.10) (0.20) (0.33) (0.74) 2.06 Total Per Share - Basic and Diluted (2,17) (1.10) (0.20) (0.33) (0.74) 2.06 Total Per Share - Basic and Diluted (2,17) (1.10) (0.20) (0.33) (0.53) 3.305 Vet Capital Investment Year Q4 Q3 Q2 Q1 Year Oil Sands 379 52 80 108 139 455 Christina Lake 445 89 81 111 164 426 Other Oil Sands 887 169 176 224 318 973 Deep Basin 211 18 22 26 145 225 <t< td=""><td></td><td></td><td></td><td>(0.03)</td><td></td><td></td><td>(0.03)</td></t<> | | | | (0.03) | | | (0.03) |
| Vet Earnings (Loss) from Continuing Operations Per Share from Continuing Operations - Basic and Diluted (2,916) (1,350) (242) (410) (914) 2,268 Total Net Earnings (Loss) (1.100) (0.20) (0.33) (0.74) 2.066 Total Per Share - Basic and Diluted (2,456) (1,356) (241) (418) (654) 3,366 Total Per Share - Basic and Diluted (1.100) (0.20) (0.33) (0.74) 2.066 Total Per Share - Basic and Diluted (2.17) (1.10) (0.20) (0.33) (0.53) 3.05 Net Capital Investment Year Q4 Q3 Q2 Q1 Year Oil Sands 379 52 80 108 139 455 Other Oil Sands 63 28 15 5 15 92 Total Oil Sands 63 28 15 5 15 92 Corporate 57 28 14 9 6 77 Capital Investment from Continuing Operations - <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<> | | | | | | | |
| Per Share from Continuing Operations - Basic and Diluted (2.37) (1.10) (0.20) (0.33) (0.74) 2.06 Total Net Earnings (Loss) (1.10) (1.356) (241) (418) (654) 3.366 Total Per Share - Basic and Diluted (1.10) (0.20) (0.33) (0.74) 2.06 Net Capital Investment (1.10) (0.20) (0.34) (0.53) 3.05 Net Capital Investment Year Q4 Q3 Q2 Q1 Year Oil Sands 379 52 80 108 139 455 Other Oil Sands 63 28 81 111 164 426 Other Oil Sands 63 28 15 5 15 92 Deep Basin 211 18 22 26 145 285 Corporate 57 28 14 9 6 77 Capital Investment from Continuing Operations 1.363 276 271 294 522 1.455 | Total Per Share - Diluted | (2.22) | (1.36) | (0.03) | (0.22) | (0.60) | 0.11 |
| Per Share from Continuing Operations - Basic and Diluted (2.37) (1.10) (0.20) (0.33) (0.74) 2.06 Total Net Earnings (Loss) (1.10) (1.356) (241) (418) (654) 3.366 Total Per Share - Basic and Diluted (1.10) (0.20) (0.33) (0.74) 2.06 Net Capital Investment (1.10) (0.20) (0.34) (0.53) 3.05 Net Capital Investment Year Q4 Q3 Q2 Q1 Year Oil Sands 379 52 80 108 139 455 Other Oil Sands 63 28 81 111 164 426 Other Oil Sands 63 28 15 5 15 92 Deep Basin 211 18 22 26 145 285 Corporate 57 28 14 9 6 77 Capital Investment from Continuing Operations 1.363 276 271 294 522 1.455 | Net Earnings (Loss) from Continuing Operations | (2,916) | (1,350) | (242) | (410) | (914) | 2,268 |
| Total Net Earnings (Loss) (2,669) (1,356) (241) (418) (654) 3,366 Total Per Share - Basic and Diluted (0.20) (0.34) (0.53) 3.05 Ver Share - Basic and Diluted (2.17) (1.10) (0.20) (0.34) (0.53) 3.05 Net Capital Investment Ver Q4 Q3 Q2 Q1 Year Oil Sands 379 52 80 108 139 455 Christina Lake 4445 89 81 111 164 426 Otl Sands 63 28 15 5 15 92 Total Oil Sands 63 28 15 5 15 92 Total Oil Sands 887 169 176 224 318 973 Deep Basin 201 18 22 26 145 29 5 180 Corporate 57 28 14 9 6 77 29 <t< td=""><td>Per Share from Continuing Operations - Basic and Diluted</td><td>(2.37)</td><td>(1.10)</td><td>(0.20)</td><td>(0.33)</td><td>(0.74)</td><td>2.06</td></t<> | Per Share from Continuing Operations - Basic and Diluted | (2.37) | (1.10) | (0.20) | (0.33) | (0.74) | 2.06 |
| Total Per Share - Basic and Diluted (2.17) (1.10) (0.20) (0.34) (0.53) 3.05 Vear Q4 Q3 Q2 Q1 Year Oil Sands Q4 Q3 Q2 Q1 Year Foster Creek 379 52 80 108 139 455 Othistina Lake 445 89 81 111 164 426 Other Oil Sands 63 28 15 5 15 92 Total Oil Sands 887 169 176 224 318 973 Deep Basin 211 18 22 26 145 225 Contor Oil Sands 208 61 59 35 53 180 Corporate 57 28 14 9 6 77 29 524 1.455 Conventional (Discontinued Operations) - - - (2) 22 1.455 Conventional (Discontinued Operations) </td <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>3,366</td> | | | | | | | 3,366 |
| Net Capital Investment Year Q4 Q3 Q2 Q1 Year Oil Sands Foster Creek 79 52 80 108 139 455 Christina Lake 445 89 81 111 164 426 Oth Coll Sands 63 28 15 5 15 92 Total Oil Sands 63 28 169 176 224 318 973 Deep Basin 211 18 22 26 145 225 Corporate 208 61 59 35 53 180 Corporate 57 28 14 9 6 77 Conventional (Discontinued Operations) - - - (2) 24 1455 Conventional (Discontinued Operations) - - - (2) 24 1465 Conventional (Discontinued Operations) - - - (2) 264 1661 Acquisition | | | | | | | |
| Net Capital Investment Year Q4 Q3 Q2 Q1 Year Oil Sands Foster Creek 79 52 80 108 139 455 Christina Lake 445 89 81 111 164 426 Oth Coll Sands 63 28 15 5 15 92 Total Oil Sands 63 28 169 176 224 318 973 Deep Basin 211 18 22 26 145 225 Corporate 208 61 59 35 53 180 Corporate 57 28 14 9 6 77 Conventional (Discontinued Operations) - - - (2) 24 1455 Conventional (Discontinued Operations) - - - (2) 24 1465 Conventional (Discontinued Operations) - - - (2) 264 1661 Acquisition | | | | | | | |
| Oli Sands 379 52 80 108 139 455 Foster Creek 445 89 81 111 164 426 Other Oil Sands 63 28 15 5 15 92 Total Oil Sands 63 28 15 5 15 92 Total Oil Sands 63 28 15 5 15 92 Total Oil Sands 887 169 176 224 318 973 Deep Basin 211 18 22 26 145 225 Refining and Marketing 208 61 59 35 53 180 Corporate 57 28 14 9 6 77 Capital Investment from Continuing Operations 1,363 276 271 294 522 1,455 Conventional (Discontinued Operations) - - - (2) 2 206 Total Capital Investment 1,363 276< | Net Canital Investment | Vear | 04 | | 02 | 01 | |
| Foster Creek 379 52 80 108 139 455 Christina Lake 445 89 81 111 164 426 Other Oil Sands 63 28 15 5 15 92 Total Oil Sands 887 169 176 224 318 973 Deep Bain 208 61 59 35 53 180 Corporate 57 28 14 9 6 77 Capital Investment from Continuing Operations 57 28 14 9 6 77 Conventional (Discontinued Operations) - - - (2) 22 1,455 Conventional (Discontinued Operations) - - - (2) 22 1,661 Acquisitions ⁽⁴⁾ 341 15 319 2 5 18,388 Divestitures (1,375) (2) (959) 39 (453) (3,210) | | Tear | ¥7 | 42 | برد | ~± | real |
| Christina Lake 445 89 81 111 164 426 Other Oil Sands 63 28 15 5 15 92 Total Oil Sands 887 169 176 224 318 973 Deep Basin 211 18 22 26 145 225 Refining and Marketing 208 61 59 35 53 180 Corporate 57 28 14 9 6 77 Capital Investment from Continuing Operations 1,363 276 271 294 522 1,455 Conventional (Discontinued Operations) - - - (2) 266 1,455 Conventional (Discontinued Operations) - - - (2) 24 1,661 Acquisitions (10 341 15 319 2 5 18,388 Divestitures (1,375) (2) (24 1,453 3(2,210) 1,51,785 | | 379 | 52 | 80 | 108 | 139 | 455 |
| Other Oil Sands 63 28 15 5 15 92 Total Oil Sands 887 169 176 224 318 973 Deep Basin 211 18 22 26 145 225 Refining and Marketing 208 61 59 35 518 Corporate 57 28 14 9 6 77 Capital Investment from Continuing Operations 1,363 276 271 294 522 1,455 Conventional (Discontinued Operations) - - - (2) 2 206 Total Capital Investment 1,363 276 271 294 522 1,455 Conventional (Discontinued Operations) - - - (2) 2 206 Total Capital Investment 3,363 276 271 292 524 1,661 Acquisitions ⁽⁰⁾ 341 15 319 2 5 18,388 Divestitures | | | | | | | |
| Total Oil Sands 887 169 176 224 318 973 Deep Basin Refining and Marketing 211 18 22 26 145 225 Refining and Marketing 208 61 59 35 53 180 Corporate 57 28 14 9 6 77 Capital Investment from Continuing Operations 1,363 276 271 294 522 1,455 Conventional (Discontinued Operations) - - - (2) 2 206 Total Capital Investment 1,363 276 271 294 522 1,455 Conventional (Discontinued Operations) - - - (2) 2 206 Total Capital Investment 1,363 276 271 292 524 1,661 Acquisitions (¹⁰ 341 15 319 2 5 18,388 Divestitures (1,375) (2) (959) 39 (453) (3,2,1 | Other Oil Sands | 63 | 28 | 15 | 5 | 15 | 92 |
| Refining and Marketing 208 61 59 35 53 180 Corporate 57 28 14 9 6 77 Capital Investment from Continuing Operations 1,363 276 271 294 522 1,455 Conventional (Discontinued Operations) - - - (2) 2 206 Total Capital Investment 1,363 276 271 292 524 1,661 Acquisitions ⁽⁴⁾ 341 15 319 2 5 18,808 Divestitures (1,375) (2) (959) 39 (453) (3,210) Net Acquisition and Divestiture Activity (1,034) 13 (640) 41 (448) (3,210) | Total Oil Sands | | | 176 | | | 973 |
| Corporate 57 28 14 9 6 77. Capital Investment from Continuing Operations) 1,363 276 271. 294. 522 1,455. Conventional (Discontinued Operations) - - - (2) 2 206. Total Capital Investment 1,363 276 271. 292. 524. 1.661. Acquisitions ⁽¹⁾ 341 15 319. 2 5 18,388. Divestitures (1,375) (2) (959) 39. (433) (3,210). Net Acquisition and Divestiture Activity (1,034) 13 (640) 41 (448) 15,178. | | | | | | | |
| Capital Investment from Continuing Operations 1,363 276 271 294 522 1,455 Conventional (Discontinued Operations) - - - (2) 2 206 Total Capital Investment 1,363 276 271 292 524 1,661 Acquisitions ⁽⁴⁾ 341 15 319 2 5 18,388 Divestitures (1,375) (2) (959) 39 (453) (3,210) Net Acquisition and Divestiture Activity (1,034) 13 (640) 41 (448) | | | | | | | |
| Conventional (Discontinued Operations) - - - (2) 206 Total Capital Investment 1,363 276 271 292 524 1.661 Acquisitions (1) 341 15 319 2 5 18,388 Divestitures (1,375) (2) (959) 39 (433) (3,210) Net Acquisition and Divestiture Activity (1,034) 13 (640) 41 (448) (5,178) | | | | | | | |
| Total Capital Investment 1,363 276 271 292 524 1,661 Acquisitions ⁽⁶⁾ 341 15 319 2 5 18,388 Divestitures (1,375) (2) (959) 39 (453) (3,210) Net Acquisition and Divestiture Activity (1,034) 13 (640) 41 (448) 15,178 | | 1,363 | | | | | |
| Acquisitions ⁽⁴⁾ 341 15 319 2 5 18,388 Divestitures (1,375) (2) (959) 39 (453) (3,210) Net Acquisition and Divestiture Activity (1,034) 13 (640) 41 (448) 15,178 | | 1 262 | | | | | |
| Divestitures (1,375) (2) (959) 39 (453) (3,210) Net Acquisition and Divestiture Activity (1,034) 13 (640) 41 (448) 15,178 | | | | | | | |
| Net Acquisition and Divestiture Activity (1,034) 13 (640) 41 (448) 15,178 | | | | | | | |
| Net Capital Investment 329 289 (369) 333 76 16,839 | | | 13 | | 41 | | |
| | Net Capital Investment | 329 | 289 | (369) | 333 | 76 | 16,839 |



(1) Operating Margin is an additional subtoal found in Note 1 and Note 11 of the Annual Consolidated Financial Statements as well as Note 1 and Note 9 of the Interim Consolidated Financial Statements and is used to provide a consistent measure of the cash generating performance of our assets for comparability of our underlying financial performance between periods. Operating Margin is defined as revenues less purchased product, transportation and blending, operating expenses, production and mineral taxes plus realized gains less realized losses on risk management activities. Items within the Corporate and Eliminations segment are excluded from the calculation of Operating Margin.

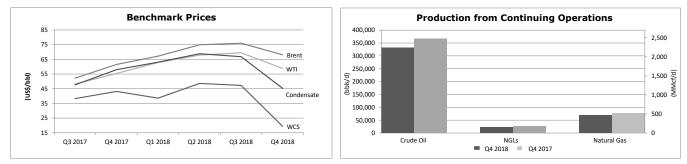
(2) Adjusted Funds Flow is a non-GAAP measure commonly used in the oil and gas industry to assist in measuring a company's ability to finance its capital programs and meet its financial obligations. Adjusted Funds Flow is defined as Cash From Operating Activities excluding net change in other assets and liabilities and net change in non-cash working capital. Net change in other assets and liabilities is composed of site restoration costs and pension funding. Non-cash working capital is composed of current assets and current liabilities, excluding cash and cash equivalents, risk management, the contingent payment, assets held for sale and liabilities related to assets held for sale.

(3) Operating Earnings (Loss) is a non-GAAP measure used to provide a consistent measure of the comparability of our underlying financial performance between periods by removing non-operating items. Operating Earnings (Loss) is defined as Earnings (Loss) Before Income Tax excluding gain (loss) on discontinuance, revaluation gain, gain on bargain purchase, unrealized risk management gains (losses) on derivative instruments, unrealized foreign exchange gains (losses) on translation of U.S. dollar denominated notes issued from Canada, foreign exchange gains (losses) on settlement of intercompany transactions, gains (losses) on divestiture of assets, less income taxes on Operating Earnings (Loss) before tax, excluding the effect of changes in statutory income tax rates and the recognition of an increase in U.S. tax basis.

(4) In connection with the Acquisition that was completed in the second quarter of 2017, Cenovus was deemed to have disposed of its pre-existing interest in FCCL and re-acquired it at fair value as required by IFRS 3, which is not reflected in the table above. The carrying value of the pre-existing interest was \$9,081 million and the fair value was \$11,605 million as at May 17, 2017.

SUPPLEMENTAL INFORMATION (unaudited)

| Financial Statistics (continued) | | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Year | Q4 | 2018 Q3 | Q2 | Q1 | 2017 Year |
| Financial Metrics (Non-GAAP Measures) | 5.9x | 5.9x | 3.5x | 3.3x | 3.3x | 2.8x |
| Net Debt to Adjusted EBITDA ^{(1) (2)} Return on Capital Employed ⁽³⁾ | (8)% | | 3.5x (1)% | 5.5X 0% | 3.3X 12% | 2.8x 16% |
| Return on Common Equity (4) | (14)% | | (4)% | (3)% | 16% | 21% |
| | | | | | | |
| Income Tay & Evenande Dates | Year | Q4 | 2018 Q3 | Q2 | Q1 | 2017 Year |
| Income Tax & Exchange Rates Effective Tax Rates Using: | Tear | Q4 | QS | Q2 | QI | rear |
| Net Earnings From Continuing Operations | 25.7% | | | | | (2.3)% |
| Operating Earnings From Continuing Operations, Excluding Divestitures | 27.3% | | | | | 86.9% |
| Fereign Exchange Dates (USt par Ct1) | | | | | | |
| Foreign Exchange Rates (US\$ per C\$1) Average | 0.772 | 0.758 | 0.765 | 0.775 | 0.791 | 0.771 |
| Period End | 0.733 | 0.733 | 0.773 | 0.759 | 0.776 | 0.797 |
| | | | | | | 2017 |
| Common Share Information | Year | Q4 | 2018 Q3 | Q2 | Q1 | 2017 Year |
| Common Shares Outstanding (millions) | real | ¥. | Q5 | Q2 | Q1 | real |
| Period End | 1,228.8 | 1,228.8 | 1,228.8 | 1,228.8 | 1,228.8 | 1,228.8 |
| Average - Basic | 1,228.8 | 1,228.8 | 1,228.8 | 1,228.8 | 1,228.8 | 1,102.5 |
| Average - Diluted Dividends (<i>\$ per share</i>) | 1,229.2 0.20 | 1,228.9 0.05 | 1,229.3 0.05 | 1,229.3 0.05 | 1,228.8 0.05 | 1,102.5 0.20 |
| | 0.20 | 0.05 | 0.05 | 0.05 | 0.05 | 0.20 |
| Closing Price - TSX (<i>Cg</i> per share) | 9.60 | 9.60 | 12.97 | 13.65 | 10.97 | 11.48 |
| - NYSE (US\$ per share) Share Volume Traded (millions) | 7.03 3,243.3 | 7.03 842.3 | 10.03 657.7 | 10.38 939.3 | 8.54 804.0 | 9.13 2,908.3 |
| | 0/21010 | 01210 | 05717 | 55515 | 00110 | 2/30013 |
| Operating Statistics - Before Royalties | | | | | | |
| | | • | 2018 | | | 2017 |
| Upstream Production Volumes | Year | Q4 | Q3 | Q2 | Q1 | Year |
| Crude Oil and Natural Gas Liquids (bbls/d) | | | | | | |
| Oil Sands Foster Creek | 161,979 | 155,507 | 163,939 | 171,079 | 157,390 | 124,752 |
| Christina Lake | 201,017 | 170,974 | 212,733 | 218,299 | 202,276 | 167,727 |
| Deep Basin | 362,996 | 326,481 | 376,672 | 389,378 | 359,666 | 292,479 |
| Crude Oil | 5,916 | 5,228 | 5,674 | 6,263 | 6,517 | 3,922 |
| Natural Gas Liquids (5) | 26,538 | 22,883 | 26,595 | 27,778 | 28,962 | 16,928 |
| Total Liquids Production from Continuing Operations | 32,454 395,450 | 28,111 354,592 | 32,269 408,941 | 34,041 423,419 | 35,479 395,145 | 20,850 313,329 |
| | | | | | | / |
| Natural Gas (MMcf/d) Oil Sands | 1 | | | 1 | 4 | 10 |
| Deep Basin ⁽⁶⁾ | 527 | 469 | 520 | 570 | 549 | 316 |
| Total Natural Gas Production from Continuing Operations | 528 | 469 | 520 | 571 | 553 | 326 |
| Total Production from Continuing Operations ⁽⁷⁾ (BOE per day) | 483,458 | 432,713 | 495,592 | 518,530 | 487,464 | 367,635 |
| | | | 2018 | | | 2017 |
| Selected Average Benchmark Prices | Year | Q4 | Q3 | Q2 | Q1 | Year |
| Crude Oil Prices (US\$/bbl) | | | | | | |
| Brent | 71.53 | 68.08 | 75.97 | 74.90 | 67.18 | 54.82 |
| West Texas Intermediate ("WTI") Differential Brent - WTI | 64.77 6.76 | 58.81 9.27 | 69.50 6.47 | 67.88 7.02 | 62.87 4.31 | 50.95 3.87 |
| Western Canadian Select at Hardisty ("WCS") | 38.46 | 19.39 | 47.25 | 48.61 | 38.59 | 38.97 |
| WCS (C\$) | 49.81 | 25.60 | 61.75 | 62.75 | 48.79 | 50.56 |
| Differential WTI - WCS | 26.31 | 39.42 | 22.25 | 19.27 | 24.28 | 11.98 |
| Mixed Sweet Blend Condensate (C5 @ Edmonton) | 53.65 61.00 | 32.51 45.28 | 62.67 66.82 | 62.42 68.83 | 56.98 63.04 | 48.49 51.57 |
| Differential WTI - Condensate (Premium)/Discount | 3.77 | 13.53 | 2.68 | (0.95) | (0.17) | (0.62) |
| West Texas Sour ("WTS") | 57.24 | 52.38 | 55.48 | 59.64 | 61.46 | 49.91 |
| Differential WTI - WTS | 7.53 | 6.43 | 14.02 | 8.24 | 1.41 | 1.04 |
| Refining Margins 3-2-1 Crack Spreads ⁽⁸⁾ (US\$/bbl) Chicago | 15.97 | 13.43 | 19.14 | 18.36 | 12.96 | 16.77 |
| Group 3 | 16.74 | 13.43 | 19.14 | 18.36 | 12.96 | 16.61 |
| Natural Gas Prices | | | | | | |
| AECO 7A Monthly Index (C\$/Mcf) ⁽⁹⁾ | 1.53 | 1.90 | 1.35 | 1.03 | 1.85 | 2.43 |
| NYMEX (US\$/Mcf) Differential NYMEX - AECO (US\$/Mcf) | 3.09 1.90 | 3.64 2.19 | 2.90 1.88 | 2.80 2.00 | 3.00 1.52 | 3.11 1.26 |
| Differential NYMEX - AECO (US\$/Mcf) | 1.90 | 2.19 | 1.00 | 2.00 | 1.52 | 1.20 |



(1) Net debt includes the Company's short-term borrowings and the current and long-term portions of long-term debt, net of cash and cash equivalents.

(2) Adjusted EBITDA is defined as earnings before finance costs, interest income, income tax expense, depreciation, depletion and amortization, revaluation gain, remeasurement gains (losses) on contingent payment, goodwill impairments, asset impairments and reversals, unrealized gains (losses) on risk management, foreign exchange gains (losses), gains (losses) on divestiture of assets and other income (loss), net, calculated on a trailing twelve-month basis.

(3) Return on capital employed is calculated, on a trailing twelve-month basis, as net earnings before after-tax interest divided by average shareholders' equity plus average debt.

(4) Return on common equity is calculated, on a trailing twelve-month basis, as net earnings divided by average shareholders' equity.

(5) Natural gas liquids include condensate volumes.

(6) Includes production used for internal consumption by the Oil Sands segment of 310 MMcf/d and 306 MMcf/d for the three and twelve months ended December 31, 2018, respectively (2017 – no internal usage of Deep Basin production).

⁽⁷⁾ 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 to 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.

(8) 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").

(9) Alberta Energy Company ("AECO") natural gas monthly index.

SUPPLEMENTAL INFORMATION (unaudited)

Operating Statistics - Before Royalties (continued)

| | 2018 | | | 2017 | | |
|---|-------|----------|--------|-------|-------|-------|
| Average Royalty Rates (Excluding Realized Gain (Loss) on Risk Management) | Year | Q4 | Q3 | Q2 | Q1 | Year |
| Oil Sands | | | | | | |
| Foster Creek | 18.0% | | 24.9% | 19.6% | 10.4% | 11.4% |
| Christina Lake ⁽¹⁾ | 4.8% | 1,117.2% | 11.4% | 4.2% | 2.3% | 2.5% |
| Deep Basin | | | | | | |
| Crude Oil | 15.8% | 12.3% | 16.4% | 18.2% | 14.3% | 15.0% |
| Natural Gas Liquids | 11.5% | 3.4% | 6.6% | 7.2% | 26.7% | 10.8% |
| Natural Gas | 3.6% | 8.3% | (4.7)% | 1.0% | 6.0% | 4.4% |

Netbacks

Netback is a non-GAAP measure commonly used in the oil and gas industry to assist in measuring operating performance on a per-unit basis. Netbacks reflect our margin on a per-barrel basis of unblended crude oil. Netback is defined as gross sales less royalties, transportation and blending, operating expenses and production and mineral taxes divided by sales volumes. Netbacks do not reflect the non-cash write-downs of product inventory until the product is sold. The crude oil sales price, transportation and blending costs, and sales volumes. Netbacks condensate. Condensate is blended with the heavy oil to reduce its thickness in order to transport it to market. Our Netback calculation is aligned with the definition found in the Canadian Oil and Gas Evaluation Handbook. The reconciliation of the financial components of each Netback to Operating Margin can be found in our quarterly and annual Management's Discussion and Analysis.

The Oil Sands and Deep Basin netbacks are calculated on a gross basis and exclude adjustments for the natural gas that is produced by the Deep Basin segment and used as fuel by the Oil Sands segment. The consolidated netback is calculated on a net basis, after adjustments for natural gas produced by the Deep Basin segment and used as fuel by the Oil Sands segment.

| | | | 2018 | | | 2017 |
|--|--------------|----------------|--------------|--------------|--------------|--------------|
| Oil Sands Netbacks (Excluding Realized Gain (Loss) on Risk Management) | Year | Q4 | Q3 | Q2 | Q1 | Year |
| Heavy Oil - Foster Creek (\$/bbl) | | | | | | |
| Sales Price | 42.63 | 20.09 | 53.35 | 54.08 | 39.29 | 43.75 |
| Royalties | 6.25 | (0.35) | 11.81 | 9.14 | 3.17 | 4.00 |
| Transportation and Blending | 8.34 | 10.68 | 6.63 | 7.54 | 8.93 | 8.73 |
| Operating | 8.97 | 9.28 | 7.48 | 8.75 | 10.51 | 10.46 |
| Netback | 19.07 | 0.48 | 27.43 | 28.65 | 16.68 | 20.56 |
| Heavy Oil - Christina Lake (\$/bbl) | | | | | | |
| Sales Price | 33.42 | 4.87 | 46.07 | 48.74 | 30.20 | 39.78 |
| Royalties | 1.37 | (1.96) | 4.64 | 1.84 | 0.59 | 0.87 |
| Transportation and Blending | 5.25 | 5.59 | 5.70 | 4.95 | 4.78 | 4.52 |
| Operating | 6.60 | 7.06 | 5.86 | 6.22 | 7.38 | 6.84 |
| Netback | 20.20 | (5.82) | 29.87 | 35.73 | 17.45 | 27.55 |
| Total Heavy Oil - Oil Sands (\$/bbl) | | | | | | |
| Sales Price Rovalties | 37.51 | 11.50 | 49.38 | 51.07 | 34.27 | 41.49 |
| Royalues Transportation and Blending | 3.54 6.62 | (1.26) 7.80 | 7.89 6.13 | 5.02 6.08 | 1.75 6.64 | 2.22 6.33 |
| Operating | 7.65 | 8.03 | 6.59 | 7.32 | 8.78 | 8.40 |
| Netback | 19.70 | (3.07) | 28.77 | 32.65 | 17.10 | 24.54 |
| Netback | 15.70 | (3.67) | 20.77 | 52.05 | 17.10 | 24.54 |
| | | | 2018 | | | 2017 |
| Deep Basin Netbacks (Excluding Realized Gain (Loss) on Risk Management) | Year | Q4 | Q3 | Q2 | Q1 | Year |
| Total Deep Basin ⁽²⁾ (\$/BOE) Sales Price | 19.31 | 17.97 | 18.45 | 18.92 | 21.68 | 19.52 |
| Rovalties | 1.64 | 1.09 | 0.95 | 1.34 | 3.09 | 19.52 |
| Transportation and Blending | 1.04 | 1.09 | 1.85 | 1.94 | 2.21 | 2.08 |
| Operating | 8.58 | 9.53 | 8.89 | 8.68 | 7.36 | 8.56 |
| Production and Mineral Taxes | 0.03 | 0.02 | 0.03 | 0.04 | 0.03 | 0.02 |
| Netback | 7.09 | 5.42 | 6.73 | 6.94 | 8.99 | 7.32 |
| | | | | | | |
| | | | 2018 | | | 2017 |
| Continuing Operations Netbacks (Excluding Realized Gain (Loss) on Risk Management) | Year | Q4 | Q3 | Q2 | Q1 | Year |
| Total Continuing Operations ⁽²⁾ (\$/BOE) | | | | | | |
| Sales Price Royalties | 35.74 | 13.38 | 45.73 | 46.87 | 33.20 | 36.86 |
| Transportation and Blending | 3.43 6.11 | (0.78) 7.17 | 6.91 5.66 | 4.55 5.59 | 2.34 6.16 | 2.07 5.43 |
| Operating | 7.68 | 8.11 | 7.10 | 7.66 | 7.89 | 5.43 8.46 |
| Production and Mineral Taxes | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 |
| Netback | 18.51 | (1.13) | 26.05 | 29.06 | 16.80 | 20.89 |
| | | (====) | | | | |
| | | | 2018 | | | 2017 |
| Realized Gain (Loss) on Risk Management - Continuing Operations | Year | Q4 | Q3 | Q2 | Q1 | Year |
| Sales ⁽²⁾ (\$/BOE) | (9.90) | (2.40) | (8.00) | (16.27) | (11.69) | (2.35) |
| | | | 2018 | | | 2017 |
| Refinery Operations (3) | Year | Q4 | Q3 | Q2 | Q1 | Year |
| Crude Oil Capacity ⁽⁴⁾ (Mbbls/d) | 460 | 460 | 460 | 460 | 460 | 460 |
| Crude Oil Runs (Mbbls/d) | 446 | 477 | 492 | 464 | 349 | 442 |
| Heavy Oil | 191 | 197 | 204 | 203 | 162 | 202 |
| Light/Medium | 255 | 280 | 288 | 261 | 187 | 240 |
| Crude Utilization | 97% | 104% | 107% | 101% | 76% | 96% |
| Refined Products (Mbbls/d) | 470 | 502 | 518 | 490 | 369 | 470 |

(1) In August 2018, Christina Lake achieved project payout resulting in royalties thereafter being based on an annualized calculation using the greater of either net profit or gross revenues of the project. In Q4, due to the significant widening of light-heavy oil differentials, Christina Lake incurred a negative revenue base (sales less diluent and transportation) and recorded associated royalty credits, as the annualized royalty expense through Q4 had dropped significantly versus Q3. At the same time, the widening differentials also caused the post payout royalty calculation to be based on gross revenues in Q4 versus the net profit calculation used in Q3. On an annual basis the effective rate of 4.8% is consistent with the annual gross Government posted rate of 4.7%.

(2) Natural gas volumes have been converted to BOE on the basis of six Mcf to one 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 to 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.

 $^{(3)}$ Represents 100% of the Wood River and Borger refinery operations.

⁽⁴⁾ Total gross crude oil capacity increased effective January 1, 2019 to 482,000 gross barrels per day.

4