Corporate guidance

2024 Corporate guidance - C$, before royalties

December 13, 2023

UPSTREAM

	Production (Mbbls/d or MBOE/d)	Capital investments ($ millions)		Operating costs ($/bbl or $/BOE)[1]
			Fuel	3.00 - 4.00
			Non-fuel	9.00 - 10.00
Oil Sands total	**590 - 610**	**2,500 - 2,750**	***Total***	**12.00 - 14.00**
Conventional total	**120 - 130**	**350 - 425**		**12.00 - 13.00**
Atlantic	10 - 15			55.00 - 65.00
Asia Pacific [2]	50 - 55			11.00 - 13.00
Offshore total [3]	**60 - 70**	**850 - 950**		
Total upstream	**770 - 810**	**3,700 - 4,125**		

DOWNSTREAM

	Throughput (Mbbls/d)	Capital investments ($ millions)	Operating costs ($/bbl)[1]
Canadian Refining [4]	85 - 95		18.00 - 20.00
U.S. Refining [5]	545 - 575		11.75 - 13.75
Downstream total	**630 - 670**	**750 - 850**	**12.50 - 14.50**

CORPORATE

Corporate capital investment ($ millions)	60 - 70	G&A ($ millions) [7]	625 - 725
Total capital investments ($ billions) [6]	4.5 - 5.0	Cash tax ($ billions)	1.3 - 1.6
		Effective tax rate (%) [8]	23 - 25

PRICE ASSUMPTIONS & ADJUSTED FUNDS FLOW SENSITIVITIES [9]

		Independent base case sensitivities	Increase	Decrease
Brent (US$/bbl)	$ 79.00	*(For the full year 2024)*	($ millions)	($ millions)
WTI (US$/bbl)	$ 75.00	Crude oil (WTI) - US$1.00 change	150	(150)
Western Canada Select (US$/bbl)	$ 58.00	Light-heavy differential (WTI-WCS) - US$1	(85)	85
Differential WTI-WCS (US$/bbl)	$ 17.00	Chicago 3-2-1 crack spread - US$1.00 char	200	(200)
Chicago 3-2-1 Crack Spread (US$/bbl)	$ 21.00	RINs (RVO) - US$1.00 change	(175)	175
RINs (US$/bbl)	$ 4.50	Natural gas (AECO) - C$1.00 change	(25)	25
AECO ($/Mcf)	$ 2.80	Exchange rate (US$/C$) - $0.01 change	(160)	160
Exchange Rate (US$/C$)	$ 0.73			

(1) Upstream operating expenses are divided by sales volumes. Downstream operating expenses are divided by barrels of crude oil throughput. Operating costs per barrel include expensed turnaround costs.
(2) Indonesia capital investments are excluded from totals due to being accounted for under the equity method for consolidated financial statement purposes.
(3) Offshore capital investments includes capitalized interest.
(4) Canadian Refining throughput and operating costs are associated with the Lloydminster Upgrader & Refinery.
(5) U.S. Refining capital and operating costs are reported in C$, but incurred in US$ and as such will be impacted by foreign exchange.
(6) Ranges are not intended to add and may include rounding.
(7) Forecasted general and administrative (G&A) does not include stock-based compensation.
(8) 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 & losses.
(9) 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.

Advisory

Basis of Presentation
Cenovus reports financial results in Canadian dollars and presents production volumes on a net to Cenovus before royalties basis, unless otherwise stated. Cenovus prepares its financial statements in accordance with International Financial Reporting Standards (IFRS).

Barrels of Oil Equivalent
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 with 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.

Forward-looking Information
This guidance document contains forward-looking statements and other information (collectively referred to as “forward-looking information”) about the Company’s current expectations, estimates and projections, made in light of the Company’s experience and perception of historical trends. Although the Company believes that the expectations represented by such forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct.

This forward-looking information is current only as of the date indicated above. Readers are cautioned not to place undue reliance on forward-looking information as actual results may differ materially from those expressed or implied. Cenovus undertakes no obligation to update or revise any forward-looking information except as required by law.

In addition to the price assumptions disclosed herein, the factors or assumptions on which the forward-looking information in this guidance document is based include: projected capital investment levels, the flexibility of capital spending plans and associated sources of funding; achievement of further operating efficiencies, cost reductions and sustainability thereof; our forecast production volumes are subject to potential ramp down of production based on business and market conditions; foreign exchange rate, including with respect to our US$ debt and refining capital and operating expenses; future improvements in availability of product transportation capacity; realization of expected impacts of storage capacity within oil sands reservoirs; the ability of our refining capacity and existing pipeline commitments to mitigate a portion of heavy oil volumes against wider differentials; planned turnaround and maintenance activity at both upstream and downstream facilities; accounting estimates and judgments; ability to obtain necessary regulatory and partner approvals;the existence of a favourable and stable regulatory framework concerning GHG emissions that includes, among other things, support from various levels of government, including financial support; the successful and timely implementation of capital projects or stages thereof, including those associated with our ESG targets.

The information in this guidance document is also subject to risks disclosed in our annual Management’s Discussion and Analysis (“MD&A”) for the period ended December 31, 2022, supplemented by updates in our most recent quarterly MD&A, available on EDGAR at sec.gov and at cenovus.com