

## January 22, 2018

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 fourth quarter and year-end 2017 results on Thursday, February 15<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 fourth quarter and year-end 2017 results.

### Corporate:

- As a reminder, Cenovus closed the acquisition on May 17, 2017 and ended the third quarter with shares outstanding of ~1,229 million. *(Third quarter report – November 2, 2017)*
- "Cenovus has further updated its capital spending guidance for 2017. Compared with the company's July 26, 2017 guidance, total planned capital expenditures this year have been reduced by another \$100 million at the midpoint, with no expected impact to forecast production volumes for Cenovus's core areas in the oil sands and Deep Basin." *(News release – November 2, 2017)*
- "Cenovus has executed sale agreements for its four legacy conventional oil and natural gas operations, with anticipated gross proceeds of more than \$3.7 billion. The Pelican Lake asset sale closed in the third quarter of 2017 and the Palliser transaction closed on December 7, 2017. Cenovus anticipates the closing of the Weyburn asset sale today and the Suffield divestiture near the end of this year. The combined net proceeds from these asset sales will be used to fully retire the outstanding amount on Cenovus's asset-sale bridge facility." *(News release – December 14, 2017)*

### Production:

- "Production at Foster Creek was impacted by temporary treating issues during the month of August, which are routinely encountered with the start-up of new sustaining well pads. Volumes recovered through September and the project continues to be on track to meet full-year production guidance." *(News release – November 2, 2017)*
- "Cenovus is forecasting average oil sands production of 373,000 bbls/d in 2018, a 26% increase compared with its forecast 2017 production, largely due to the impact of owning 100% of its oil sands assets for a full year, compared with approximately seven months in 2017." *(News release – December 14, 2017)*
- 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				
	Year	Q4	Q3	Q2	Q1	Year	Q4	Q3	Q2	Q1	Year	Q4	Q3	Q2	Q1
<b>Crude Oil Prices (US\$/bbl)</b>															
Brent	54.82	61.54	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")	50.95	55.40	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	3.87	6.14	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")	38.97	43.14	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	11.98	12.26	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	1.04	0.47	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\$)	48.49	54.26	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)	51.57	57.97	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	(0.62)	(2.57)	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
<b>Refining Margins 3-2-1 Crack Spreads<sup>(1)</sup> (US\$/bbl)</b>															
Chicago	16.77	21.09	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)	16.61	18.77	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
<b>Natural Gas Prices</b>															
AECO (C\$/Mcf)	2.43	1.96	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
AECO (C\$/GJ)	2.30	1.85	1.93	2.63	2.79	2.46	2.98	2.81	1.95	2.09	2.66	2.27	2.77	2.64	2.98
NYMEX (US\$/Mcf)	3.11	2.93	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)	1.26	1.40	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
<b>FIFO Adjustment (C\$ millions)</b>															
FIFO Adjustment			(9)	(31)	44	141	108	(37)	107	(37)	(186)	(102)	(130)	101	(55)

<sup>(1)</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").

- As a reminder, Cenovus provides sensitivities to benchmark crack spreads in its corporate presentation and 2017 and 2018 guidance document. *(Guidance documents - November 1, 2017 & December 13, 2017)*

### 2017 Corporate Guidance - C\$, before royalties

November 1, 2017

Guidance of all operating metrics includes forecast impacts of the acquisition effective May 18, 2017

#### PRICE ASSUMPTIONS & ADJUSTED FUNDS FLOW SENSITIVITIES<sup>(7)</sup>

		Independent base case sensitivities	Increase	Decrease
Brent (US\$/bbl)	\$53.50	(for the remaining 3 months of 2017)	(\$ millions)	(\$ millions)
WTI (US\$/bbl)	\$50.00	Crude oil (WTI) - US\$10.00 change	35	(100)
Western Canada Select (US\$/bbl)	\$38.25	Light-heavy differential (WTI-WCS) - US\$5.00 change	(140)	110
NYMEX (US\$/MMBtu)	\$3.15	Chicago 3-2-1 crack spread - US\$1.00 change	20	(20)
AECO (\$/GJ)	\$2.40	Natural gas (NYMEX) - US\$1.00 change	45	(45)
Chicago 3-2-1 Crack Spread (US\$/bbl)	\$15.50	Exchange rate (US\$/C\$) - \$0.05 change	(60)	55
Exchange Rate (US\$/C\$)	\$0.78			

<sup>(7)</sup> 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. Sensitivities includes contingent payment expense to ConocoPhillips.

### 2018 Corporate Guidance - C\$, before royalties

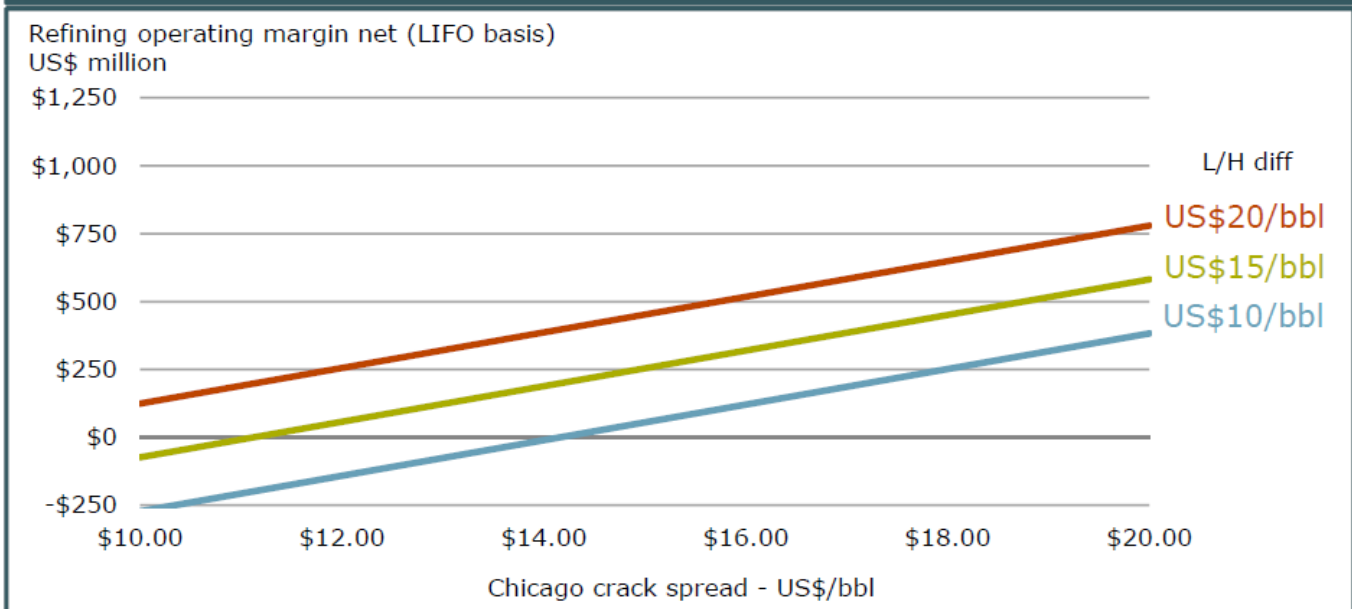
December 13, 2017

#### PRICE ASSUMPTIONS & ADJUSTED FUNDS FLOW SENSITIVITIES<sup>(8)</sup>

		Independent base case sensitivities	Increase	Decrease
Brent (US\$/bbl)	55.00	(for the full year 2018)	(\$ millions)	(\$ millions)
WTI (US\$/bbl)	52.00	Crude oil (WTI) - US\$1.00 change	45	(90)
Western Canada Select (US\$/bbl)	37.00	Light-heavy differential (WTI-WCS) - US\$1.00 change	(125)	80
NYMEX (US\$/MMBtu)	3.00	Chicago 3-2-1 crack spread - US\$1.00 change	85	(85)
AECO (\$/GJ)	2.20	Natural gas (NYMEX) - US\$1.00 change	120	(110)
Chicago 3-2-1 Crack Spread (US\$/bbl)	15.00	Exchange rate (US\$/C\$) - \$0.05 change	(250)	245
Exchange Rate (US\$/C\$)	0.78			

<sup>(8)</sup> Sensitivities include current hedge positions applicable to the full year 2018. 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.

## Refining operating margin sensitivities 2018F



**US\$1 change in crack spread = ~US\$65 million refining operating margin**  
**US\$1 change in L/H differential = ~US\$40 million refining operating margin**  
**US\$1 change in WTI = ~US\$7 million refining operating margin**

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. *(MD&A at September 30, 2017)*
- 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 October 25, 2017, the company had crude oil hedges in place on 249,000 barrels per day (bbls/d) for the remainder of this year at an average floor price of approximately US\$50.72/bbl. The company also had 325,000 bbls/d hedged for the first half of 2018 with an average floor price of approximately US\$50.09/bbl and 150,000 bbls/d with an average floor price of approximately US\$49.16/bbl for the second half of 2018. As of October 25, 2017 Cenovus had natural gas hedges in place at an average New York Mercantile Exchange (NYMEX) price of approximately US\$3.07 per million British thermal units per day (MMBtu/d) on 202,000 MMBtu/d for the remainder of 2017." *(News release – November 2, 2017)*

Current hedge positions for 2017		
Hedges at October 25, 2017	Volume	Price
Crude – Brent Fixed Price October – December	144,000 bbls/d	US\$51.23/bbl
Crude – WTI Collars October – December	50,000 bbls/d	US\$44.84/bbl – US\$56.47/bbl
Crude – Brent Put Contracts October – December	55,000 bbls/d	US\$53.00/bbl
Crude – Brent - WTI Spread October – December	50,000 bbls/d	US\$(1.88)/bbl
Natural Gas – NYMEX Fixed Price October – December	~202,000 MMBtu/d	~US\$3.07/MMBtu

Current hedge positions for 2018		
Hedges at October 25, 2017	Volume	Price
Crude – Brent Collars January – June	80,000 bbls/d	US\$49.54/bbl – US\$59.86/bbl
Crude – Brent Fixed Price January – June	60,000 bbls/d	US\$53.34/bbl
Crude – Brent Put Contracts January – June	25,000 bbls/d	US\$53.00/bbl
Crude – WTI Collars January – June	10,000 bbls/d	US\$45.30/bbl – US\$62.77/bbl
Crude – WTI Fixed Price January – June	150,000 bbls/d	US\$48.91/bbl
Crude – WCS Differential January – June	~25,200 bbls/d	~US\$(13.92)/bbl
Crude – WTI Fixed Price July – December	75,000 bbls/d	US\$49.32/bbl
Crude – Brent Collars July – December	75,000 bbls/d	US\$49.00 – US\$59.69/bbl
Crude – WCS Differential July – December	~9,600 bbls/d	~US\$(14.48)/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 and 2018 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)