



Corporate guidance

2016 Corporate Guidance - C\$, before royalties

February 11, 2016

UPSTREAM						
OIL SANDS						
	<u>Production</u> <u>(Mbbbls/d)</u>	<u>Capital expenditures</u> <u>(\$ millions)</u>	<u>Operating costs</u> <u>(\$/bbl)</u>	<u>Effective royalty</u> <u>rates (%)</u>	<u>Steam to oil</u> <u>ratio</u>	
Foster Creek	66 - 72	325 - 350	<i>Fuel</i> 2.75 - 3.25 <i>Non-fuel</i> 8.00 - 10.00 <i>Total</i> 10.75 - 13.25	1 - 3	2.6 - 3.0	
Christina Lake	78 - 85	350 - 375	<i>Fuel</i> 2.00 - 2.50 <i>Non-fuel</i> 5.50 - 7.00 <i>Total</i> 7.50 - 9.50	1 - 3	1.8 - 2.2	
Narrows Lake	- -	10 - 20	- -	- -	- -	
New resource plays ⁽¹⁾	- -	45 - 55	- -	- -	- -	
Oil Sands total	144 - 157	730 - 800				

CONVENTIONAL				
	<u>Production</u> <u>(Mbbbls/d)</u>	<u>Capital expenditures</u> <u>(\$ millions)</u>	<u>Operating costs</u> <u>(\$/bbl)</u>	<u>Effective royalty</u> <u>rates (%)</u>
Oil & liquids ⁽²⁾	52 - 56	125 - 150	17.00 - 19.00	12 - 16
	<u>(MMcf/d)</u>		<u>(\$/Mcf)</u>	
Natural gas ⁽³⁾	370 - 400	10 - 20	1.25 - 1.40	4 - 6

TOTAL		
	<u>Production</u> <u>(Mbbbls/d, MBOE/d)</u>	<u>Capital expenditures</u> <u>(\$ millions)</u>
Total liquids	196 - 213	855 - 950
Total upstream	258 - 280	865 - 970

REFINING & MARKETING		
	<u>Capital expenditures</u> <u>(\$ millions)</u>	<u>Operating costs</u> <u>(\$/bbl)</u>
Refining ⁽⁴⁾	230 - 270	8.00 - 9.00
Marketing & transportation	10 - 20	

CORPORATE			
Corporate & other expenditures (\$ millions)	40 - 50	Upstream DD&A (\$ billions)	1.5 - 1.6
Total capital expenditures (\$ billions)	1.2 - 1.3	Other DD&A (\$ millions) ⁽⁶⁾	250 - 350
General & administrative expenses (\$ millions) ⁽⁵⁾	270 - 290	Cash tax (recovery) (\$ millions)	(150) - (50)
		Effective tax rate (%) ⁽⁷⁾	27 - 32

PRICE ASSUMPTIONS & CASH FLOW SENSITIVITIES ⁽⁷⁾				
		Independent base case sensitivities	Increase (\$ millions)	Decrease (\$ millions)
Brent (US\$/bbl)	36.50			
WTI (US\$/bbl)	36.50			
Western Canada Select (US\$/bbl)	22.50	Crude oil (WTI) - US\$10.00 change	625	(710)
NYMEX (US\$/MMBtu)	2.50	Light-heavy differential (WTI-WCS) - US\$5.00 change	(225)	195
AECO (\$/GJ)	2.50	Chicago 3-2-1 crack spread - US\$1.00 change	100	(100)
Chicago 3-2-1 Crack Spread (US\$/bbl)	11.00	Natural gas (NYMEX) - US\$1.00 change	60	(60)
Exchange Rate (US\$/C\$)	0.71	Exchange rate (US\$/C\$) - \$0.05 change	(85)	95

(1) New resource plays includes Grand Rapids, Telephone Lake, and other emerging plays.

(2) Oil & liquids includes Pelican Lake as well as oil and NGLs from Alberta and Saskatchewan.

(3) Natural gas includes all natural gas production.

(4) Refining capital and operating costs are reported in C\$, but incurred in US\$ and as such will be impacted by FX.

(5) Consistent with our financial reporting, approximately \$30 million of costs related to long-term incentives are now recorded as G&A. Previous guidance included long-term incentive costs in both G&A and operating costs.

(6) Includes DD&A related to Refining and Corporate and Eliminations.

(7) Statutory rates of 27% in Canada and 38% in the US are applied separately to pre-tax operating earnings streams for each country. Excludes the effect of mark-to-market gains and losses.

(8) Sensitivities include hedge positions as at December 31, 2015 and are applicable to 2016. 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

FORWARD-LOOKING INFORMATION. This document provides guidance on certain aspects of our business and includes forward-looking statements and other information (collectively “forward-looking information”) about our current expectations, estimates and projections, made in light of our experience and perception of historical trends and based on the assumptions and uncertainties discussed below. Although we believe that our guidance and the expectations represented by such forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct and readers are cautioned that the information presented may not be appropriate for any other purpose. Forward-looking information in this document includes: estimates of production volumes; operating costs; projected capital expenditures; estimates of general and administrative expenses; depreciation, depletion and amortization (DD&A); cash tax, effective tax rates, royalty rates and price assumptions; and steam to oil ratio. Readers are cautioned not to place undue reliance on forward-looking information as our actual results may differ materially from those expressed or implied.

Developing forward-looking information involves reliance on a number of assumptions and consideration of certain risks and uncertainties, some of which are specific to Cenovus and others that apply to the industry generally. The factors or assumptions on which the forward-looking information is based include: our projected capital investment levels, the flexibility of our capital spending plans and the associated source of funding; estimates of quantities of oil, bitumen, natural gas and liquids from properties and other sources not currently classified as proved; our ability to obtain necessary regulatory and partner approvals; the successful and timely implementation of capital projects or stages thereof; our ability to generate sufficient cash flow to meet our current and future obligations; and other risks and uncertainties described from time to time in the filings we make with securities regulatory authorities.

The risk factors and uncertainties that could cause our actual results to differ materially, include: volatility of and assumptions regarding oil and natural gas prices; the effectiveness of our risk management program, including the impact of derivative financial instruments, the success of our hedging strategies and the sufficiency of our liquidity position; the accuracy of cost estimates; fluctuations in commodity prices, currency and interest rates; fluctuations in product supply and demand; market competition, including from alternative energy sources; risks inherent in our marketing operations, including credit risks; maintaining desirable ratios of debt to adjusted EBITDA and net debt to adjusted EBITDA as well as debt to capitalization and net debt to capitalization (refer to our most recent MD&A available at cenovus.com for definitions and more information regarding debt to adjusted EBITDA, net debt to adjusted EBITDA, debt to capitalization and net debt to capitalization, which are non-GAAP measures); our ability to access various sources of debt and equity capital, generally, and on terms acceptable to us; changes in credit ratings applicable to us or any of our securities; changes to our dividend plans or strategy, including the dividend reinvestment plan; accuracy of our reserves, resources and future production estimates; our ability to replace and expand oil and gas reserves; our ability to maintain our relationships with our partners and to successfully manage and operate our integrated heavy oil business; reliability of our assets; potential disruption or unexpected technical difficulties in developing new products and manufacturing processes; refining and marketing margins; potential failure of new products to achieve acceptance in the market; unexpected cost increases or technical difficulties in constructing or modifying manufacturing or refining facilities; unexpected difficulties in producing, transporting or refining of crude oil into petroleum and chemical products; risks associated with technology and its application to our business; the timing and the costs of well and pipeline construction; our ability to secure adequate product transportation, including sufficient crude-by-rail or other alternate transportation; changes in the regulatory framework in any of the locations in which we operate, including changes to the regulatory approval process and land-use designations, royalty, tax, environmental, greenhouse gas, carbon and other laws or regulations, or changes to the interpretation of such laws and regulations, as adopted or proposed, the impact thereof and the costs associated with compliance; the expected impact and timing of various accounting pronouncements, rule changes and standards on our business, our financial results and our consolidated financial statements; changes in the general economic, market and business conditions; the political and economic conditions in the countries in which we operate; the occurrence of unexpected events such as war, terrorist threats and the instability resulting therefrom; and risks associated with existing and potential future lawsuits and regulatory actions against us.

Readers are cautioned that the foregoing lists are not exhaustive and are made as at the date hereof. For a full discussion of our material risk factors, see “Risk Factors” in our most recent Annual Information Form/Form 40-F, “Risk Management” in our current and annual Management’s Discussion & Analysis and risk factors described in other documents we file from time to time with securities regulatory authorities, available on SEDAR at www.sedar.com, EDGAR at www.sec.gov and our website at cenovus.com.