# 2021 BUDGET PRESENTATION

January 28, 2021

# 2021 budget priorities

## Delivering enhanced shareholder value

**Capital discipline**
~$2.5B capital guidance midpoint, ~$2.1B in sustaining capital, ~$4.50/bbl Oil Sands sustaining capital

**Continuing ESG leadership**
Focusing capital towards lowest emissions intensity assets, re-establishing meaningful ESG targets for combined business

**Supporting low cost structure**
Realizing ~$1B in capital and operating synergies in 2021, on track to deliver $1.2B annual run rate synergies by end of 2021

**Enhancing market access**
Superior Refinery rebuild will increase integration, product diversification

**2021 guidance**

- **~$2.5B** capital budget includes $520-570MM for Superior Refinery rebuild
- **~755 MBOE/d** Upstream production supported by higher production at FCCL and the Asia Pacific region
- Capturing synergy value of **~$1B** in 2021
  - ~$600MM capital
  - ~$400MM operating

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# 2021 sustaining capital of ~$2.1 billion

## Budget highlights

- Selective investment in higher return opportunities across expanded portfolio
- 730-780 MBOE/d expected production
- Oil Sands segment sustaining capital ~$4.50/bbl
- Downstream capital of $1.0-1.2 billion includes sustaining capital, high-return optimization opportunities and Superior Refinery rebuild

| Capital expenditures ($ millions) | 2021F |
|---|---|
| Oil sands | 850 – 950 |
| Conventional | 170 – 210 |
| Offshore | 200 – 250 |
| **Total Upstream** | **1,220 – 1,410** |
| Canadian & U.S. Manufacturing[1] | 480 – 630 |
| Superior Refinery Rebuild[1,2] | 520 – 570 |
| **Total Downstream[1]** | **1,000 – 1,200** |
| Corporate | 75 – 100 |
| **Total capital expenditures** | **2,300 – 2,700** |
| 2021 Sustaining Capital | ~$2.1 billion |
| General & Administrative | 475 – 525 |
| One-time Integration Costs | 500 – 550 |
| Cash Tax (Recovery) | 150 – 250 |

Note: 1 - Refining capital and operating costs are reported in C$, but incurred in both C$ and in US$ and as such will be impacted by foreign exchange. 2 - Superior Refinery Rebuild capital does not include offsetting insurance proceeds. See Advisory.

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# 2021 budget maintains competitive cost structure

## Key assumptions

- Increase in FCCL production levels reflects new well pads at Foster Creek and no production curtailment in 2021
- Downstream throughput below normalized operating levels reflecting refined products demand recovery through the year
- Operating costs reflect presentation differences between Cenovus and legacy Husky as well as the inclusion of certain turnaround costs in operating expense

| 2021F Assumptions | Production (MBOE/d) | Operating Costs ($/BOE) |
| --- | --- | --- |
| Christina Lake | 220 – 240 | $6.25 – 7.50 |
| Foster Creek | 165 – 185 | $8.50 – 9.75 |
| Lloyd Thermal | 80 – 90 | $13.00 – 15.00 |
| Other Oil Sands | 59 – 71 | $19.00 – 22.00 |
| **Total Oil Sands** | **524 – 586** | **$9.50 – 11.50** |
| Conventional | 132 – 151 | $10.00 – 12.00 |
| Atlantic | 11 – 13 | $40.00 – 45.00 |
| China | 43 – 50 | $5.00 – 6.00 |
| Indonesia | 7 – 9 | $10.50 – 12.50 |
| **Total Offshore** | **61 - 72** | **$12.00 – 14.00** |
| **Total production[1]** | **730 – 780** | |

| 2021F Assumptions | Throughput (Mbbls/d) | Operating Costs ($/bbl) |
| --- | --- | --- |
| Canadian manufacturing[2] | 100 - 110 | $8.50 – 10.00 |
| US manufacturing | 400 - 440 | $10.00 – 12.00 |
| **Total throughput** | **500 – 550** | **$10.00 – 11.50** |

Note: 1 - Production ranges for assets are not intended to equal total upstream. 2 - Canadian manufacturing throughput and operating costs are associated with the Lloydminster upgrader & refinery.

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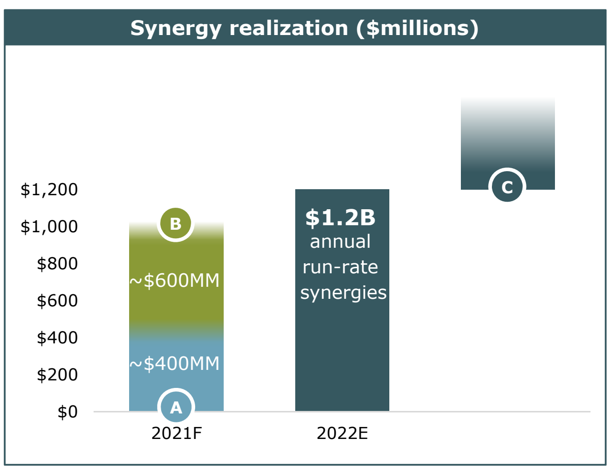
# 2021 budget expected to deliver ~$1 billion in synergies

## ~$1.2 billion per year in run-rate synergies by end of 2021




**A Workforce reductions, operating & other cost synergies**
- ~$400 million savings to be achieved in 2021
- Overlapping positions across asset teams and operations
- FCCL operating strategies applied to other SAGD assets
- IT and procurement and commercial savings
- Combined Conventional portfolio benefits

**B Sustaining capital allocation synergies**
- ~$600 million savings to be achieved in 2021
- Optimize sustaining capital allocation to highest quality assets without impacting volumes
- Drive down break-evens and sustaining capital requirements

**C Longer-term opportunities**
(in addition to $1.2 billion run-rate)
- Potential optimization through the physical integration between FCCL and the Lloyd complex
- Future portfolio optimization

Note: See Advisory.

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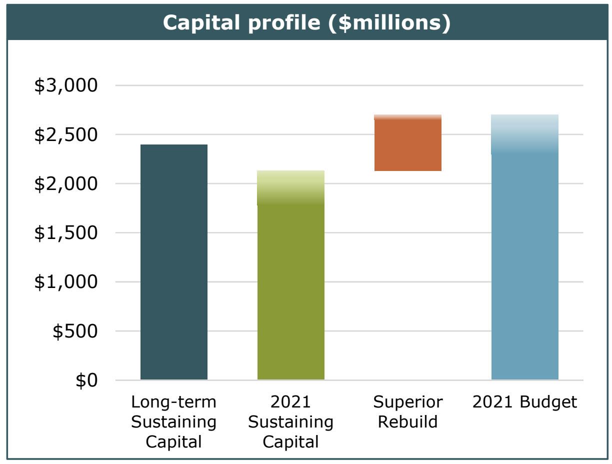
# 2021 budget delivers capital allocation synergies

~$600 million capital allocation synergies expected to be achieved in 2021

- 2021 capital focused on infrastructure and cost optimization; no cuts to maintenance, safety and asset integrity programs
- Expected average production of 730-780 MBOE/d supported by strong performance from Oil Sands and Liuhua 29-1 in Asia Pacific
- ~$2.1 billion sustaining capital (go forward average run-rate sustaining capital still expected to be ~$2.4 billion per year)
- Superior Refinery rebuild enhances integration and is expected to be substantially offset by insurance proceeds

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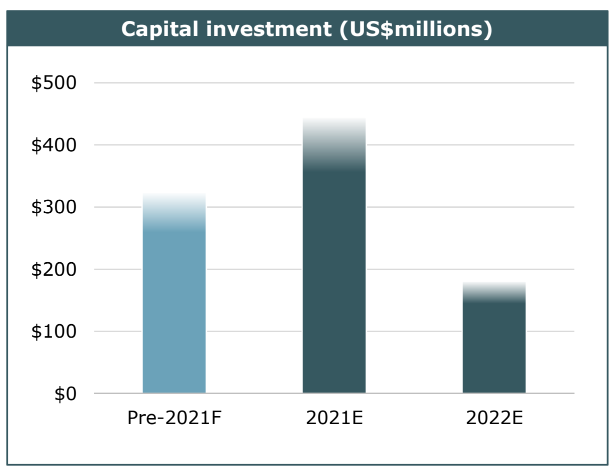
# Superior Refinery rebuild to enhance market access

Disciplined and efficient construction pace

- Strategic facility that will enhance physical integration and diversifies refined product slate with increased asphalt production
- Revised project cost estimate of US$950 million (versus last estimate disclosed by Husky of ~US$750 million) exceeds economic hurdles on a go-forward basis;
  - Substantial amount of go forward capital expected to be recovered through insurance proceeds
  - Timing of insurance proceeds are expected to lag capital outlays
- Rebuilt facility expected to have 49 Mbbls/d nameplate and up to 34 Mbbls/d heavy processing capacity
- Expected restart: Q1 2023




Note: Capital investment does not include offsetting insurance proceeds. Pre-2021F includes estimated full year 2020 spend. See Advisory.

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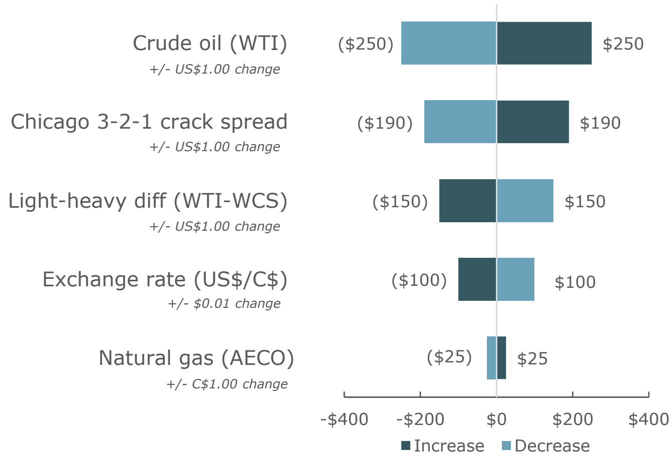
# Combined assets expected to enhance cash flow stability

## Reduced locational differential risk while maintaining healthy exposure to global pricing

- Low volatility in cash flows along with best-in-class cost structure drives free funds flow profile to support dividends and continue deleveraging
- Modest exposure to WTI-WCS light-heavy differential for Alberta heavy barrels
- Oil Sands fuel gas requirements reduces overall company exposure to AECO pricing

***Price sensitivities on adjusted funds flow ($MM)***




Note: Sensitivities include current hedge positions applicable for the full year of 2021. 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. Base price assumptions reflected in 2021 guidance. See Advisory.

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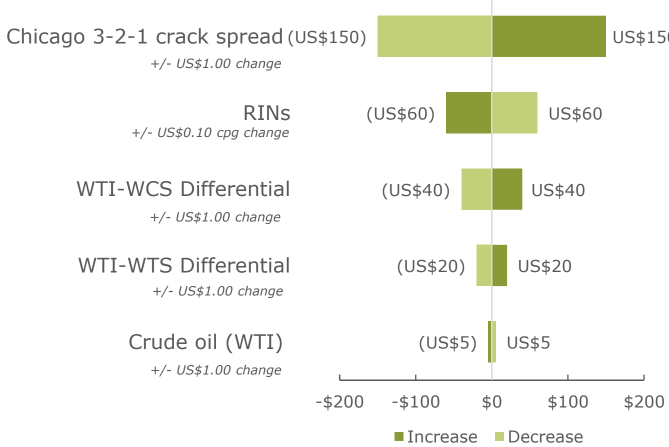
# U.S. refining operating margin sensitivities

## Sensitivities based on full year operating assumptions

***Price sensitivities on US downstream operating margin (US$MM)***




- Healthy exposure to Chicago 3-2-1 crack spreads as demand for refined products continues to recover
- Sensitivities are based on budget operating assumptions and underlying utilization rates
- Minimal exposure to changes in feedstock pricing relative to WTI

Note: Sensitivities are in US$ and are calculated on a full year LIFO basis using base price assumptions reflected in 2021 guidance. RINs assumed at US$0.79 cpg. See Advisory.

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# Committed to safety and ESG leadership

**Global energy supplier of choice in the transition to a lower-carbon future**

**Climate & emissions reduction**
Ambition of net zero emissions by 2050

**Indigenous communities**
Ongoing engagement & support of economic reconciliation

**Environmental stewardship**
Minimizing impact on land, wildlife & water

**Diversity & inclusion**
Committed to progressing diversity & inclusion initiatives

*Executive (and non-executive) employee compensation program linked to ESG performance*

**SAFETY**
Committed to best-in-industry safety practices, people safety and operational reliability

**GOVERNANCE**
Robust governance framework that guides ESG integration into long-term strategy

*"Striking the right balance among environmental, economic and social considerations is central to our strategy of creating long-term value and business resilience for our company."* – **ALEX POURBAIX, CEO, CENOVUS**

Note: See advisory

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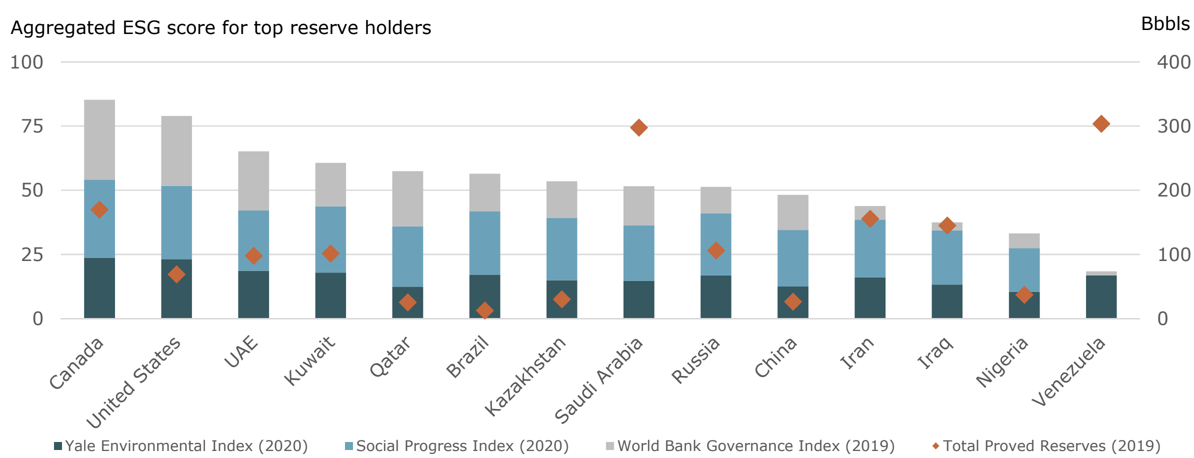
# Canadian barrels are in the world's best interest

**Opportunity for high ESG-ranked Canadian barrels to displace lower ESG-ranked barrels**




Sources: ESG Scores – aggregation using an equal weighting (1/3) for each of Yale Environmental Performance Index, Social Progress Index and World Bank Governance Index. Reserves - BP Statistical Review of World Energy 2020 based on government and published data.

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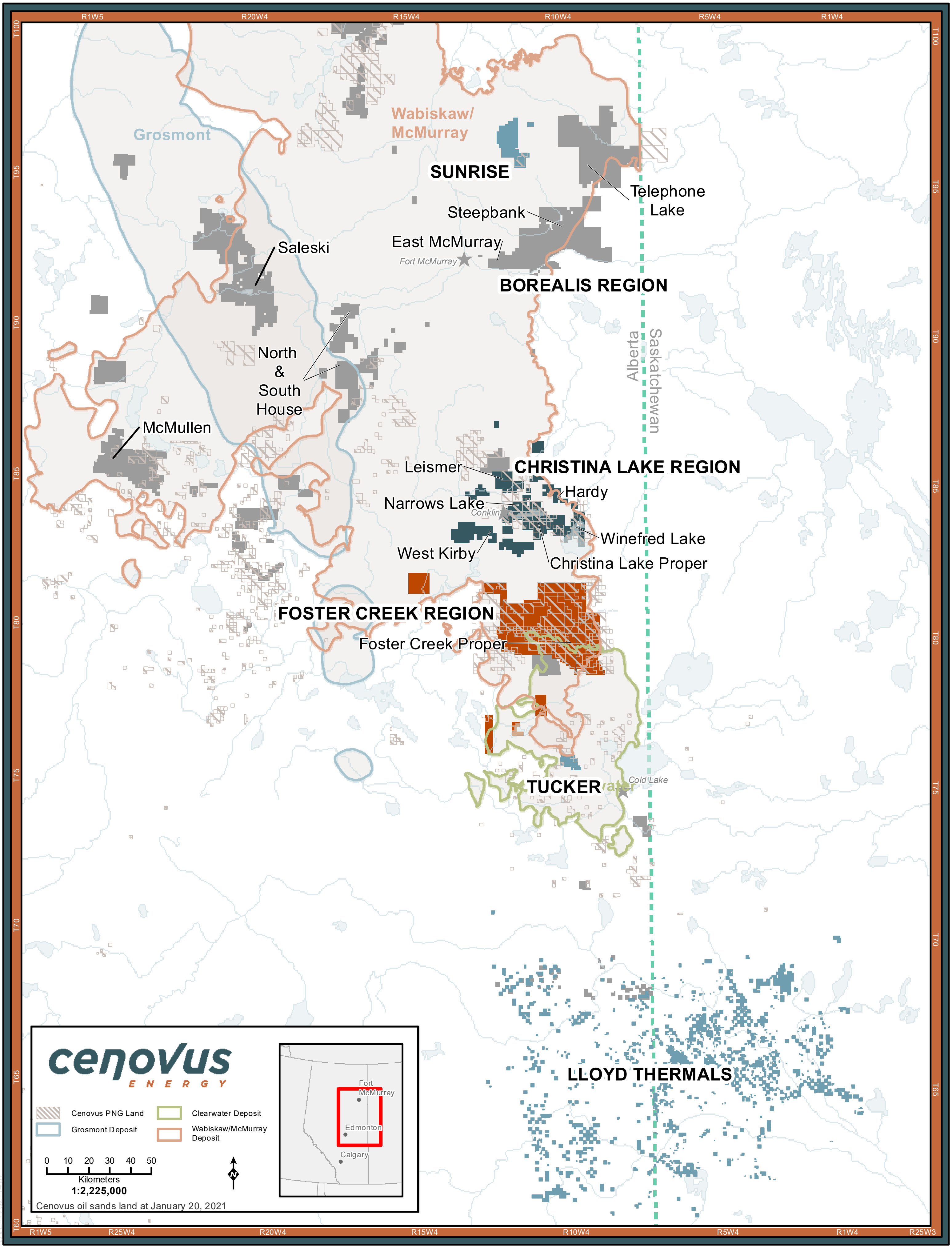
R1W5
R20W4
R15W4
R10W4
R5W4
R1W4
T100
T95
T90
T85
T80
T75
T70
T65
T60
Grosmont
Wabiskaw/
McMurray
SUNRISE
Telephone
Lake
Steepbank
East McMurray
Fort McMurray
Saleski
BOREALIS REGION
North
&
South
House
Alberta
Saskatchewan
McMullen
Leismer
CHRISTINA LAKE REGION
Hardy
Narrows Lake
Conklin
Winefred Lake
West Kirby
Christina Lake Proper
FOSTER CREEK REGION
Foster Creek Proper
TUCKER
Cold Lake
LLOYD THERMALS
cenovus
ENERGY
Cenovus PNG Land
Clearwater Deposit
Grosmont Deposit
Wabiskaw/McMurray
Deposit
0 10 20 30 40 50
Kilometers
1:2,225,000
Fort
McMurray
Edmonton
Calgary
Cenovus oil sands land at January 20, 2021
R1W5
R25W4
R20W4
R15W4
R10W4
R5W4
R1W4
R25W3

# Corporate guidance

## 2021 Corporate guidance - C$, before royalties

January 28, 2021

## UPSTREAM

### OIL SANDS

| | Production (Mbbls/d) | Capital expenditures ($ millions) | Operating costs ($/bbl) | Effective royalty rates (%) |
|---|---|---|---|---|
| Christina Lake | 220 - 240 | | 6.25 - 7.50 | |
| Foster Creek | 165 - 185 | | 8.50 - 9.75 | |
| Lloyd Thermal | 80 - 90 | | 13.00 - 15.00 | |
| Cold/EOR | 18 - 22 | | 31.00 - 34.00 | |
| Sunrise | 23 - 27 | | 14.00 - 17.00 | |
| Tucker | 18 - 22 | | 14.00 - 17.00 | |
| Oil Sands total | 524 - 586 | 850 - 950 | 9.50 - 11.50 | 10 - 15 |

### CONVENTIONAL

| | Production | Capital expenditures ($ millions) | Operating costs ($/boe) | Effective royalty rates (%) |
|---|---|---|---|---|
| | (Mbbls/d) | | | |
| Crude oil | 8 - 11 | | | |
| NGLs | 26 - 32 | | | |
| | (MMcf/d) | | | |
| Natural gas | 590 - 650 | | | |
| Conventional total | 132 - 151 | 170 - 210 | 10.00 - 12.00 | 6 - 9 |

### OFFSHORE

| | Production (MBOE/d) | Capital expenditures ($ millions) | Operating costs ($/boe) | Effective royalty rates (%) |
|---|---|---|---|---|
| Atlantic | 11 - 13 | | 40.00 - 45.00 | |
| China | 43 - 50 | | 5.00 - 6.00 | |
| Indonesia (1) | 7 - 9 | | 10.50 - 12.50 | |
| Offshore total | 61 - 72 | 200 - 250 | 12.00 - 14.00 | 6 - 9 |

### TOTAL UPSTREAM

| | Production (Mbbls/d, MMcf/d, MBOE/d) | Capital expenditures ($ millions) |
|---|---|---|
| Total liquids | 590 - 630 | |
| Total natural gas | 850 - 910 | |
| Total upstream (2) | 730 - 780 | 1,220 - 1,410 |

## DOWNSTREAM

| | Throughput (Mbbls/d) | Capital expenditures ($ millions) | Operating costs ($/bbl) |
|---|---|---|---|
| Canadian manufacturing (3) | 100 - 110 | | 8.50 - 10.00 |
| U.S. manufacturing (4) | 400 - 440 | | 10.00 - 12.00 |
| Superior refinery (5) | | 520 - 570 | |
| Downstream total | 500 - 550 | 1,000 - 1,200 | 10.00 - 11.50 |

## CORPORATE

| | | | |
|---|---|---|---|
| Corporate & other expenditures ($ millions) | 75 - 100 | General & administrative expenses ($ millions) (6) | 475 - 525 |
| Total capital expenditures ($ billions) | 2.3 - 2.7 | Cash tax ($ millions) | 150 - 250 |
| One-time integration costs ($ millions) | 500 - 550 | Effective tax rate (%) (7) | 21 - 25 |

## PRICE ASSUMPTIONS & ADJUSTED FUNDS FLOW SENSITIVITIES (8)

| | | | | |
|---|---|---|---|---|
| Brent (US$/bbl) | $49.50 | **Independent base case sensitivities** | Increase | Decrease |
| WTI (US$/bbl) | $46.50 | *(for the full year 2021)* | ($ millions) | ($ millions) |
| Western Canada Select (US$/bbl) | $32.50 | Crude oil (WTI) - US$1.00 change | 250 | (250) |
| Differential WTI-WCS (US$/bbl) | $14.00 | Light-heavy differential (WTI-WCS) - US$1.00 change | (150) | 150 |
| Chicago 3-2-1 Crack Spread (US$/bbl) | $11.00 | Chicago 3-2-1 crack spread - US$1.00 change | 190 | (190) |
| AECO ($/Mcf) | $2.50 | Natural gas (AECO) - C$1.00 change | 25 | (25) |
| Exchange Rate (US$/C$) | $0.78 | Exchange rate (US$/C$) - $0.01 change | (100) | 100 |

(1) Indonesia production and capital is accounted for under the equity method for consolidated financial statement purposes.
(2) Production ranges for assets are not intended to add to equal total upstream.
(3) Canadian manufacturing throughput and operating costs are associated with the Lloydminster upgrader & refinery.
(4) U.S. manufacturing capital and operating costs are reported in C$, but incurred in US$ and as such will be impacted by FX.
(5) Capital expenditure to rebuild Superior refinery is before expected insurance proceeds.
(6) Forecasted G&A does not include stock based compensation.
(7) Statutory rates of 24% in Canada and 23% in the US are applied separately to pre-tax operating earnings streams for each country. Excludes the effect of divestiture and mark-to-market gains and losses.
(8) Sensitivities include current hedge positions applicable for the full year of 2021. 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

## Oil and Gas Information

The estimates of reserves and resources data and related information were prepared effective December 31, 2019 by independent qualified reserves evaluators ("IQREs"), based on the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook") and in compliance with the requirements of National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities.

## Barrels of Oil Equivalent

Natural gas volumes have been converted to barrels of oil equivalent (BOE) on the basis of six Mcf to one barrel (bbl). BOE may be misleading, particularly if used in isolation. A conversion ratio of one bbl to six Mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil compared with natural gas is significantly different from the energy equivalency conversion ratio of 6:1, utilizing a conversion on a 6:1 basis is not an accurate reflection of value.

## Definitions and Industry Terminology

"Scope 1 emissions" are direct emissions from owned or operated facilities. Cenovus accounts for emissions on a gross operatorship basis. This includes fuel combustion, venting, flaring and fugitive emissions. It does not include emissions from the 50% non-operated ownership in the company's refineries or emissions from non-operated Deep Basin assets.

"Scope 2 emissions" are indirect emissions from the generation of purchased energy for the company's operated facilities. For Cenovus, this is limited to electricity imports.

## Presentation Basis

Cenovus presents production volumes on a net to Cenovus before royalties basis, unless otherwise stated.

Cenovus adopted IFRS 16, "Leases" ("IFRS 16"), effective January 1, 2019, using the modified retrospective approach; therefore, comparative information has not been restated. Further information about changes to our accounting policies resulting from the adoption of IFRS 16 can be found in Note 4 to the December 31, 2019 Consolidated Financial Statements.

## Non-GAAP Measures and Additional Subtotal

The following measures do not have a standardized meaning as prescribed by IFRS and therefore are considered non-GAAP measures. You should not consider these measures in isolation or as a substitute for analysis of our results as reported under IFRS. These measures are defined differently by different companies in our industry. These measures may not be comparable to similar measures presented by other issuers.

"Adjusted Funds Flow" is used in the oil and gas industry to assist in measuring a company's ability to finance its capital programs and meet its financial obligations. Adjusted Funds Flow is defined as Cash From Operating Activities excluding net change in other assets and liabilities and net change in non-cash working capital. Net change in other assets and liabilities is composed of site restoration costs and pension funding. Non-cash working capital is composed of accounts receivable, inventories (excluding non-cash inventory write-downs), income tax receivable, accounts payable and income tax payable.

"Free Funds Flow" is defined as Adjusted Funds Flow less capital investment.

"Debt to capitalization", "net debt to capitalization", "debt to adjusted EBITDA" and "adjusted EBITDA" are ratios that management uses to steward the company's overall debt position as measures of the company's overall financial strength. "Debt" is defined as short-term borrowings and long-term debt, including the current portion. "Net debt" is defined as debt net of cash and cash equivalents. "Capitalization" is defined as debt plus shareholders' equity. "Net debt to capitalization" is defined as net debt divided by net debt plus shareholders' equity. "Adjusted EBITDA" is defined as earnings before finance costs, interest income, income tax expense, depreciation, depletion and amortization, goodwill and asset impairments, unrealized gains or losses on risk management, foreign exchange gains or losses, gains or losses on divestiture of assets and other income and loss, calculated on a trailing 12-month basis.

"Operating Margin" is an additional subtotal found in Notes 1 and 11 of the December 31, 2019 Consolidated Financial Statements and is used to provide a consistent measure of the cash generating performance of our assets for comparability of our underlying financial performance between periods. Operating Margin is defined as revenues less purchased product, transportation and blending, operating expenses, production and mineral taxes plus realized gains less realized losses on risk management activities. Items within the Corporate and Eliminations segment are excluded from the calculation of Operating Margin.

## Forward-looking Information

This presentation contains certain forward-looking statements and forward-looking information (collectively referred to as "forward-looking information") within the meaning of applicable securities legislation, including the United States Private Securities Litigation Reform Act of 1995, about our current expectations, estimates and projections about the future, based on certain assumptions made by us in light of our experience and perception of historical trends. Although we believe that the expectations represented by such forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct.

Forward-looking information in this presentation is identified by words such as "achieve", "ambition", "capacity", "commitment", "committed", "continue", "driving", "expect", "focus", "forecast", "future", "leads to", "maintain", "option", "plan", "priority", "target", "will" or similar expressions and includes suggestions of future outcomes, including, but not limited to, statements about: schedules and plans, including expected timing for oil sands expansion phases and associated expected production capacities; adjusting staff levels at sites and offices in accordance with guidance received from the government and public health officials; reducing 2020 cash outlay; plans to maintain and demonstrate financial discipline while balancing growth and shareholder return; continuing to advance our operational performance and upholding our trusted reputation; projections for 2020 and future years and our plans and strategies to realize such projections; future opportunities for oil and natural gas development; forecast operating and financial results, including forecast sales prices, costs and cash flows; our commitment to continue reducing debt, including our long-term target Net Debt of $5 billion which supports investment grade credit ratings; our ability to satisfy payment obligations as they become due in the current environment; oil sands operating costs and sustaining capital expenditures; demonstrating capital discipline while maintaining safe and reliable operations; operational flexibility; using dynamic storage to shift production into a stronger price environment; utilizing storage and market access to respond to market volatility; changing portfolio of transportation assets; downstream assets providing heavy crude advantage; priorities for and approach to capital investment decisions or capital allocation; planned capital expenditures, including the amount, timing and financing thereof; all statements with respect to our 2020 guidance estimates; expected future production, including the accuracy, timing, stability or growth thereof; our ability to take steps to partially mitigate against wider WTI and WCS price differentials; expected reserves; capacities including for projects, transportation and refining; our ability to preserve our financial resilience and various plans and strategies with respect thereto; forecast cost savings and sustainability thereof; our priorities; future impact of regulatory measures; forecast commodity prices, differentials and trends and expected impact; potential impacts of various risks, including those related to commodity prices and climate change; the potential effectiveness of our risk management strategies; opportunities to improve reservoir performance; availability and repayment of the existing credit facilities; Cenovus's 2030 climate change and GHG related targets and further ambitions, including our ability to lower GHG emissions on both an absolute basis and in terms of intensity in our operations and in respect of Cenovus's target of reducing GHG emissions intensity by 30% and holding absolute emissions flat by 2030, and its ambition of reaching net zero emissions by 2050 (which is inherently less certain due to the longer time frame and certain factors outside of our control as outlined in more detail below); Cenovus's ability to achieve its targets and ambitions while maintaining a low cost structure, free funds flow growth, shareholder returns and balance sheet strength and its options and opportunities to achieve such targets and ambitions; Cenovus's plans with respect to continued Indigenous engagement, including its target to achieve a minimum of $1.5 billion of additional spending with Indigenous owned or operated businesses over the next 10 years and the expected benefits to neighbouring communities; Cenovus's plans with respect to land restoration, including its target to reclaim 1,500 decommissioned well sites over the next 10 years; Cenovus's plans with respect to our Caribou Restoration Project total spend of $40 million; references to Cenovus's 2030 ESG targets and further ambitions, including the areas of focus which Cenovus will take to achieve such targets and ambitions and the impacts of working towards such targets and ambitions; future use and development of technology and associated future outcomes; our ability to access and implement all technology necessary to efficiently and effectively operate our assets and achieve expected future results; and projected growth and projected shareholder return. 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, but not limited to: forecast oil and natural gas prices and other assumptions inherent in Cenovus's 2020 guidance, available at cenovus.com; projected capital investment levels, the flexibility of our capital spending plans and the associated source of funding; projected future production; measures taken in response to COVID-19 and low price environment will be effective; actions taken will reduce 2020 cash outlay; our ability to achieve our long term goal of net debt of $5 billion; applicable royalty regimes, including expected royalty rates; future improvements in availability of product transportation capacity; increase to our share price and market capitalization over the long term; future narrowing of crude oil differentials; realization of expected impacts of the company's storage capacity within its oil sands reservoirs; the ability of Cenovus's refining capacity, dynamic storage, existing pipeline commitments and financial hedge transactions to partially mitigate a portion of Cenovus's WCS crude oil volumes against wider differentials; estimates of quantities of oil, bitumen, natural gas and liquids from properties and other sources not currently classified as proved; our ability to decrease production in our oil sands operations without compromising our assets; accounting estimates and judgments; future use and development of technology and associated expected future results; Cenovus's ability to obtain necessary regulatory and partner approvals; the successful and timely implementation of capital projects or stages thereof; Cenovus's ability to generate sufficient liquidity to meet current and future obligations; Cenovus's ability to maintain industry leading oil sands operating costs and sustaining capital expenditures; Cenovus's ability to demonstrate capital discipline while maintaining safe and reliable operations; our ability to achieve and maintain operational flexibility; our ability to use dynamic storage to shift production into a stronger price environment; Cenovus's ability to utilize storage and market access to respond to market volatility; our ability to change our portfolio of transportation assets over time; downstream assets will provide heavy crude advantage; continued access to short-term capital such as credit and demand facilities; certain levels of future energy use and consumption of oil and gas; Cenovus's carbon price outlook; the performance of assets and equipment; estimated abandonment and reclamation costs, including associated levies and regulations applicable thereto; the accuracy of third party data upon which we rely; opportunities to repurchase shares for cancellation at prices acceptable to us; Cenovus's ability to obtain and retain qualified staff and equipment in a timely and cost-efficient manner; the availability of Indigenous owned or operated businesses; Cenovus's ability to access sufficient capital to pursue development plans; forecast inflation and other assumptions inherent in Cenovus's current guidance set out below; expected impacts of the contingent payment to ConocoPhillips; alignment of realized WCS and WCS prices used to calculate the contingent payment to ConocoPhillips; Cenovus's ability to access and implement all technology necessary to achieve expected future results; Cenovus's ability to implement capital projects or stages thereof in a successful and timely manner; and other risks and uncertainties described from time to time in the filings Cenovus makes with securities regulatory authorities.

2020 guidance, issued on April 1, 2020, assumes: Brent prices of US$39.00/bbl, WTI prices of US$34.00/bbl; WCS prices of US$18.50/bbl; Differential WTI-WCS of US$15.50/bbl; AECO natural gas prices of $2.00/Mcf; Chicago 3-2-1 crack spread of US$8.30/bbl; and an exchange rate of $0.70 US$/C$.

Unless otherwise specifically stated or the context dictates otherwise, the financial outlook and forward-looking metrics in this presentation, in addition to the generally applicable assumptions described above, do not include or account for the effects or impacts of asset sales.

In respect of our 2030 GHG targets, we have assumed: Cenovus's ability to successfully pursue NPV-positive capital investment opportunities and other operational measures, including the successful application to Cenovus's current and future operations of existing technology and new technology that is expected to be commercial in the near term; the successful implementation of our proposed or potential strategies and plans to reduce emissions; projected capital investment levels, the flexibility of our capital spending plans and the associated source of funding; and Cenovus's ability to otherwise access and implement all technology necessary to achieve our 2030 GHG targets, the development and performance of technology and technological innovations and the future use and development of technology and associated expected future results.

In respect of our 2050 net zero GHG ambition, we have assumed the same factors as in respect of our 2030 GHG targets applied over a longer term and will also rely on certain other factors and events coming to fruition, which are, to a large extent, outside of our control and thus less certain than those assumptions and factors that relate solely to our 2030 GHG targets, which includes continued development of commercially feasible carbon capture, utilization and storage (CCUS) technology and its future economic viability in Alberta; additional infrastructure to be built by industry or government sources to support CCUS and other technologies; and collaboration with partners to fund R&D into cost improvements and novel approaches to carbon capture.

The risk factors and uncertainties that could cause our actual results to differ materially, include, but not limited to:
Cenovus's ability to access or implement some or all of the technology necessary to efficiently and effectively operate assets and achieve expected future results; volatility of and other assumptions regarding commodity prices, including the extent to which COVID-19 impacts the global economy and harms commodity prices; the extent to which COVID-19 and fluctuations in commodity prices associated with COVID-19 impacts our business, results of operations and financial condition, all of which will depend on future developments that are highly uncertain and difficult to predict, including, but not limited to the duration and spread of the pandemic, its severity, the actions taken to contain COVID-19 or treat its impact and how quickly economic activity normalizes; a resurgence in cases of COVID-19, which has occurred in certain locations and the possibility of which in other locations remains high and creates ongoing uncertainty that could result in restrictions to contain the virus being re-imposed or imposed on a more strict basis, including restrictions on movement and businesses; the success of our COVID-19 workplace protocols and safety measures; the effectiveness of Cenovus's risk management program, including the impact of derivative financial instruments, the success of our hedging strategies and the sufficiency of our liquidity position; the effectiveness of measures taken in response to COVID-19 and low price environment, including actions to reduce cash outlay in 2020; inability to achieve our long term debt of $5 billion; the accuracy of cost estimates regarding commodity prices, currency and interest rates; lack of alignment of realized WCS prices and WCS prices used to calculate the contingent payment to ConocoPhillips; product supply and demand; accuracy of Cenovus's share price and market capitalization assumptions; market competition, including from alternative energy sources; risks inherent in Cenovus's 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 the operation of our crude-by-rail terminal, including health, safety and environmental risks; Cenovus's ability to maintain desirable ratios of Net Debt to Adjusted EBITDA as well as Net Debt to Capitalization; Cenovus's ability to access various sources of debt and equity capital, generally, and on terms acceptable to us; failure to maintain industry leading levels of oil sand operation costs and sustaining capital expenditures; Cenovus's inability to demonstrate capital discipline and maintain safe and reliable operations; Cenovus's inability to achieve and maintain operational flexibility; Cenovus's inability to use dynamic storage to shift production into a stronger price environment; Cenovus's inability to utilize storage and market access to respond to market volatility; inability to change our portfolio of transportation assets over time; downstream assets fil to provide heavy crude advantage; Cenovus's ability to finance growth and sustaining capital expenditures; changes in credit ratings applicable to Cenovus or any of our securities; changes to Cenovus's dividend plans or strategy; accuracy of our reserves, future production and future net revenue estimates, including production estimates associated with exploration opportunities currently in development, which opportunities are inherently riskier; resource quantities, current expectations and evaluations thereof and associated production and development plans, are subject to all of the risks associated with our business and cannot be guaranteed; accuracy of Cenovus's accounting estimates and judgments; Cenovus's ability to replace and expand oil and gas reserves; potential requirements under applicable accounting standards for impairment or reversal of estimated recoverable amounts of some or all of our assets or goodwill from time to time; Cenovus's ability to maintain 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; refining and marketing margins; inflationary pressures on operating costs, including labour, materials, natural gas and other energy sources used in oil sands processes; potential failure of products to achieve or maintain acceptance in the market; risks associated with fossil fuel industry reputation; unexpected cost increases or technical difficulties in constructing or modifying manufacturing or refining facilities; unexpected difficulties in producing (including lowering production in our oil sands properties), transporting or refining of bitumen and/or crude oil into petroleum and chemical products; risks associated with technology and its application to Cenovus's business; risks associated with climate change and our assumptions relating thereto; the timing and the costs of well and pipeline construction; Cenovus's ability to secure adequate and cost effective product transportation including sufficient pipeline, crude-by-rail, marine or 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; possible failure to obtain and retain qualified staff and equipment in a timely and cost efficient manner; changes in labour relationships; 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, GHG, carbon, climate change 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; changes in general economic, market and business conditions; the political and economic conditions in the countries in which we operate or supply; the occurrence of unexpected events such as war, terrorist threats, pandemics, and the instability resulting therefrom; the occurrence of unexpected events such as fires, severe weather conditions, explosions, blow-outs, equipment failures, transportation incidents and other accidents or similar events; and risks associated with existing and potential future lawsuits, shareholder proposals and regulatory actions against Cenovus.

Additional risk factors and uncertainties that could be impediments to Cenovus meeting its 2030 climate and GHG emissions targets and further ambitions, include, but are not limited to: the effects of the implementation of cogeneration and potential increases in our steam-to-oil ratio on our overall emissions; Cenovus's ability to develop, access or implement some or all of the technology necessary to efficiently and effectively operate assets and achieve expected future results, including in respect of climate and GHG emissions targets and ambitions, the commercial viability and scalability of emission reduction strategies and related technology and products; the development and execution of implementing strategies to meet climate and GHG emissions targets and ambitions, including uncertainty over solvent supply and transportation, reservoir performance and capital spending estimates; uncertainty regarding the status of offsets, including due to cogeneration and renewable energy generation, recognition under future government policies and by ESG rating organizations and the measurability of offsets to count as emissions reductions; uncertainty in respect of CCUS regarding the eligibility of the credit generating pathways and the volatility of the price-signal in the credit market and the durability of the related policy through government changes. Additional risk factors and uncertainties that could be impediments in respect of Cenovus meeting its targets, ambitions, strategy and related milestones and schedules as they relate to our four ESG focus areas, include, but are not limited to: increasing stakeholder consideration of ESG factors and risks, including among credit rating agencies, lenders and investors, which may impact Cenovus's ability to access capital required to finance growth and sustaining capital expenditures; the inability to receive necessary regulatory approvals in a timely manner; reputational risk, including among stakeholders and government; maintenance of key relationships with government and other regulatory bodies; potential failure of products to achieve or maintain market acceptance; and risks associated with fossil fuel industry reputation and litigation related thereto.

In addition, there are risks that the effect of actions taken by us in implementing targets and ambitions for ESG focus areas may have a negative impact on our existing business, growth plans and future results from operations.

Statements relating to “reserves” are deemed to be forward-looking information, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated, and can be profitably produced in the future.

Readers are cautioned that the foregoing lists are not exhaustive and are made as at the date hereof. Events or circumstances could cause our actual results to differ materially from those estimated or projected and expressed in, or implied by, the forward-looking information. For a full discussion of Cenovus's material risk factors, see “Risk Management and Risk Factors” in our Management's Discussion and Analysis for the period ended December 31, 2019, and “Risk Management and Risk Factors” in our Management's Discussion and Analysis for the period ended June 30, 2020, available on SEDAR at sedar.com, on EDGAR at sec.gov and on Cenovus's website at cenovus.com.

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