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*“Your Executive Team and your Board are off to a strong start in realizing the great potential that is Cenovus.”*

GOOD GOVERNANCE + STRATEGIC DECISIONS = A COMPANY TO BELIEVE IN



A handwritten signature in blue ink that reads "M. Grandin". The signature is fluid and cursive.

MICHAEL A. GRANDIN  
BOARD CHAIR

**WHAT A GREAT START FOR CENOVUS!**

Cenovus began with an excellent portfolio of assets. It has vast and largely undeveloped oil sands resources to provide for growth well into the future. It has established oil and natural gas assets to fund this growth. It has the technical know-how to effectively recover its resources and the project management expertise to do so efficiently. Perhaps most importantly, it has a highly engaged and enthusiastic workforce, motivated by attractive opportunities, whose members are eager to convert potential value into present value.

After reading this annual report, I think you will agree that Cenovus's first year performance couldn't have been much better.

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From a governance perspective, we believe that the Board got off to a great start as well. The management proxy circular describes, in some detail, your Directors' qualifications and your Board's actions with respect to regulatory compliance, self-regulation, executive compensation and other important Board and Committee matters. However, I thought a few comments here might give you a better understanding of how your Board is operating.

We have a nine-member Board with a good mix of skills. The smaller size is intended to encourage open and inclusive discussion. The mix of skills captures experience in both upstream and downstream oil and gas operations and transportation, as well as in accounting, finance and general business and board operations. This combination leads to good quality debate and questioning based on knowledge of the business, all with a view to helping the Executive Team make high-quality decisions.

During the year, we focused much of our attention on strategy and risk management. We worked with the Executive Team to ensure that Cenovus's initial strategy built on the rationale for the company's creation and took full advantage of its physical asset base, the technical expertise of its people and its financial capacity. At the same time, and also with the Executive Team, we made sure all the risks that we could foresee were included in Cenovus's well-developed risk monitoring and mitigation system.

For reasons such as these we believe your company, your Executive Team and your Board are off to a strong start in realizing the great potential that is Cenovus.

Respectfully submitted on behalf of the Board.