

## April 7, 2017

This note is provided to analysts and associates that cover Cenovus and will be posted on the Cenovus website under Related links in the [Investors](#) section.

The company will announce its first quarter 2017 results on Wednesday, April 26<sup>th</sup>, at 4:00AM MT (6:00AM ET) with a conference call to follow at 9:00AM MT (11:00AM ET).

We'd like to remind you of the following items that have been previously disclosed by Cenovus or are a summation of public information. Please note that all such information and statements were made as at the dates of the disclosure documents or conference calls specifically noted below, and this document is not intended to be an update of any such information or statements. Any updates on the prior statements and information summarized in this document will be provided in the company's announcement of its first quarter 2017 results.

### Corporate:

- "We continue to do further engineering and design work on our other deferred oil sands expansions and will provide an update, including cost estimates and project timing for both Foster Creek phase H and Narrows Lake phase A, at our Investor Day in June. Defining these opportunities, as well as other developments, will provide clear visibility to our investment plans through 2020 and beyond." [Q4 2016 conference call](#) (February 16, 2017)

### Production:

- "Since our planned turnaround in October, and following the safe and successful start-up of Christina Lake phase F in the fourth quarter, we've experienced an accelerated ramp-up of production that we expect to continue throughout this year. Our new cogen facility is up and running, providing a secure source of power for Christina Lake, and we're selling excess power into the grid." [Q4 2016 conference call](#) (February 16, 2017)
- "Building on its successes in 2016, Cenovus will continue to pursue disciplined growth in 2017. The company plans to resume investment in its phase G expansion at Christina Lake. Cenovus anticipates the expansion can be completed with go-forward capital investment of between \$16,000 and \$18,000 per flowing barrel. Module assembly has already resumed for phase G, which has an expected design capacity of 50,000 bbls/d gross, and field construction is expected to ramp up to full activity by mid-year as modules are delivered to the site. First oil from phase G is expected in the second half of 2019." [Q4 2016 news release](#) (February 16, 2017)
- "Cenovus plans to hold the line on per-barrel oil operating costs in 2017 compared with the company's forecast operating costs for 2016. The company expects non-fuel operating costs at its oil sands business will decline by 6% compared with its 2016 forecast. Fuel costs are expected to be higher due to an increase in forecast natural gas prices." [2017 budget news release](#) (December 8, 2016)

### Refining:

- Cenovus's refining operating cash flow is calculated on a first-in, first-out (FIFO) inventory accounting basis. As such, Cenovus's refining operating cash flow is impacted during periods of rising or declining benchmark commodity prices. [Q3 2015 news release](#) (October 29, 2015)

Selected Average Benchmark Prices	2017	2016					2015				
	Q1	Year	Q4	Q3	Q2	Q1	Year	Q4	Q3	Q2	Q1
<b>Crude Oil Prices (US\$/bbl)</b>											
Brent	54.66	45.04	51.13	46.98	46.97	35.08	53.64	44.71	51.17	63.50	55.17
West Texas Intermediate ("WTI")	51.91	43.32	49.29	44.94	45.59	33.45	48.80	42.18	46.43	57.94	48.63
Differential Brent Futures-WTI	2.75	1.72	1.84	2.04	1.38	1.63	4.84	2.53	4.74	5.56	6.54
Western Canadian Select ("WCS")	37.33	29.48	34.97	31.44	32.29	19.21	35.28	27.69	33.16	46.35	33.90
Differential - WTI-WCS	14.58	13.84	14.32	13.50	13.30	14.24	13.52	14.49	13.27	11.59	14.73
Differential - WTI-WTS	1.51	0.96	1.02	1.53	0.96	0.32	(0.17)	0.44	(1.61)	(0.60)	1.11
Condensate - (C5 @ Edmonton)	52.26	42.47	48.33	43.07	44.07	34.39	47.36	41.67	44.21	57.94	45.62
Differential - WTI-Condensate (premium)/discount	(0.35)	0.85	0.96	1.87	1.52	(0.94)	1.44	0.51	2.22	0.00	3.01
<b>Refining Margins 3-2-1 Crack Spreads <sup>(2)</sup> (US\$/bbl)</b>											
Chicago	11.54	13.07	10.96	14.58	17.15	9.58	19.11	14.47	24.67	20.77	16.53
Midwest Combined (Group 3)	13.18	12.27	10.95	14.56	13.03	10.52	18.16	13.82	22.03	19.34	17.46
<b>FIFO Adjustment (C\$ millions)</b>											
FIFO Adjustment		141	108	(37)	107	(37)	(186)	(102)	(130)	101	(55)

<sup>(2)</sup> The 3-2-1 crack spread is an indicator of the refining margin generated by converting three barrels of crude oil into two barrels of regular unleaded gasoline and one barrel of ultra-low sulphur diesel using current month WTI based crude oil feedstock prices and on a last in, first out accounting basis ("LIFO").

## Hedging:

- As a reminder, Cenovus's current crude oil hedges as at December 31, 2016. [Consolidated financial statements](#)

### Net Fair Value of Risk Management Positions

As at December 31, 2016

	Notional Volumes	Terms	Average Price	Fair Value
<b>Crude Oil Contracts</b>				
Fixed Price Contracts				
Brent Fixed Price	10,000 bbls/d	July - December 2017	US\$53.09/bbl	(14)
Brent Fixed Price	10,000 bbls/d	January - June 2018	US\$54.06/bbl	(11)
WTI Fixed Price	70,000 bbls/d	January - June 2017	US\$46.35/bbl	(159)
WTI Collars	50,000 bbls/d	July - December 2017	US\$44.84 - US\$56.47/bbl	(52)
WTI Collars	10,000 bbls/d	January - June 2018	US\$45.30 - US\$62.77/bbl	(3)
Other Financial Positions <sup>(1)</sup>				(47)
Crude Oil Fair Value Position				(286)
<b>Interest Rate Swaps</b>				(5)
<b>Total Fair Value</b>				(291)

<sup>(1)</sup> Other financial positions are part of ongoing operations to market the Company's production.

## Forward-Looking Information:

This document contains references to forward-looking information previously provided, identified by words such as "anticipated", "expected", "plan" and "intend", "on track" and includes forecast operating and financial results. This document is prepared solely for the purposes of providing information about Cenovus Energy Inc.'s forecast operating and financial results and is not intended to be relied upon for the purpose of making investment decisions, including without limitation, to purchase, hold or sell any securities of Cenovus Energy Inc. Readers are cautioned not to place undue reliance on forward-looking information as our actual results may differ materially from those expressed or implied. The underlying assumptions, risks and uncertainties are described in the Advisory of our 2017 Corporate Guidance, available at [cenovus.com](http://cenovus.com). For a full discussion of our material risk factors, see "Risk Factors" in our 2016 Annual Information Form, available at [www.sedar.com](http://www.sedar.com) and [cenovus.com](http://cenovus.com)