



Cenovus Energy Inc.

**Fostering Transparency – Cenovus 2022 ESTMA Annual Report
(unaudited)**

For the Year Ended December 31, 2022

(Canadian Dollars)

INTRODUCTION

On June 1, 2015, the *Extractive Sector Transparency Measures Act* (“ESTMA” or “the Act”) was brought into force by the Canadian government. The Act requires companies in the business of the commercial development of crude oil, natural gas and minerals to publicly disclose, on an annual basis, specific payments made to all governments in Canada and abroad. The Act is one of the ways Canada is delivering on its international commitment to contribute to global efforts to increase transparency and deter corruption in the extractive sector.

This report provides an overview of the payments made to governments by Cenovus Energy Inc., its subsidiaries and partnerships (together “Cenovus” or the “Company”) involved in the commercial development of crude oil and natural gas for the year ended December 31, 2022.

BASIS FOR PREPARATION

Legislation

This report is prepared in accordance with the Act and the ESTMA Technical Specifications. In addition, the ESTMA Guidance document published by NRCan has been considered in Cenovus’s interpretation of the Act.

Reporting Entities and Operatorship

Cenovus has registered its subsidiaries and partnerships in the business of the commercial development of crude oil and natural gas with NRCan, but has chosen to report as a consolidated group.

Cenovus is engaged in various joint venture agreements with other crude oil and natural gas producers. Each joint venture agreement identifies the operator of the joint venture as the party responsible for administering any obligations to a government and as such, where Cenovus is the operator, the full amount paid is disclosed in this report.

During 2022, Cenovus acquired the remaining 50 percent interest in Sunrise.

Activities

Payments made by Cenovus to governments arising from the commercial development of crude oil and natural gas are disclosed in this report. The commercial development of crude oil and natural gas means:

- The exploration or extraction of crude oil, natural gas liquids or natural gas.
- The acquisition or holding of a permit, license, lease or any other authorization to carry out exploration or extraction of crude oil or natural gas.

Commercial development includes activities such as prospecting and exploring for crude oil and natural gas and encompasses the abandonment and reclamation of sites. Commercial development is not intended to extend to ancillary or preparatory activities such as manufacturing equipment or the construction of extraction sites. In addition, post-extraction activities such as refining or processing as well as marketing and transporting are generally excluded. For example, business taxes associated with the Company’s Calgary office space has been excluded as it does not relate to commercial development activities.

Payee

A payee includes any government in Canada or in a foreign state; a body that is established by two or more governments; any trust, board, commission, corporation or body or authority that is established to exercise or perform, or that exercises and performs a power, duty or function of government for a government referred to above. This could include any Indigenous group or organization that exercises or performs the power, duty or function of government.

Project

Payments are reported at the project level unless a payment is not attributable to a specific project in which case it is reported at the corporate level. A project means operational activities that are governed by a single contract, license, lease, concession or similar legal agreement that forms the basis for payment obligations with a government. Nonetheless, if a given geographical area or geological formation is managed and operated through multiple agreements, the area will be considered to be substantially interconnected, and will be treated as a single project.

All of Cenovus’s crude oil and natural gas reserves and production are located in Canada within the provinces of British Columbia, Alberta, Saskatchewan, and Newfoundland and Labrador and the Asia Pacific regions, in China and Indonesia. Our upstream operations include oil sands projects in northern Alberta, thermal and conventional crude oil, natural gas and natural gas liquids

("NGLs") projects across Western Canada, crude oil production offshore Newfoundland and Labrador and natural gas and NGLs production offshore China and Indonesia.

Projects within Cenovus's Oil Sands segment have been determined based on its Oil Sands Royalty ("OSR") projects approved by the Government of Alberta and Saskatchewan. Projects within the Conventional segment are based on their geographic proximity, consistent with how they are operated and managed. Royalty rates in China and Indonesia are governed by production sharing contracts in which production is shared with the Chinese and Indonesian governments. Royalties at the White Rose field are based on an agreement between our working interest partners and the Government of Newfoundland and Labrador.

In some cases, very early stage oil sands projects that have not yet been assigned an OSR and for which payments are immaterial have been aggregated with another project in close geographic proximity.

Payments

The information is reported under the following payment categories:

- Taxes
- Royalties
- Fees
- Production entitlements
- Bonuses
- Dividends
- Infrastructure improvement payments

For each payee, if payments for the year are less than \$100,000, the payments are excluded from this report. Payments are reported on a cash accounting basis. In-kind payments are included in the report and valued at fair market value based on Cenovus's realized sale price. Payments made in United States Dollars ("USD"), Indonesian Rupiah ("IDR") and Chinese Yuan ("RMB") are translated into Canadian dollars using the prevailing exchange rate at the time of payment. The average exchange rate for the period was \$0.769 USD, 11,412 IDR and 5.173 RMB per Canadian dollar. Payments on the report filed with NRCan have been rounded to the nearest \$10 thousand.

SUMMARY REPORT – BY PAYEE

(\$ thousands)

| Payee | Taxes | Royalties | Fees | Production Entitlement | Bonuses | Dividends | Infra-structure Payments | Total |
|---|----------------|------------------|---------------|------------------------|--------------|-----------|--------------------------|------------------|
| The Province of Alberta | 23,940 | 4,459,890 | 42,150 | | | | | 4,525,980 |
| The Province of Saskatchewan | 64,680 | 353,150 | 1,210 | | | | | 419,040 |
| Federal Government of China | 289,230 | 84,800 | 8,410 | | | | | 382,440 |
| Federal Government of Canada | 179,770 | 16,920 | 720 | | | | | 197,410 |
| Municipality of Wood Buffalo | 26,100 | | | | | | | 26,100 |
| Town of Bonnyville | 17,930 | | | | | | | 17,930 |
| The Province of British Columbia | 1,280 | 8,630 | 2,340 | | | | | 12,250 |
| The Province of Newfoundland and Labrador | | | 9,380 | | | | | 9,380 |
| Municipality of Frenchman Butte | 8,100 | | 10 | | | | | 8,110 |
| Rural Municipality of Turtle River | 6,940 | | | | | | | 6,940 |
| Rural Municipality of Eldon | 5,970 | | 410 | | | | | 6,380 |
| County of Grande Prairie | 5,890 | | 40 | | | | | 5,930 |
| Yellowhead County | 5,930 | | | | | | | 5,930 |
| Rural Municipality of Britannia | 5,490 | | | | | | | 5,490 |
| County of Vermilion River | 5,280 | | 20 | | | | | 5,300 |
| Municipal District of Greenview | 4,770 | | 10 | | | | | 4,780 |
| Mackenzie County | 3,720 | | | | | | | 3,720 |
| Municipal District of Wainwright | 3,000 | | | | | | | 3,000 |
| Conklin Metis | | | 180 | | 750 | | 2,000 | 2,930 |
| Rural Municipality of Mervin | 2,660 | | 30 | | | | | 2,690 |
| Heart Lake First Nation | | | 80 | | 320 | | 2,000 | 2,400 |
| Clearwater County | 2,360 | | | | | | | 2,360 |
| Rural Municipality of Wilton | 2,240 | | 10 | | | | | 2,250 |
| Chipewyan Prairie First Nation | | | 100 | | 90 | | 2,000 | 2,190 |
| Rural Municipality of Paynton | 1,740 | | 10 | | | | | 1,750 |
| Athabasca Chipewyan First Nation | | | 1,020 | | 360 | | | 1,380 |
| Beaver Lake Cree Nation | | | 80 | | 300 | | 1,000 | 1,380 |
| Municipal District of Opportunity | 1,100 | | 20 | | | | | 1,120 |
| Municipality of Manitou Lake | 1,080 | | | | | | | 1,080 |
| Municipal District of Brazeau | 1,050 | | | | | | | 1,050 |
| Mikisew Cree First Nation | | | 660 | | 330 | | | 990 |
| Fort McKay First Nation | | | 310 | | 680 | | | 990 |
| Municipal District of Provost | 940 | | | | | | | 940 |
| Rural Municipality of Hillsdale | 910 | | | | | | | 910 |
| Chard Metis Nation | | | 80 | | 10 | | 750 | 840 |
| Cold Lake First Nation | | | 200 | | 580 | | | 780 |
| Town of Minnedosa | 530 | | | | | | | 530 |
| Fort McMurray First Nation | | | 260 | | 250 | | | 510 |
| Rural Municipality of Senlac | 500 | | | | | | | 500 |
| Lacombe County | 480 | | | | | | | 480 |
| Red Deer County | 410 | | | | | | | 410 |
| Lac La Biche County | 400 | | | | | | | 400 |
| County of Wetaskiwin | 360 | | | | | | | 360 |
| Fort McKay Metis Nation | | | 150 | | 200 | | | 350 |
| County of Two Hills | 330 | | | | | | | 330 |
| Woodlands County | 310 | | | | | | | 310 |
| McMurray Metis Local 1935 | | | 140 | | 140 | | | 280 |
| Saulteaux First Nation | | | | | 210 | | | 210 |
| County of St Paul | 210 | | | | | | | 210 |
| Moosomin First Nation | | | | | 200 | | | 200 |
| Fort Chipewyan Metis Association | | | 80 | | 80 | | | 160 |
| Town of Rainbow Lake | 160 | | | | | | | 160 |
| Wheatland County | 120 | | | | | | | 120 |
| County of Minburn | 120 | | | | | | | 120 |
| TOTAL | 676,030 | 4,923,390 | 68,110 | - | 4,500 | - | 7,750 | 5,679,780 |

SUMMARY REPORT – BY PROJECT

(\$ thousands)

| Project | Taxes | Royalties | Fees | Production Entitlement | Bonuses | Dividends | Infra-structure Payments | Total |
|-------------------------------|----------------|------------------|---------------|------------------------|--------------|-----------|--------------------------|------------------|
| Christina Lake | 16,150 | 2,265,460 | 5,350 | | 1,670 | | 7,750 | 2,296,380 |
| Foster Creek | 18,330 | 1,782,910 | 6,080 | | 580 | | | 1,807,900 |
| Lloydminster Thermal Projects | 101,130 | 360,910 | 1,420 | | 410 | | | 463,870 |
| Liwan Gas Project | 289,220 | 83,600 | 40 | | | | | 372,860 |
| Corporate | 200,370 | | | | | | | 200,370 |
| Sunrise Energy Project | 9,930 | 102,530 | 1,900 | | 1,620 | | | 115,980 |
| Rainbow Lake Development | 3,880 | 81,600 | 1,760 | | | | | 87,240 |
| Kaybob-Edson | 7,510 | 68,580 | 5,260 | | | | | 81,350 |
| Clearwater | 11,150 | 63,880 | 5,510 | | | | | 80,540 |
| Elmworth-Wapiti | 5,910 | 62,190 | 6,120 | | | | | 74,220 |
| Conventional Heavy Oil | 12,440 | 10,980 | 10,090 | | | | | 33,510 |
| White Rose Oil Field | | 15,090 | 9,960 | | | | | 25,050 |
| Tucker Thermal Project | | 20,380 | 4,490 | | | | | 24,870 |
| Block 23/07 | | | 7,940 | | | | | 7,940 |
| Pelican Lake | | 3,450 | | | | | | 3,450 |
| Telephone Lake | 10 | | 1,730 | | 220 | | | 1,960 |
| Terra Nova Oil Field | | 1,830 | | | | | | 1,830 |
| Block 29/26 | | | 220 | | | | | 220 |
| Block 15/33 | | | 90 | | | | | 90 |
| Narrows Lake | | | 80 | | | | | 80 |
| Block 16/25 | | | 70 | | | | | 70 |
| TOTAL | 676,030 | 4,923,390 | 68,110 | - | 4,500 | - | 7,750 | 5,679,780 |