



Corporate guidance

2019 Corporate Guidance - C\$, before royalties

December 10, 2018

UPSTREAM					
OIL SANDS					
	Production (Mbbbls/d)	Capital expenditures (\$ millions)	Operating costs (\$/bbl)	Effective royalty rates (%)	Steam to oil ratio
Foster Creek	162 - 170	250 - 300	Fuel 1.50 - 2.00 Non-fuel 6.50 - 7.50 Total 8.00 - 9.50	15 - 20	2.6 - 3.0
Christina Lake	215 - 225	425 - 475	Fuel 1.50 - 2.00 Non-fuel 4.50 - 5.50 Total 6.00 - 7.50	8 - 13	1.8 - 2.2
Narrows Lake	- -	5 - 15	- -	- -	- -
Technology & other ⁽¹⁾	- -	55 - 65	- -	- -	- -
Oil Sands total	377 - 395	735 - 855			
DEEP BASIN					
	Production (Mbbbls/d)	Capital expenditures (\$ millions)	Operating costs (\$/bbl)	Effective royalty rates (%)	
Light/Medium oil	4 - 6				
NGLs	19 - 22				
	(MMcf/d)	50 - 75	7.75 - 8.75	6 - 9	
Natural gas	430 - 460				
Deep Basin total	95 - 105				
TOTAL					
	Production (Mbbbls/d, MMcf/d, MBOE/d)	Capital expenditures (\$ millions)			
Total liquids	400 - 423				
Total natural gas	430 - 460				
Total upstream	472 - 500	785 - 930			
REFINING & MARKETING					
		Capital expenditures (\$ millions)	Operating costs (\$/bbl)		
Refining ⁽²⁾		225 - 250	9.50 - 10.50		
Marketing & transportation		15 - 25			
CORPORATE					
Corporate & other expenditures (\$ millions)		150 - 175	Upstream DD&A (\$ billions)		1.8 - 2.0
Total capital expenditures (\$ billions)		1.2 - 1.4	Other DD&A (\$ millions) ⁽⁴⁾		250 - 350
General & administrative expenses (\$ millions) ⁽³⁾		325 - 350	Cash tax (recovery) (\$ millions)		125 - 175
			Effective tax rate (%) ⁽⁵⁾		23 - 28

PRICE ASSUMPTIONS & ADJUSTED FUNDS FLOW SENSITIVITIES ⁽⁶⁾

		Independent base case sensitivities (for the full year 2019)	Increase (\$ millions)	Decrease (\$ millions)
Brent (US\$/bbl)	\$66.50	Crude oil (WTI) - US\$1.00 change	130	(130)
WTI (US\$/bbl)	\$57.00	Light-heavy differential (WTI-WCS) - US\$1.00 change	(115)	115
Western Canada Select (US\$/bbl)	\$30.00	Chicago 3-2-1 crack spread - US\$1.00 change	70	(70)
AECO (\$/Mcf)	\$1.75	Natural gas (AECO) - C\$1.00 change	75	(80)
Chicago 3-2-1 Crack Spread (US\$/bbl)	\$16.50	Exchange rate (US\$/C\$) - \$0.01 change	(45)	45
Exchange Rate (US\$/C\$)	\$0.76			

General note: Oil volume forecasts for 2019 do not currently reflect the impact of the Government of Alberta's mandated production curtailments scheduled to take effect on January 1, 2019.

(1) Technology & other includes Telephone Lake, and other emerging plays.

(2) Refining capital and operating costs are reported in C\$, but incurred in US\$ and as such will be impacted by FX.

(3) Forecasted G&A does not yet reflect adoption of IFRS 16, and includes stock based compensation.

(4) Includes DD&A related to Refining and Corporate and Eliminations.

(5) Statutory rates of 27% in Canada and 25% 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.

(6) Sensitivities include current hedge positions applicable to the full year of 2019. 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

Forward-looking Information

This document 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 Cenovus believes this forward-looking information is reasonable based on the assumptions explained below, there can be no assurance that it will prove to be correct and it may not be appropriate for other purposes. Readers are cautioned not to place undue reliance on forward-looking information as actual results may differ materially from those expressed or implied. Cenovus undertakes no obligation to update or revise any forward-looking information except as required by law.

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 in this document is based include: forecast oil and natural gas prices reported in the guidance; our ability to obtain necessary regulatory and partner approvals; achievement of further cost reductions and the sustainability thereof; future improvements in availability of transportation to markets, including oil-by-rail activity and the start up of Enbridge's Line 3 Replacement project as announced; future narrowing of crude oil differentials; the successful and timely implementation of capital projects or stages thereof; estimated abandonment and reclamation costs, including associated levies and regulations; our ability to successfully integrate the Deep Basin assets; our ability to obtain and retain qualified staff and equipment in a timely and cost-efficient manner; our ability to access sufficient capital to pursue development plans; our ability to successfully complete planned asset sales, including with desired transaction metrics and on targeted timelines; estimates of quantities of oil, bitumen, natural gas and NGLs from properties and other sources not currently classified as proved; future use and development of technology; our ability to access and implement all technology necessary to efficiently and effectively operate our assets (including, but not limited to, the acquired assets) and achieve and sustain cost reductions; our ability to implement capital projects or stages thereof in a successful and timely manner; our ability to generate sufficient cash flow to meet current and future obligations; and other risks and uncertainties described from time to time in the filings we make with securities regulatory authorities.

The risk factors and uncertainties that could cause our actual results to differ materially, include: possible failure to successfully complete planned asset sales, including with desired transaction metrics and on targeted timelines; possible failure to access or implement some or all of the technology necessary to efficiently and effectively operate our assets and achieve and sustain future cost reductions; volatility of and other assumptions regarding commodity prices; the effectiveness of our risk management program, including the impact of derivative financial instruments, the success of our hedging strategies and the sufficiency of our liquidity position; the accuracy of cost estimates; commodity prices, currency and interest rates; market competition, including from alternative energy sources; risks inherent in our 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; maintaining desirable debt ratios; ability to access various sources of debt and equity capital, generally, and on terms acceptable to Cenovus; ability to finance growth and sustaining capital expenditures; changes in credit ratings applicable to Cenovus or any of its securities; changes to dividend plans or strategy, including the dividend reinvestment plan; accuracy of reserves, resources, future production and future net revenue estimates; ability to replace and expand oil and gas reserves; ability to maintain relationships with Cenovus's partners and to successfully manage and operate its integrated business; reliability of assets including in order to meet production targets; refining and marketing margins; inflationary pressures on operating costs, including labour, 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, transporting or refining of crude oil into petroleum and chemical products; risks associated with technology and its application to our business; risks associated with climate change; the timing and the costs of well and pipeline construction; 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; 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, greenhouse gas, 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; the expected impact and timing of various accounting pronouncements, rule changes and standards on our business, its financial results and its consolidated financial statements; changes in general economic, market and business conditions; the political and economic conditions in the countries in which we operate or supply; occurrence of unexpected events such as war, terrorist threats and the instability resulting therefrom; and risks associated with existing and potential future lawsuits and regulatory actions against Cenovus.

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 Annual Management Discussion & Analysis for the period ended December 31, 2017 and the updates under "Risk Management and Risk Factors" in the company's most recently filed Management's Discussion and Analysis available on SEDAR at sedar.com, on EDGAR at sec.gov and on Cenovus's website at cenovus.com.