

October 6, 2023

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 third quarter 2023 results on Thursday November 2, at 4:00AM MT (6:00AM ET) with a conference call to follow at 8:00AM MT (10:00AM 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 third quarter results.

Corporate:

- "Cenovus Energy Inc. (TSX: CVE) (NYSE: CVE) announced today the early tender results for its tender offers to purchase for cash certain of its outstanding series of Notes." *(Cenovus News Release September 19, 2023)*
- "Cenovus Energy Inc. (TSX: CVE) (NYSE: CVE) announced today the commencement of tender offers to purchase for cash certain of its outstanding series of notes listed in the table below (collectively, the "Notes") for an aggregate purchase price, excluding accrued and unpaid interest, of up to \$750 million." *(Cenovus News Release September 5, 2023)*

Share Buybacks

2023 Summary of share buybacks

Period	Shares (Millions)	Average Price (C\$)	Buybacks (millions)	Date of Filing
January	1.04	\$25.60	26.59	2023-02-10
February	0.53	\$25.44	13.41	2023-03-10
March	-	-	-	-
April	3.18	\$23.62	75.00	2023-05-09
May	7.63	\$21.64	165.03	2023-06-09
June	3.24	\$21.59	70.00	2023-07-10
July	1.99	\$25.06	49.99	2023-08-10
August	8.14	\$25.88	210.79	2023-09-08

- Public filings of insider transactions, including share buybacks and cancellations, are available at the following website: <https://www.sedi.ca/sedi/>

2023 Guidance Update

- "Cenovus has revised its 2023 corporate guidance to reflect the company's updated outlook for commodity prices, production and operating expenses for the remainder of the year. It is available on cenovus.com under Investors." *(Cenovus News Release July 27, 2023)*

Corporate guidance

2023 Corporate guidance - C\$, before royalties

July 26, 2023

UPSTREAM				
OIL SANDS				
	Production (Mbbbls/d)	Capital investments (\$ millions)	Operating costs (\$/bbl) ⁽¹⁾	Effective royalty rates (%)
Christina Lake	235 - 255		Fuel 2.75 - 3.50 Non-fuel 4.75 - 5.50 Total 7.50 - 9.00	24 - 28
Foster Creek	180 - 200		Fuel 3.75 - 4.50 Non-fuel 6.50 - 7.50 Total 10.25 - 12.00	21 - 25
Lloydminster Thermal	100 - 110		15.00 - 17.00	10 - 13
Lloydminster Conventional Heavy	17 - 22		40.00 - 43.00	9 - 11
Sunrise	45 - 50		17.50 - 19.00	7 - 9
Oil Sands total	577 - 637	2,200 - 2,400	11.50 - 13.00	
CONVENTIONAL				
	Production (Mbbbls/d)	Capital investments (\$ millions)	Operating costs (\$/boe)	Effective royalty rates (%)
Crude oil	5 - 7			
NGLs	20 - 25			
	Production (MMcf/d)			
Natural gas	540 - 590			
Conventional total	115 - 130	350 - 450	12.00 - 13.00	11 - 15
OFFSHORE				
	Production (MBOE/d)	Capital investments (\$ millions)	Operating costs (\$/boe)	Effective royalty rates (%)
Atlantic	7 - 11		65.00 - 70.00	1 - 3
China	32 - 36		9.00 - 12.00	4 - 6
Indonesia ⁽²⁾	16 - 21		9.50 - 11.00	20 - 24
Offshore total	55 - 68	600 - 700	18.00 - 21.00	
TOTAL UPSTREAM				
	Production (Mbbbls/d, MMcf/d, MBOE/d)	Capital investments (\$ millions)		
Total liquids	645 - 660			
Total natural gas	780 - 810			
Total upstream⁽³⁾	775 - 795	3,150 - 3,550		
DOWNSTREAM				
	Throughput (Mbbbls/d)	Capital investments (\$ millions)	Operating costs (\$/bbl) ⁽¹⁾	
Canadian Manufacturing ⁽⁴⁾	100 - 110		11.25 - 13.25	
U.S. Manufacturing ⁽⁵⁾	480 - 500		12.25 - 14.25	
Downstream total	580 - 610	800 - 900	12.00 - 14.00	
CORPORATE				
Corporate capital investment (\$ millions)		40 - 50	G&A (less stock-based compensation) (\$ millions) ⁽⁶⁾	550 - 600
Total capital investments (\$ billions)		4.0 - 4.5	Cash tax (\$ billions)	1.1 - 1.4
One-time integration costs (\$ millions)		40 - 60	Effective tax rate (%) ⁽⁷⁾	23 - 25
PRICE ASSUMPTIONS & ADJUSTED FUNDS FLOW SENSITIVITIES ⁽⁸⁾				
Brent (US\$/bbl)	\$ 76.00	Independent base case sensitivities	Increase	Decrease
WTI (US\$/bbl)	\$ 71.00	<i>(As at June 30, 2023 for the remainder of 2023)</i>	(\$ millions)	(\$ millions)
Western Canada Select (US\$/bbl)	\$ 54.50	Crude oil (WTI) - US\$1.00 change	75	(75)
Differential WTI-WCS (US\$/bbl)	\$ 16.50	Light-heavy differential (WTI-WCS) - US\$1.00 change	(50)	50
Chicago 3-2-1 Crack Spread (US\$/bbl)	\$ 26.50	Chicago 3-2-1 crack spread - US\$1.00 change	95	(95)
RINs (US\$/bbl)	\$ 7.55	RINs (RVO) - US\$1.00 change	(80)	80
AECO (\$/Mcf)	\$ 2.90	Natural gas (AECO) - C\$1.00 change	(10)	10
Exchange Rate (US\$/C\$)	\$ 0.75	Exchange rate (US\$/C\$) - \$0.01 change	(75)	75

(1) Upstream operating expenses are divided by sales volumes. Downstream operating expenses are divided by barrels of crude oil throughput.

(2) Indonesia capital investments are excluded from totals due to being accounted for under the equity method for consolidated financial statement purposes.

(3) Production ranges for assets are not intended to add to equal total upstream.

(4) Canadian Manufacturing throughput and operating costs are associated with the Lloydminster Upgrader & Refinery.

(5) U.S. Manufacturing capital and operating costs are reported in C\$, but incurred in US\$ and as such will be impacted by FX.

(6) Forecasted general and administrative (G&A) does not include stock-based compensation.

(7) Statutory rates of 24% in Canada, 25% in the U.S. and 25% in China are applied separately to pre-tax operating earnings streams for each country. Excludes the effect of divestiture and mark-to-market gains and losses.

(8) 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.

Upstream 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>.
- Monthly offshore production for Newfoundland and Labrador is published by the C-NLOPB at the following website: <https://www.cnlopb.ca/information/statistics/#rm>.

Oil Sands Realized Pricing:

- “Blending condensate with bitumen enables our production to be transported through pipelines. Our blending ratios, calculated as diluent volumes as a percentage of total blended volumes, range from approximately 22 percent to 35 percent. The WCS Condensate differential is an important benchmark as a wider differential generally results in a decrease in the recovery of condensate costs when selling a barrel of blended crude oil. When the supply of condensate in Alberta does not meet the demand, Edmonton condensate prices may be driven by USGC condensate prices plus the cost to transport the condensate to Edmonton. Our blending costs are also impacted by the timing of purchases and deliveries of condensate into inventory to be available for use in blending as well as timing of sales of blended product.” (Cenovus MD&A for the period ended June 30, 2023)

	Q1 2023			Q2 2023			Q3 2023		
	Jan	Feb	Mar	April	May	June	July	August	September
Condensate (C5 @ Edmonton) (US\$/bbl)	81.61	79.99	78.03	83.53	67.38	66.26	71.31	76.34	86.24

Royalties

- See Cenovus 2023 Guidance dated July 27, 2023, for effective royalty rate ranges for each of the upstream assets. The ranges are based on the commodity price assumptions set out in the Guidance document.
- “Royalties for a pre-payout project are based on a monthly calculation that applies a royalty rate (ranging from one percent to nine percent, based on the Canadian dollar equivalent WTI benchmark price) to the gross revenues from the project. 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 revenues of the project multiplied by the applicable royalty rate (25 percent to 40 percent, based on the Canadian dollar equivalent WTI benchmark price). Gross revenues are a function of sales revenues less diluent costs and transportation costs. Net revenues are calculated as sales revenues less diluent costs, transportation costs, and allowed operating and capital costs” (Cenovus MD&A for the period ended June 30, 2023)
- For our Saskatchewan assets, Lloydminster thermal and Lloydminster conventional heavy oil, royalty calculations are based on an annual rate that is applied to each project, which includes each project’s Crown and freehold split. For Crown royalties, the pre-payout calculation is based on a one percent rate and the post-payout calculation is based on a 20 percent rate. The freehold calculation is limited to post-payout projects and is based on an eight percent rate. (Cenovus MD&A for the period ended June 30, 2023)
- 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>

Contingent Payment

- “In connection with the Sunrise Acquisition, Cenovus agreed to make quarterly variable payments, up to \$600 million, from SOSP to bp Canada for up to eight quarters subsequent to August 31, 2022, when the average Western Canadian Select (“WCS”) price in a quarter exceeds \$52.00 per barrel. The quarterly payment is calculated as \$2.8 million plus the difference between the average WCS price less \$53.00 multiplied by \$2.8 million, for any of the eight quarters the average WCS price is equal to or greater than \$52.00 per barrel. If the average WCS price is less than \$52.00 per barrel, no payment will be made for that

quarter. As at June 30, 2023, the maximum payment over the remaining term of the contract is \$393 million. The variable payment will be re-measured to fair value at each reporting date, with changes in fair value recorded to re-measurement of contingent payments in the Consolidated Statements of Earnings (Loss). Payments made during the six months ended June 30, 2023, totaled \$134 million for the quarterly payment periods ending November 30, 2022, and February 28, 2023.” (Cenovus 2023 Quarterly Consolidated Financial Statements for the period ended June 30, 2023)

	Total
As at December 31, 2022	419
Liabilities Settled or Payable	(115)
Re-measurement	16
As at June 30, 2023	320
Less: Current Portion	262
Long-Term Portion	58

Planned Maintenance

- “The following table provides details on planned maintenance activities at Cenovus assets in 2023 and anticipated production or throughput impacts.” (Cenovus News Release July 27, 2023)

2023 planned maintenance		
Potential quarterly production/throughput impact (Mbbls/d)		
	Q3	Q4
Upstream		
Lloydminster Thermals	1 - 2	-
Downstream		
U.S. Manufacturing	10 - 12	55 - 65

Prices

- Benchmark pricing as of September 30, 2023:

Selected Average Benchmark Prices	2023					
	Q3	July	August	September	Q2	Q1
Crude Oil Prices (US\$/bbl)						
Brent	85.95	80.16	85.10	92.59	78.01	82.22
West Texas Intermediate ("WTI")	82.26	76.03	81.32	89.43	73.78	76.13
Differential Brent Futures-WTI	3.69	4.13	3.78	3.16	4.24	6.09
Western Canadian Select ("WCS") @ Hardisty	69.35	64.11	70.08	73.85	58.74	51.36
Differential - WTI-WCS	12.91	11.92	11.24	15.58	15.04	24.77
Differential - WTI-WTS	0.69	1.08	0.88	0.12	(0.06)	0.61
Mixed Sweet Blend ("MSW")	80.46	73.70	80.56	87.11	70.82	73.27
Condensate (C5 @ Edmonton)	77.96	71.31	76.34	86.24	72.39	79.87
Differential - WTI-Condensate (premium)/discount	4.30	4.72	4.98	3.19	1.39	(3.74)
Refining Margins 3-2-1 Crack Spreads (US\$/bbl) ⁽¹⁾						
Chicago	26.06	24.79	31.93	21.46	28.56	28.88
Midwest Combined (Group 3)	36.99	34.89	40.58	35.41	31.78	31.35
Natural Gas Prices						
AECO (C\$/Mcf)	2.39	1.97	2.52	2.69	2.45	3.22
AECO (C\$/GJ)	2.27	1.87	2.39	2.55	2.32	3.05
NYMEX (US\$/Mcf)	2.55	2.60	2.49	2.56	2.10	3.42
Differential NYMEX - AECO (US\$/Mcf)	0.77	1.11	0.62	0.57	0.27	0.22
RINs						
RVO (US\$/bbl)	7.42	8.18	7.67	6.42	7.69	8.20

⁽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").

Forward-Looking Information:

This document contains references to forward-looking information previously provided, identified by words such as "anticipate", "may", "plan", and "will" or similar expressions and includes forecast operating and financial results. This document is prepared solely for the purposes of providing information about Cenovus'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. 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 revised 2023 Corporate Guidance (dated July 26, 2023) and in the Advisories of the above 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 2022 Annual Management's Discussion and Analysis, available at sedar.com, sec.gov and cenovus.com.

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