

## January 10, 2024

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 2023 results on Thursday February 15, 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) announced today that the Toronto Stock Exchange ("TSX") has approved the renewal of the company's normal course issuer bid ("NCIB") to purchase up to 133,160,021 common shares during the 12-month period commencing November 9, 2023 and ending November 8, 2024." *(Cenovus News Release November 7, 2023)*
- "During the third quarter, the non-operated Terra Nova floating production, storage and offloading (FPSO) vessel returned to offshore Newfoundland and Labrador and commissioning activities are ongoing with production expected to resume in the fourth quarter." *(Cenovus News Release November 2, 2023)*
- "The Toledo Refinery performed well following its restart in the second quarter, and at the Superior Refinery, the full and stable start-up of the fluid catalytic cracking unit was achieved in early October after operational challenges in the second quarter." *(Cenovus News Release November 2, 2023)*
- "On June 14, 2023, we purchased and cancelled 45.5 million outstanding Cenovus Warrants. The price for each warrant purchased represented a price of \$22.18 per common share, less the warrant exercise price of \$6.54 per common share, for a total of \$711 million. We also recorded \$2 million of transaction costs. This purchase represented 84 percent of Cenovus's outstanding warrants. During the three months ended September 30, 2023, we paid \$600 million related to the purchased warrants. The remaining amount must be paid by January 5, 2024." *(Cenovus MD&A for the period ended September 30, 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	50.00	2023-08-10
August	8.14	\$25.88	210.79	2023-09-08
September	3.64	\$27.47	99.99	2023-10-09
October	3.42	\$27.07	92.46	2023-11-05
November	7.28	\$24.53	178.60	2023-12-10
December	3.53	\$22.38	78.90	2024-01-10

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

### 2023 Guidance

- “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](https://www.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) <sup>(1)</sup>	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
<b>Oil Sands total</b>	<b>577 - 637</b>	<b>2,200 - 2,400</b>	<b>11.50 - 13.00</b>	
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			
<b>Conventional total</b>	<b>115 - 130</b>	<b>350 - 450</b>	<b>12.00 - 13.00</b>	<b>11 - 15</b>
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 <sup>(2)</sup>	16 - 21		9.50 - 11.00	20 - 24
<b>Offshore total</b>	<b>55 - 68</b>	<b>600 - 700</b>	<b>18.00 - 21.00</b>	
TOTAL UPSTREAM				
	Production (Mbbbls/d, MMcf/d, MBOE/d)	Capital investments (\$ millions)		
Total liquids	645 - 660			
Total natural gas	780 - 810			
Total upstream <sup>(3)</sup>	775 - 795	3,150 - 3,550		
DOWNSTREAM				
	Throughput (Mbbbls/d)	Capital investments (\$ millions)	Operating costs (\$/bbl) <sup>(1)</sup>	
Canadian Manufacturing <sup>(4)</sup>	100 - 110		11.25 - 13.25	
U.S. Manufacturing <sup>(5)</sup>	480 - 500		12.25 - 14.25	
<b>Downstream total</b>	<b>580 - 610</b>	<b>800 - 900</b>	<b>12.00 - 14.00</b>	
CORPORATE				
Corporate capital investment (\$ millions)		40 - 50	G&A (less stock-based compensation) (\$ millions) <sup>(6)</sup>	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 (%) <sup>(7)</sup>	23 - 25
PRICE ASSUMPTIONS & ADJUSTED FUNDS FLOW SENSITIVITIES <sup>(8)</sup>				
Brent (US\$/bbl)	\$ 76.00	<b>Independent base case sensitivities</b>		Increase
WTI (US\$/bbl)	\$ 71.00	<i>(As at June 30, 2023 for the remainder of 2023)</i>		Decrease
Western Canada Select (US\$/bbl)	\$ 54.50	Crude oil (WTI) - US\$1.00 change		(\$ millions)
Differential WTI-WCS (US\$/bbl)	\$ 16.50	Light-heavy differential (WTI-WCS) - US\$1.00 change		(\$ millions)
Chicago 3-2-1 Crack Spread (US\$/bbl)	\$ 26.50	Chicago 3-2-1 crack spread - US\$1.00 change		(\$ millions)
RINs (US\$/bbl)	\$ 7.55	RINs (RVO) - US\$1.00 change		(\$ millions)
AECO (\$/Mcf)	\$ 2.90	Natural gas (AECO) - C\$1.00 change		(\$ millions)
Exchange Rate (US\$/C\$)	\$ 0.75	Exchange rate (US\$/C\$) - \$0.01 change		(\$ millions)

(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 September 30, 2023)*

	Q1 2023			Q2 2023			Q3 2023			Q4 2023		
	January	February	March	April	May	June	July	August	Sept	October	November	December
Condensate (C5 @ Edmonton) (US\$/bbl)	81.61	79.99	78.03	83.53	67.38	66.26	71.31	76.34	86.24	83.55	77.03	68.13

### Royalties

- See Cenovus 2023 Guidance dated July 26, 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 September 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 September 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. The maximum payment over the remaining four quarters of the contract is \$301 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 nine months ended September 30, 2023, totaled \$207 million for the quarterly payment periods ending November 30, 2022, February 28, 2023, and May 31, 2023.” *(Cenovus 2023 Quarterly Consolidated Financial Statements for the period ended September 30, 2023)*

	Total
As at December 31, 2022	419
Liabilities Settled or Payable	(207)
Re-measurement	83
<b>As at September 30, 2023</b>	<b>295</b>

### 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 November 2, 2023)*

2023 planned maintenance	
Potential quarterly production/throughput impact (Mbbbls/d)	
	Q4
<b>Upstream</b>	
Lloydminster Thermals	-
<b>Downstream</b>	
U.S. Manufacturing	55 - 65

## Prices

- Benchmark pricing as of December 31, 2023:

Selected Average Benchmark Prices	2023						
	Q4	October	November	December	Q3	Q2	Q1
<b>Crude Oil Prices (US\$/bbl)</b>							
Brent	82.68	88.70	82.03	77.32	85.95	78.01	82.22
West Texas Intermediate ("WTI")	78.32	85.47	77.38	72.12	82.26	73.78	76.13
Differential Brent Futures-WTI	4.36	3.23	4.65	5.20	3.69	4.24	6.09
Western Canadian Select ("WCS") @ Hardisty	56.43	67.23	56.53	45.54	69.35	58.74	51.36
Differential - WTI-WCS	21.89	18.24	20.85	26.58	12.91	15.04	24.77
Differential - WTI-WTS	(0.17)	(0.92)	(0.18)	0.59	0.69	(0.06)	0.61
Mixed Sweet Blend ("MSW")	73.13	82.53	73.47	63.41	80.46	70.82	73.27
Condensate (C5 @ Edmonton)	76.24	83.55	77.03	68.13	77.96	72.39	79.87
Differential - WTI-Condensate (premium)/discount	2.09	1.92	0.35	3.99	4.30	1.39	(3.74)
<b>Refining Margins 3-2-1 Crack Spreads (US\$/bbl)<sup>(1)</sup></b>							
Chicago	13.24	13.32	18.75	7.65	26.06	28.56	28.88
Midwest Combined (Group 3)	18.55	24.24	17.67	13.74	36.99	31.78	31.35
<b>Natural Gas Prices</b>							
AECO (C\$/Mcf)	2.30	2.39	2.64	1.88	2.39	2.45	3.22
AECO (C\$/GJ)	2.19	2.27	2.50	1.78	2.27	2.32	3.05
NYMEX (US\$/Mcf)	2.88	2.76	3.16	2.71	2.55	2.10	3.42
Differential NYMEX - AECO (US\$/Mcf)	0.93	0.97	1.16	0.65	0.77	0.27	0.22
<b>RINs</b>							
RVO (US\$/bbl)	4.77	5.00	4.74	4.59	7.42	7.69	8.20

<sup>(1)</sup> 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", "expect", "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](http://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](http://sedar.com), [sec.gov](http://sec.gov) and [cenovus.com](http://cenovus.com).

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