



Corporate guidance

2016 Corporate Guidance - C\$, before royalties

July 28, 2016

UPSTREAM						
OIL SANDS						
	Production (Mbbbls/d)	Capital expenditures (\$ millions)	Operating costs (\$/bbl)	Effective royalty rates (%)	Steam to oil ratio	
Foster Creek	66 - 72	280 - 310	Fuel 2.25 - 2.75 Non-fuel 8.00 - 9.00 Total 10.25 - 11.75	1 - 3	2.6 - 3.0	
Christina Lake	78 - 85	280 - 310	Fuel 1.75 - 2.25 Non-fuel 5.50 - 6.50 Total 7.25 - 8.75	1 - 3	1.8 - 2.2	
Narrows Lake	- -	10 - 20	- -	- -	- -	
New resource plays ⁽¹⁾	- -	35 - 45	- -	- -	- -	
Oil Sands total	144 - 157	605 - 685				

CONVENTIONAL				
	Production (Mbbbls/d)	Capital expenditures (\$ millions)	Operating costs (\$/bbl)	Effective royalty rates (%)
Oil & liquids ⁽²⁾	52 - 56	125 - 150	16.50 - 17.50	12 - 16
Natural gas ⁽³⁾	370 - 400	10 - 20	1.20 - 1.30	4 - 6

TOTAL				
	Production (Mbbbls/d, MBOE/d)	Capital expenditures (\$ millions)		
Total liquids	196 - 213	730 - 835		
Total upstream	258 - 280	740 - 855		

REFINING & MARKETING		
	Capital expenditures (\$ millions)	Operating costs (\$/bbl)
Refining ⁽⁴⁾	220 - 260	7.50 - 8.50
Marketing & transportation	10 - 20	

CORPORATE			
Corporate & other expenditures (\$ millions)	40 - 50	Upstream DD&A (\$ billions)	1.4 - 1.5
Total capital expenditures (\$ billions)	1.1 - 1.2	Other DD&A (\$ millions) ⁽⁶⁾	250 - 350
General & administrative expenses (\$ millions) ⁽⁵⁾	290 - 310	Cash tax (recovery) (\$ millions)	(150) - (50)
		Effective tax rate (%) ⁽⁷⁾	27 - 32

PRICE ASSUMPTIONS & CASH FLOW SENSITIVITIES ⁽⁸⁾				
		Independent base case sensitivities (for the remaining 6 months of 2016)	Increase (\$ millions)	Decrease (\$ millions)
Brent (US\$/bbl)	46.00	Crude oil (WTI) - US\$10.00 change	260	(300)
WTI (US\$/bbl)	44.75	Light-heavy differential (WTI-WCS) - US\$5.00 change	(80)	70
Western Canada Select (US\$/bbl)	31.00	Chicago 3-2-1 crack spread - US\$1.00 change	50	(50)
NYMEX (US\$/MMBtu)	2.50	Natural gas (NYMEX) - US\$1.00 change	20	(20)
AECO (\$/GJ)	2.20	Exchange rate (US\$/C\$) - \$0.05 change	(60)	70
Chicago 3-2-1 Crack Spread (US\$/bbl)	12.00			
Exchange Rate (US\$/C\$)	0.76			

(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. Includes \$19 million in severance costs, and \$31 million in lease 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 June 30, 2016 and are applicable to the remaining six months of 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: forecast oil and natural gas prices; our projected capital investment levels, the flexibility of capital spending plans and the associated source of funding; the achievement of further cost reductions and sustainability thereof; expected condensate prices; estimates of quantities of oil, bitumen, natural gas and liquids from properties and other sources not currently classified as proved; future use and development of technology; 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; estimated abandonment and reclamation costs, including associated levies and regulations; 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; commodity prices, currency and interest rates; product supply and demand; market competition, including from alternative energy sources; risks inherent in our marketing operations, including credit risks; exposure to counterparties and partners, including ability and willingness of such parties to satisfy contractual obligations in a timely manner; risks inherent in operation of our crude-by-rail terminal, including health, safety and environmental 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; our ability to access various sources of debt and equity capital, generally, and on terms acceptable to us; our ability to finance growth and sustaining capital expenditures; 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 business; reliability of our assets, including in order to meet production targets; potential disruption or unexpected technical difficulties in developing new products and manufacturing processes; the occurrence of unexpected events such as fires, severe weather conditions, explosions, blow-outs, equipment failures, transportation incidents and other accidents or similar events; refining and marketing margins; inflationary pressures on operating costs, including labour, natural gas and other energy sources used in oil sands processes; potential failure of products to achieve acceptance in the market; risks associated with the fossil fuel industry reputation; 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; risks associated with climate change; the timing and the costs of well and pipeline construction; ability to secure adequate product transportation, including sufficient pipeline, crude-by-rail, marine or other alternate transportation, including to address any gaps caused by constraints in the pipeline system; availability of, and our ability to attract and retain, critical talent; changes in our labour relationships; changes in the regulatory framework in any of the locations in which Cenovus operates, including changes to the regulatory approval process and land-use designations, royalty, tax, environmental (including in relation to abandonment, reclamation and remediation costs, levies or liability recovery with respect thereto), 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 ("MD&A"), including the updates under "Risk Management" in our first quarter 2016 MD&A and second quarter 2016 MD&A, 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.