

## ADDITIONAL ADVISORY

### OIL AND GAS INFORMATION

The following definitions are applicable to our oil and gas disclosure in this Annual Report. For definitions related to our contingent and prospective resources disclosure, see "Oil and Gas Information" in the Advisory section of our MD&A. For additional definitions that are not included here, please see "Reserves Data and Other Oil and Gas Information" within our AIF for the year ended December 31, 2010, available at [www.sedar.com](http://www.sedar.com) and at [www.cenovus.com](http://www.cenovus.com).

**After Royalties** means volumes after deduction of royalties and including any royalty interests.

**Before Royalties** means volumes before deduction of royalties and excluding any royalty interests.

#### Bitumen initially-in-place

**Discovered bitumen initially-in-place** (56 Bbbls) is the quantity of bitumen estimated, as at December 31, 2009 by an independent qualified reserves evaluator, to be contained in known accumulations prior to production. The recoverable portion of discovered bitumen initially-in-place includes production, reserves, and contingent resources; the remainder is categorized as unrecoverable. There is no certainty that it will be commercially viable to produce any portion of the estimate.

**Total bitumen initially-in-place** (BIIP) (137 Bbbls) is the quantity of bitumen estimated, as at December 31, 2009 by an independent qualified reserves evaluator, to exist originally in naturally occurring accumulations. It includes Discovered BIIP (56 Bbbls) plus Undiscovered BIIP (82 Bbbls) which includes those estimated quantities, as at December 31, 2009, in accumulations yet to be discovered. There is no certainty that any portion of the estimate will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the estimate.

Bitumen initially-in-place estimates include unrecoverable volumes and are not an estimate of the volume of the substances that will ultimately be recovered. For further information regarding these estimates and all subcategories thereof, please see our June 16, 2010 news release, available at [www.sedar.com](http://www.sedar.com) and [www.cenovus.com](http://www.cenovus.com).

**Company Interest** means, in relation to production, reserves, resources and property, the interest (operating or non-operating) held by Cenovus.

**Royalty Interest** means:

- (a) in relation to reserves, those reserves related to our royalty entitlement on lands to which we hold freehold title which have been leased to third parties, or reserves related to other royalty interests, such as overriding royalties to which we are entitled.
- (b) in relation to production, the production generated for Cenovus's account pursuant to leasing agreements of our freehold title lands, and other royalty entitlement agreements.

### FINDING AND DEVELOPMENT COSTS

Finding and development costs disclosed on pages 25 and 33 of this Annual Report do not include changes in estimated future development costs and exclude the effects of acquisitions and dispositions. Cenovus uses finding and development costs without changes in estimated future development costs as an indicator of relative performance to be consistent with the methodology accepted within the oil and gas industry. Finding and development costs excluding the effects of acquisitions and dispositions and without changes in future development costs is equal to finding and development capital investment divided by finding and development reserves additions. Finding and development reserves additions are calculated by summing revisions, improved recovery, extensions and discoveries.

Finding and development costs for proved reserves, excluding the effects of acquisitions and dispositions but including the change in estimated future development costs were \$10.55/BOE for the year ended December 31, 2010, \$16.01/BOE for the year ended December 31, 2009 and averaged \$16.95/BOE for the three years ended December 31, 2010. Finding and development costs for proved plus probable reserves, excluding the effects of acquisitions and dispositions but including the change in estimated future development costs were \$9.78/BOE for the year ended December 31, 2010, \$81.70/BOE for the year ended December 31, 2009 and averaged \$24.43/BOE for the three years ended December 31, 2010. These finding and development costs were calculated by dividing the sum of exploration costs, development costs and changes in future development costs in the particular year by the reserves additions (the sum of discoveries, extensions and improved recovery and technical revisions) in that year. The aggregate of the exploration and development costs incurred in a particular year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserves additions for that year.

For additional information about our finding and development costs, capital investment and reserves additions, please see our February 18, 2011 news release available at [www.sedar.com](http://www.sedar.com) and [www.cenovus.com](http://www.cenovus.com).