

January 28, 2015

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 issue its fourth quarter and year-end 2014 results on Thursday, February 12th, 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:

Production:

- On September 30, 2014 the company completed the sale of its Wainwright heavy oil assets in east-central Alberta. Oil production from these assets was approximately 2,800 bbls/d in the third quarter – [Q3 press release](#)
- To date (December 11, 2014), in the fourth quarter of 2014, Christina Lake has had average production of approximately 74,000 bbls/d net (SOR 1.8x) and Foster Creek has had average production of approximately 67,500 bbls/d net (SOR 2.4x)– [2015 budget press release](#) / [2015 budget slides](#)
- Foster Creek Phase F continues to ramp up as expected and is anticipated to exit 2014 with production of approximately 3,500 bbls/d net – [2015 budget press release](#)

Refining:

- A planned turnaround at Wood River, which began in late September, is scheduled for completion early in the fourth quarter – [Q3 press release](#)
- 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 negatively impacted during periods of declining benchmark commodity prices – [Q3 press release](#)

Historical FIFO Adjustment	2014					2013				
	Year	Q4	Q3	Q2	Q1	Year	Q4	Q3	Q2	Q1
Crude Oil Prices (US\$/bbl)										
Brent	99.51	76.98	103.39	109.77	107.90	108.76	109.35	109.71	103.35	112.65
West Texas Intermediate ("WTI")	93.00	73.15	97.17	102.99	98.68	97.97	97.46	105.82	94.22	94.37
Differential Brent Futures-WTI	6.51	3.83	6.22	6.78	9.22	10.79	11.89	3.89	9.13	18.28
Average WTI Price in Last Month of Quarter or Year	59.29	59.29	93.03	105.15	100.51	97.89	97.89	106.24	95.80	92.45
Western Canadian Select ("WCS")	73.60	58.91	76.99	82.95	75.55	72.77	65.26	88.34	75.06	62.41
Differential - WTI-WCS	19.40	14.24	20.18	20.04	23.13	25.20	32.20	17.48	19.16	31.96
Refining Margins 3-2-1 Crack Spreads ⁽³⁾ (US\$/bbl)										
Chicago	17.61	14.60	17.57	19.72	18.55	21.77	12.29	16.19	31.06	27.53
Midwest Combined (Group 3)	16.27	13.28	16.65	17.75	17.41	20.80	10.66	17.35	27.24	27.93
FIFO Adjustment (C\$ millions)										
FIFO Adjustment			(53)	31	83	26	(91)	64	33	20

⁽³⁾ 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").

Corporate:

- Q3 2014 cash flow was \$985 million and operating earnings were \$372 million at benchmark prices of US\$97.17/bbl for WTI, US\$76.99/bbl for WCS, and \$4.22/mcf for AECO natural gas – [Q3 2014 supplemental information](#)

Selected Average Benchmark Prices

	2014					2013				
	Year	Q4	Q3	Q2	Q1	Year	Q4	Q3	Q2	Q1
Crude Oil Prices (US\$/bbl)										
Brent	99.51	76.98	103.39	109.77	107.90	108.76	109.35	109.71	103.35	112.65
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Differential - WTI-WCS	19.40	14.24	20.18	20.04	23.13	25.20	32.20	17.48	19.16	31.96
Condensate - (C5 @ Edmonton)	92.95	70.57	93.45	105.15	102.64	101.69	94.22	103.80	101.50	107.24
Differential - WTI-Condensate (premium)/discount	0.05	2.58	3.72	(2.16)	(3.96)	(3.72)	3.24	2.02	(7.28)	(12.87)
Refining Margins 3-2-1 Crack Spreads ⁽³⁾ (US\$/bbl)										
Chicago	17.61	14.60	17.57	19.72	18.55	21.77	12.29	16.19	31.06	27.53
Midwest Combined (Group 3)	16.27	13.28	16.65	17.75	17.41	20.80	10.66	17.35	27.24	27.93
Natural Gas Prices										
AECO (\$/Mcf)	4.42	4.01	4.22	4.67	4.76	3.17	3.15	2.82	3.59	3.08
NYMEX (US\$/Mcf)	4.42	4.00	4.06	4.67	4.94	3.65	3.60	3.58	4.09	3.34
Differential - NYMEX-AECO (US\$/Mcf)	0.40	0.44	0.16	0.40	0.60	0.58	0.59	0.89	0.56	0.27

⁽³⁾ 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").

- Cenovus expects to start moving an initial 50,000 bbls/d of oil on Enbridge's Flanagan South pipeline system during the fourth quarter - [Q3 press release](#)
- This is expected to have an approximately \$50 MM impact on Q4 2014 cash flows.
- Cenovus expects to exit 2014 with available cash on hand of between \$700 million and \$800 million – [2015 budget press release](#)
- Cenovus believes it will be in a position to add in the order of 150 million barrels of proved reserves at its oil sands operations in 2014. Cenovus anticipates corporate proved finding and development costs in 2014 to be in the range of \$15.00/bbl to \$18.00/bbl of oil equivalent, not including changes in future development costs – [2015 budget press release](#)

Hedging:

- Cenovus had the following contracts in place as of September 30, 2014 – [Q3 financial statements](#)

Net Fair Value of Commodity Price Positions as at September 30, 2014

As at September 30, 2014

	Notional Volumes	Term	Average Price	Fair Value
Crude Oil Contracts				
Fixed Price Contracts				
Brent Fixed Price	30,000 bbls/d	2014	US\$102.04/bbl	20
Brent Fixed Price	20,000 bbls/d	2014	\$107.06/bbl	(1)
WCS Differential ⁽¹⁾	21,700 bbls/d	2014	US\$(19.97)/bbl	(10)
Brent Fixed Price	18,000 bbls/d	2015	\$113.75/bbl	27
WCS Differential ⁽¹⁾	5,000 bbls/d	January – June 2015	US\$(19.85)/bbl	(1)
Brent Collars	10,000 bbls/d	2015	\$105.25 - \$123.57/bbl	8
Other Financial Positions ⁽²⁾				6
Crude Oil Fair Value Position				49
Natural Gas Contracts				
Fixed Price Contracts				
AECO Fixed Price	48 MMcf/d	2014	\$4.61/Mcf	2
Natural Gas Fair Value Position				2
Power Purchase Contracts				
Power Fair Value Position				(3)

⁽¹⁾ Cenovus entered into fixed price swaps to protect against widening light/heavy price differentials for heavy crudes.

⁽²⁾ Other financial positions are part of ongoing operations to market the Company's production.

Advisory:

This document contains forward-looking information identified by words such as “anticipated”, “expected” and “plan” 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 Advisories of our 2014 Third Quarter Report and the 2015 Budget News Release, available at www.sedar.com and cenovus.com. For a full discussion of our material risk factors, see “Risk Factors” in our 2013 Annual Information Form, available at www.sedar.com and cenovus.com.