

October 12, 2017

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

The company will announce its third quarter 2017 results on Thursday, November 2nd, 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 third quarter 2017 results.

Corporate:

- As a reminder, Cenovus closed the acquisition on May 17, 2017 and ended the second quarter with shares outstanding of ~1,229 million. (*Second quarter report – July 27, 2017*)
- "Cenovus has further updated its capital spending guidance for 2017. Compared with the company's June 20, 2017 guidance, total planned capital expenditures this year have been reduced by approximately \$200 million at the midpoint of the range, with no expected impact to forecast production volumes for the year." (*News release - July 27, 2017*)
- In addition, guidance for the second half of 2017 is available in our corporate presentation.

2017 Guidance

Production	Dec 8 2016 Full year 2017	July 26 2017 Full year 2017	July 26 2017 H2 2017		Dec 8 2016 Full year 2017	July 26 2017 Full year 2017	July 26 2017 H2 2017
Foster Creek	76 - 82	123 - 131	152 - 164	Operating costs (\$/bbl)			
Christina Lake	96 - 102	164 - 174	200 - 210	Foster Creek	\$10.50 - \$12.50	\$10.25 - \$11.75	\$9.75 - \$11.25
Total oil sands	172 - 184	287 - 305	352 - 374	Christina Lake	\$6.50 - \$8.00	\$6.25 - \$7.75	\$6.25 - \$7.75
Oil & NGLs	-	18 - 21	28 - 32	Deep Basin	-	\$9.00 - \$10.00	\$9.00 - \$10.00
Natural gas	-	315 - 335	510 - 535	Conventional	\$10.90 - \$12.55	\$11.00 - \$12.00	\$11.00 - \$12.00
Total Deep Basin	-	71 - 77	113 - 121	Capital expenditures (\$MM)			
Oil & liquids	51 - 56	51 - 56	51 - 56	Oil sands	685 - 815	1,000 - 1,120	670 - 720
Natural gas	340 - 360	340 - 360	340 - 360	Deep Basin	-	160 - 180	150 - 170
Total legacy conventional	108 - 116	108 - 116	108 - 116	Conventional	285 - 340	225 - 275	90 - 140
				Refining & marketing	210 - 240	185 - 215	110 - 140
Total oil, liquids & NGLs	223 - 240	356 - 382	431 - 462	Corporate & other	35 - 50	35 - 50	20 - 35
Total natural gas	340 - 360	655 - 695	850 - 895	Total capital expenditures	1,215 - 1,445	1,605 - 1,840	1,040 - 1,205
Total production	280 - 300	465 - 498	573 - 611	G&A	250 - 270	310 - 350	200 - 240

Note: Oil & NGLs volumes shown in Mbbls/d. Natural gas volumes shown in MMcf/d. Legacy conventional production and capital expenditures assume asset sales effective January 1, 2018 with full-year contributions and capital expenditures in 2017. See Advisory.

- On September 5, 2017, Cenovus announced the sale of Pelican Lake assets for gross proceeds of \$975 million. "The sale is expected to close on or before September 30, 2017, subject to normal closing conditions. Proceeds from the sale will be applied against the \$3.6 billion asset-sale bridge facility." (News release – September 5, 2017)
- In addition, on September 25, 2017 "Cenovus has entered into a definitive agreement to sell its Suffield crude oil and natural gas operations for gross cash proceeds of \$512 million." "The sale..., is expected to close in the fourth quarter." (News release – September 25, 2017)

Production:

- Monthly oil sands production is available for purchase from the Alberta Energy Regulator (AER) at the following website <https://www.aer.ca/data-and-publications/statistical-reports/st53>. Please contact Cenovus Investor Relations with any specific questions related to the contents of the ST53 report.

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. (News release - October 29, 2015)

Selected Average Benchmark Prices	2017			2016					2015				
	Q3	Q2	Q1	Year	Q4	Q3	Q2	Q1	Year	Q4	Q3	Q2	Q1
Crude Oil Prices (US\$/bbl)													
Brent	52.18	50.92	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")	48.21	48.29	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	3.97	2.63	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")	38.27	37.16	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	9.94	11.13	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	1.05	1.12	1.51	0.96	1.02	1.53	0.96	0.32	(0.17)	0.44	(1.61)	(0.60)	1.11
Mixed Sweet Blend ("MSW") (US\$)	45.32	46.03	48.37	40.11	46.18	41.99	42.51	29.76	45.32	41.36	43.01	55.08	41.83
Condensate - (C5 @ Edmonton)	47.61	48.44	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	0.60	(0.15)	(0.35)	0.85	0.96	1.87	1.52	(0.94)	1.44	0.51	2.22	0.00	3.01
Refining Margins 3-2-1 Crack Spreads ⁽¹⁾ (US\$/bbl)													
Chicago	19.66	14.78	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)	20.20	14.27	13.18	12.27	10.95	14.56	13.03	10.52	18.16	13.82	22.03	19.34	17.46
Natural Gas Prices													
AECO (C\$/Mcf)	2.04	2.77	2.94	2.09	2.81	2.20	1.25	2.11	2.77	2.65	2.80	2.67	2.95
NYMEX (US\$/Mcf)	3.00	3.18	3.32	2.46	2.98	2.81	1.95	2.09	2.66	2.27	2.77	2.64	2.98
Differential NYMEX - AECO (US\$/Mcf)	1.39	1.13	1.10	0.89	0.86	1.13	0.99	0.56	0.49	0.27	0.61	0.50	0.57
FIFO Adjustment (C\$ millions)													
FIFO Adjustment		(31)	44	141	108	(37)	107	(37)	(186)	(102)	(130)	101	(55)

⁽¹⁾ 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").

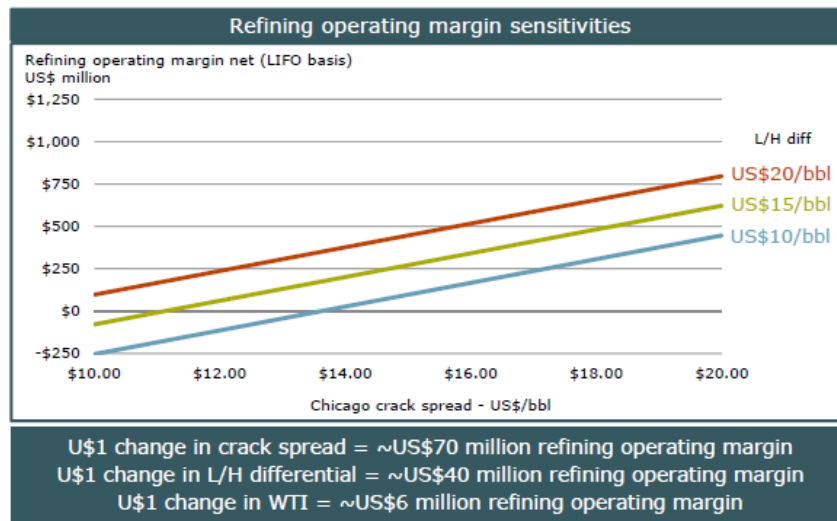
- As a reminder, Cenovus provides sensitivities to benchmark crack spreads in its guidance document as well as its corporate presentation. (Guidance – July 26, 2017)

PRICE ASSUMPTIONS & ADJUSTED FUNDS FLOW SENSITIVITIES ⁽⁷⁾

		Independent base case sensitivities	
		Increase	Decrease
		(\$ millions)	(\$ millions)
Brent (US\$/bbl)	\$51.00		
WTI (US\$/bbl)	\$48.50		
Western Canada Select (US\$/bbl)	\$36.25		
NYMEX (US\$/MMBtu)	\$3.15		
AECO (\$/GJ)	\$2.70		
Chicago 3-2-1 Crack Spread (US\$/bbl)	\$13.00		
Exchange Rate (US\$/C\$)	\$0.76		
		Crude oil (WTI) - US\$10.00 change	430
		Light-heavy differential (WTI-WCS) - US\$5.00 change	(315)
		Chicago 3-2-1 crack spread - US\$1.00 change	45
		Natural gas (NYMEX) - US\$1.00 change	255
		Exchange rate (US\$/C\$) - \$0.05 change	(145)

- (1) New resource plays includes 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 production from Cenovus's Athabasca natural gas asset, which is not being marketed for sale.
(4) Refining capital and operating costs are reported in C\$, but incurred in US\$ and as such will be impacted by FX.
(5) Includes DD&A related to Refining and Corporate and Eliminations.
(6) 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.
(7) Sensitivities include current hedge positions applicable to the full year 2017. 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.
(8) Assumes no dispositions in 2017 and full contribution from Conventional assets.
(9) Corporate capital exclude one time costs associated with Deep Basin operations.
(10) Sensitivities includes contingent payment expense to ConocoPhillips.
(11) Excludes one time transaction costs.

Refining operating margin sensitivities



Note: Based on an approximately US\$50/bbl WTI as a basis and assumes no unplanned downtime or external disruptions. RINs assumed at US\$0.90 cpg.

Foreign Exchange:

- As a reminder, our revenues are subject to foreign exchange exposure as the sales prices of our crude oil, natural gas and refined products are determined by reference to U.S. benchmark prices. An increase in the value of the Canadian dollar compared with the U.S. dollar has a negative impact on our reported results. Likewise, as the Canadian dollar weakens, our reported results are higher. In addition to our revenues being denominated in U.S. dollars, a significant portion of our long-term debt is also U.S. dollar denominated. In periods of a strengthening Canadian dollar, our U.S. dollar debt gives rise to unrealized foreign exchange gains when translated to Canadian dollars.
- Please refer to the above sensitivities table from our guidance document if you are attempting to model the potential impact of changes in the foreign exchange rate.

Hedging:

- "As of July 24, 2017, the company has crude oil hedges in place on approximately 232,000 barrels per day (bbls/d) for the remainder of this year at an average Brent floor price of approximately US\$50.75/bbl and 105,000 bbls/d for the first half of 2018 at an average floor price of approximately US\$48.55/bbl using both WTI and Brent hedges." (News release – July 27, 2017)

Current hedge positions for 2017		
Hedges at July 24, 2017	Volume	Price
Crude – WTI-Brent Differential July – December	50,000 bbls/d	US\$(1.88)/bbl
Crude – Brent Put Contracts July – December	55,000 bbls/d	US\$53.00/bbl
Crude – Brent Fixed Price July – December	127,000 bbls/d	US\$51.34/bbl
Crude – WTI Collars July – December	50,000 bbls/d	US\$44.84/bbl - US\$56.47/bbl
Gas – <u>Nymex</u> Fixed Price July – December	~116,000 MMBtu/d	~US\$3.08/MMBtu

Current hedge positions for 2018		
Hedges at July 24, 2017	Volume	Price
Crude – Brent Collars January – June	30,000 bbls/d	US\$49.78/bbl - US\$62.08/bbl
Crude – Brent Fixed Price January – June	10,000 bbls/d	US\$54.06/bbl
Crude – WTI Collars January – June	10,000 bbls/d	US\$45.30/bbl - US\$62.77/bbl
Crude – WTI Fixed Price January – June	55,000 bbls/d	US\$47.47/bbl
Crude – WTI Fixed Price July – December	27,000 bbls/d	US\$48.34/bbl

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. For a full discussion of our material risk factors, see “Risk Factors” in our 2016 Annual Information Form, available at www.sedar.com and cenovus.com