

January 8, 2021

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 fourth quarter 2020 results on Tuesday, February 9th, 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 fourth quarter results.

Corporate:

- "Cenovus Energy Inc. (TSX: CVE) (NYSE: CVE) is pleased to announce that its strategic combination with Husky Energy Inc. has closed.

Cenovus expects to provide additional details on its future plans with the release of its 2021 capital budget and updated corporate guidance in late January." (Cenovus News Release, January 4, 2021)

Revised 2020 budget forecast				
	April 2, 2020 budget update	March 9, 2020 budget update	December 10, 2019 budget	% change vs. December ¹
Total capital expenditures (\$ billions)	0.75 – 0.85	0.9 – 1.0	1.3 – 1.5	-43
General & administrative expenses (\$ millions)	230 – 250		280 – 300	-17
Total oil sands production (Mbbbls/d)		350 – 400	390 – 410	-6
Total Deep Basin production (MBOE/d)			82 – 86	--
Total production (MBOE/d)		432 – 486	472 – 496	-5

¹ Based on the midpoint of the ranges.

- "Capital investment in the company's Conventional segment is forecast to range between \$75 million and \$85 million for full-year 2020. This includes an incremental \$30 million of capital investment in the fourth quarter, relative to Deep Basin guidance, for a two-rig drilling program targeting low-risk, high-return development wells near natural gas plants owned and operated by Cenovus to take advantage of an expected strengthening in commodity prices during the winter heating season." (Cenovus News Release, October 29, 2020)

Production:

- Monthly oil sands production is published by the Alberta Energy Regulator (AER) at the following website: <https://www.aer.ca/providing-information/data-and-reports/statistical-reports/st53.html>.
- Updates on the Alberta government production limits is published at the following website: <https://www.alberta.ca/oil-production-limit.aspx>
- "... starting in December 2020, government will only put monthly oil production limits into effect if emerging market conditions make it absolutely necessary. This means that industry will be free to produce at their discretion for the foreseeable future." (2020 Government of Alberta)
- "In the third quarter of 2020, production was reduced by 8,528 barrels per day due to a planned turnaround and maintenance at Christina Lake, which began late September and ran until mid-October 2020, and planned maintenance at Foster Creek." (Cenovus MD&A for the period ended September 30, 2020)
- "Conventional production averaged approximately 85,862 barrels of oil equivalent per day (BOE/d) in the third quarter, a 9% decrease from the same period in 2019. The year-over-year decrease was due to natural declines from limited capital investment and increased downtime due to a planned turnaround at a non-operated natural gas plant, partially offset by the addition of Marten Hills heavy oil production starting in 2020." (Cenovus News Release, October 29, 2020)
- "Cenovus Energy Inc. (TSX:CVE) (NYSE:CVE) and Headwater Exploration Inc. (TSX:HWX) are pleased to announce the closing of the acquisition by Headwater of Cenovus's assets in the Marten Hills area of Alberta." (Cenovus News Release, December 2, 2020)

Oil Sands Realized Bitumen Pricing:

- "Our realized crude oil sales price is influenced by the cost of condensate used in blending. Our blending ratios range between 25 percent and 33 percent. As the cost of condensate decreases relative to the price of blended crude oil, our realized bitumen sales price increases. Due to high demand for condensate at Edmonton, we also purchase condensate from U.S. markets and deliver it to the Edmonton hub. As such, our average cost of condensate is generally higher than the Edmonton benchmark price due to transportation between market hubs and transportation to field locations. In addition, up to three months may elapse from when we purchase condensate to when we sell our blended production." (Cenovus MD&A for the period ended September 30, 2020)

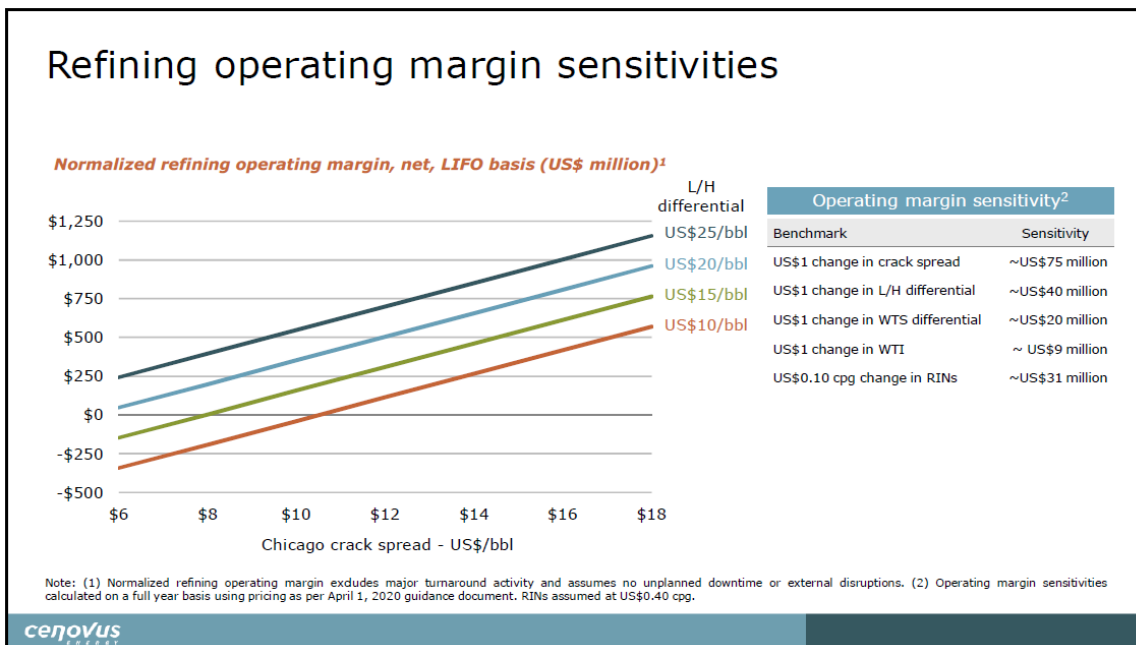
	2020					
	Jul	Aug	Sep	Oct	Nov	Dec
Condensate (C5 @ Edmonton) (US\$/bbl)	37.27	38.08	37.29	38.14	42.05	47.43

Royalties

- “Royalties for a post-payout project are based on an annualized calculation which uses the greater of: (1) the gross revenues multiplied by the applicable royalty rate (one percent to nine percent, based on the Canadian dollar equivalent WTI benchmark price); or (2) the net profits of the project multiplied by the applicable royalty rate (25 percent to 40 percent, based on the Canadian dollar equivalent WTI benchmark price). For royalty purposes, gross revenues are a function of sales revenues less diluent costs and transportation costs and net profits are a function of sales revenues less diluent costs, transportation costs, and allowed operating and capital costs.
- Foster Creek and Christina Lake are post-payout projects for determining royalties.” (Cenovus MD&A for the period ended September 30, 2020)
- An overview of the Alberta oil sands royalty framework, including applicable sliding scale royalty rates, is available at the following website:
<https://www.alberta.ca/royalty-oil-sands.aspx>

Refining & Marketing:

- “Crude oil runs and refined product output decreased in the third quarter as both Refineries continued crude rate reductions in response to the reduced demand and weak pricing for refined products due to COVID-19.” (Cenovus MD&A for the period ended September 30, 2020)
- “Cenovus’s refining operating margin is calculated on a first-in, first-out (FIFO) inventory accounting basis.” (Cenovus News Release, October 29, 2020)



(Cenovus Corporate Presentation, July 23, 2020)

Prices:

- Benchmark pricing as of December 31, 2020:

Selected Average Benchmark Prices	2020						
	Q4	Oct	Nov	Dec	Q3	Q2	Q1
Crude Oil Prices (US\$/bbl)							
Brent	45.24	41.52	43.98	50.22	43.37	33.27	50.96
West Texas Intermediate ("WTI")	42.66	39.55	41.35	47.07	40.93	27.85	46.17
Differential Brent Futures-WTI	2.58	1.97	2.63	3.15	2.44	5.43	4.79
Western Canadian Select ("WCS")	33.35	31.17	31.57	37.32	31.84	16.38	25.64
Differential - WTI-WCS	9.30	8.38	9.78	9.75	9.09	11.47	20.53
Differential - WTI-WTS	(0.36)	(0.02)	(0.10)	(0.97)	(0.03)	(0.18)	0.70
Mixed Sweet Blend ("MSW") (US\$)	38.59	35.82	37.44	42.50	37.42	21.71	38.59
Condensate (C5 @ Edmonton)	42.54	38.14	42.05	47.43	37.55	22.30	46.28
Differential - WTI-Condensate (premium)/discount	0.12	1.41	(0.70)	(0.36)	3.38	5.55	(0.11)
Refining Margins 3-2-1 Crack Spreads (US\$/bbl)⁽¹⁾							
Chicago	7.05	7.53	6.81	6.82	7.89	6.44	8.79
Midwest Combined (Group 3)	7.57	6.67	6.74	9.30	8.29	7.92	10.91
Natural Gas Prices							
AECO (C\$/Mcf)	2.76	2.31	3.09	2.89	2.15	1.91	2.14
AECO (C\$/GJ)	2.62	2.19	2.93	2.74	2.04	1.81	2.03
NYMEX (US\$/Mcf)	2.67	2.10	3.00	2.90	1.98	1.72	1.95
Differential NYMEX - AECO (US\$/Mcf)	0.56	0.36	0.66	0.66	0.36	0.35	0.33
FIFO Adjustment (C\$ millions)⁽²⁾							
FIFO Adjustment					39	139	(87)

⁽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").

⁽²⁾ Year totals are not intended to sum. These are period end balances that include impairment reclass between FIFO-LIFO presentation.

Foreign Exchange:

- "Our revenues are subject to foreign exchange exposure as the sales prices of our crude oil, NGLs, 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, there is a positive impact on our reported results. In addition to our revenues being denominated in U.S. dollars, our long-term debt is also U.S. dollar denominated. In periods of a weakening Canadian dollar, our U.S. dollar debt gives rise to unrealized foreign exchange losses when translated to Canadian dollars." (Cenovus MD&A for the period ended September 30, 2020)

Risk Management

- “Cenovus uses its marketing and transportation initiatives, including storage and pipeline assets to optimize product mix, delivery points, transportation commitments and customer diversification, to inventory physical positions. At the time we make decisions to store crude oil and condensate volumes, the prices available for the future periods we plan to sell in can be locked in and the improved margin realized in the future periods, which are superior to short-term prices. The fluctuations in revenues generated from the underlying physical sales will be mitigated by the related risk management gains and losses.”

(Cenovus MD&A for the period ended September 30, 2020)

Net Fair Value of Risk Management Positions

As at September 30, 2020	Notional Volumes ⁽¹⁾ ⁽²⁾	Terms ⁽³⁾	Weighted Average Price ⁽¹⁾ ⁽²⁾	Fair Value Asset (Liability)
Crude Oil and Condensate Contracts				
WTI Fixed - Sell	107,066 bbls/d	October 2020 - March 2021	US\$38.82/bbl	(43)
WTI Fixed - Buy	65,533 bbls/d	October 2020 - March 2021	US\$37.90/bbl	40
WCS (Alberta) Differential - Sell	14,338 bbls/d	November 2020 - March 2021	US(\$13.80)/bbl	(6)
WCS (Alberta) Differential - Buy	7,782 bbls/d	November 2020 - December 2021	US(\$13.45)/bbl	3
WCS (Houston) Differential - Sell	3,444 bbls/d	November 2020 - March 2021	US(\$3.25)/bbl	-
WCS (Houston) Differential - Buy	1,000 bbls/d	January 2021 - March 2021	US(\$3.60)/bbl	-
Belvieu Fixed - Sell	1,359 bbls/d	October 2020 - December 2020	US\$36.77/bbl	-
Belvieu Fixed - Buy	8,043 bbls/d	October 2020 - December 2020	US\$35.94/bbl	1
Condensate Differential - Buy	2,371 bbls/d	November 2020 - March 2021	US(\$3.45)/bbl	2
Other Financial Positions ⁽⁴⁾				-
Total Fair Value				(3)

(1) Barrels per day ("bbls/d"). Barrel ("bbl").

(2) Notional volumes and weighted average prices represent for various contracts over the respective terms. The notional volumes and weighted average prices may fluctuate from month to month as it represents the averages for various individual contracts with different terms.

(3) Contract terms represents averages for various individual contracts with different terms and range from one to fourteen months.

(4) Other financial positions consist of risk management positions related to natural gas contracts and the Company's Refining and Marketing segment.

Forward-Looking Information:

This document contains references to forward-looking information previously provided, identified by words such as "will" or similar expressions and includes other suggestions of future outcomes and 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 2020 Corporate Guidance and in the Advisories for referenced News Releases and Management's Discussion and Analysis, available at cenovus.com. For a full discussion of our material risk factors, see "Risk Management and Risk Factors" in our 2019 Annual Management's Discussion and Analysis, available at sedar.com, sec.gov and cenovus.com