

October 2, 2020

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 2020 results on Thursday, October 29th, 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 results.

Corporate:

Revised 2020 budget forecast				
	April 2, 2020 budget update	March 9, 2020 budget update	December 10, 2019 budget	% change vs. December ¹
Total capital expenditures (\$ billions)	0.75 – 0.85	0.9 – 1.0	1.3 – 1.5	-43
General & administrative expenses (\$ millions)	230 – 250		280 – 300	-17
Total oil sands production (Mbbbls/d)		350 – 400	390 – 410	-6
Total Deep Basin production (MBOE/d)			82 – 86	--
Total production (MBOE/d)		432 – 486	472 – 496	-5

¹ Based on the midpoint of the ranges.

- "Cenovus Energy Inc. has completed a public offering in the United States (the "Offering") of US\$1,000,000,000 in 5.375% senior unsecured notes due 2025 (the "Notes"). The Notes were issued under Cenovus's short form base shelf prospectus dated September 19, 2019 and a prospectus supplement dated July 28, 2020 filed with securities regulatory authorities in Canada and the United States.

The net proceeds of the Offering will be used to repay short-term indebtedness outstanding under the company's \$4.5 billion committed credit facility and other short-term indebtedness." (Cenovus News Release, July 30, 2020)

Production:

- Monthly oil sands production is published by the Alberta Energy Regulator (AER) at the following website: <https://www.aer.ca/providing-information/data-and-reports/statistical-reports/st53.html>.
- Updates on the Alberta government production limits is published at the following website: <https://www.alberta.ca/oil-production-limit.aspx>
- “For the second quarter, Christina Lake had average production of 207,157 bbls/d, while Foster Creek had average production of 166,032 bbls/d. The company achieved combined oil sands production of 373,189 bbls/d in the second quarter, compared with 344,973 bbls/d in the same period a year earlier. In May and June, Cenovus was able to produce above the government of Alberta’s mandatory production curtailment limit for industry due to the purchase of low-cost production credits from other companies.” (Cenovus News Release, July 23, 2020)
- “Conventional production averaged approximately 92,000 barrels of oil equivalent per day (BOE/d) in the second quarter, a 6% decrease from the same period in 2019. The year over-year decrease was due to natural declines from limited capital investment, partially offset by lower turnaround activity and fewer shut-ins in response to natural gas pricing compared with the same period in 2019 as well as the addition of Marten Hills heavy oil production starting in 2020.” (Cenovus News Release, July 23, 2020)

Oil Sands Realized Bitumen Pricing:

- “Our realized crude oil sales price is influenced by the cost of condensate used in blending. Our blending ratios range between 25 percent and 33 percent. As the cost of condensate increases relative to the price of blended crude oil, our realized bitumen sales price decreases. Due to high demand for condensate at Edmonton, we also purchase condensate from U.S. markets and deliver it to the Edmonton hub. As such, our average cost of condensate is generally higher than the Edmonton benchmark price due to transportation between market hubs and transportation to field locations. In addition, up to three months may elapse from when we purchase condensate to when we sell our blended production.” (Cenovus MD&A for the period ended June 30, 2020)

	2020								
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Condensate (C5 @ Edmonton) (US\$/bbl)	60.39	49.61	28.83	18.81	12.39	35.69	37.27	38.08	37.29

Transportation costs

- “In the first quarter, Cenovus loaded an average of almost 91,000 bbls/d of its own crude oil for transport by rail, up from about 89,000 bbls/d in the fourth quarter of 2019. First quarter transportation and blending costs reflected the fact that Cenovus’s crude-by-rail program continued to operate at normal capacity levels through most of the period.” (Cenovus News Release, April 29, 2020)
- “In addition, Cenovus benefited from a nearly 60% decrease in overall second-quarter transportation and blending costs compared with the first three months of 2020. The reduction was due to the suspension of the crude-by-rail program and associated variable costs as well as lower-priced condensate used for blending compared with the first three months of the year.” (Cenovus News Release, July 23, 2020)

Royalties

- “Royalties for a post-payout project are based on an annualized calculation which uses the greater of: (1) the gross revenues multiplied by the applicable royalty rate (one percent to nine percent, based on the Canadian dollar equivalent WTI benchmark price); or (2) the net profits of the project multiplied by the applicable royalty rate (25 percent to 40 percent, based on the Canadian dollar equivalent WTI benchmark price). For royalty purposes, gross revenues are a function of sales revenues less diluent costs and transportation costs. Net profits are a function of sales revenues less diluent costs, transportation costs, and allowed operating and capital costs.

Foster Creek and Christina Lake are post-payout projects for determining royalties.”

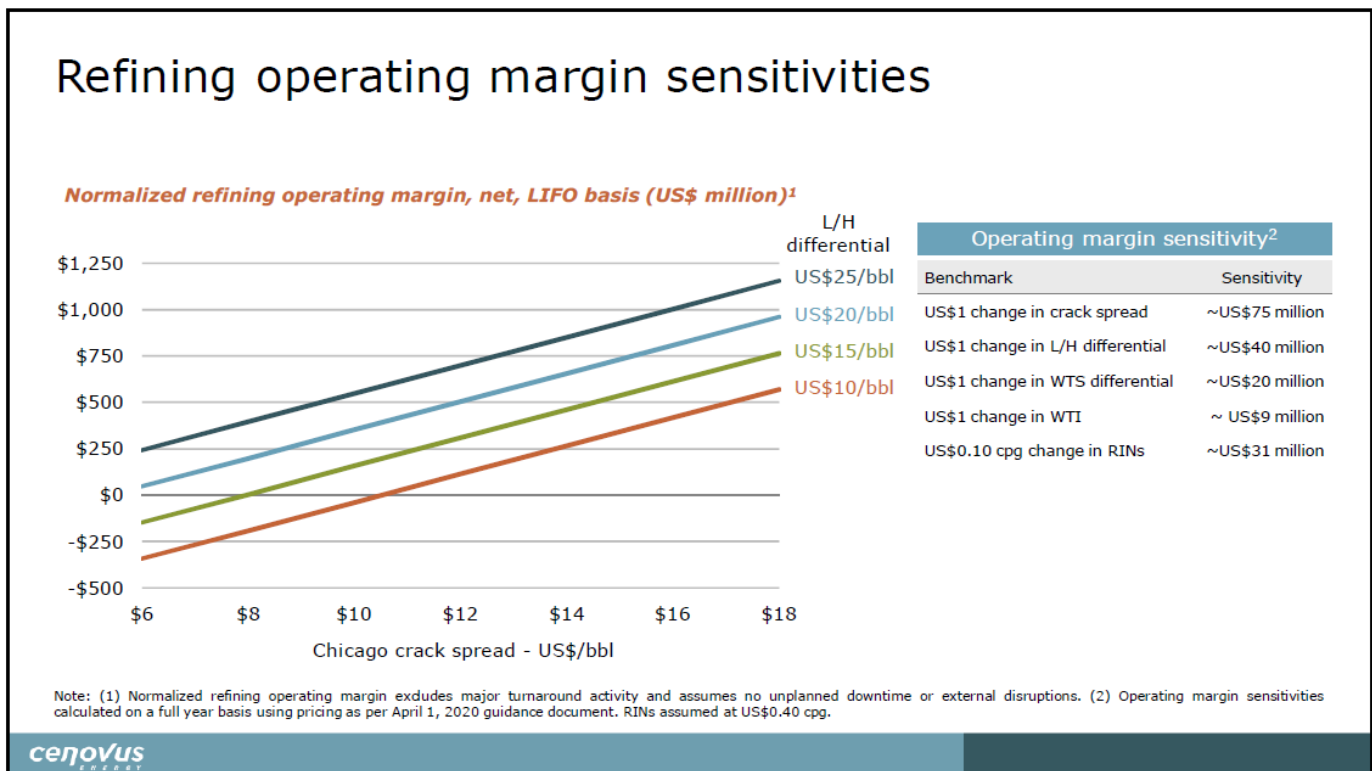
(Cenovus MD&A for the period ended June 30, 2020)

An overview of the Alberta oil sands royalty framework, including applicable sliding scale royalty rates, is available at the following website:

<https://www.alberta.ca/royalty-oil-sands.aspx>

Refining & Marketing:

- “Crude oil runs and refined product output decreased in the second quarter as both Refineries implemented crude rate reductions in response to the reduced demand for refined products due to COVID-19.” (Cenovus MD&A for the period ended June 30, 2020)
- “Cenovus’s refining operating margin is calculated on a first-in, first-out (FIFO) inventory accounting basis.” (Cenovus News Release, July 23, 2020)



(Cenovus Corporate Presentation, July 23, 2020)

Prices:

- Benchmark pricing as of September 30, 2020:

Selected Average Benchmark Prices	2020					
	Q3	Jul	Aug	Sep	Q2	Q1
Crude Oil Prices (US\$/bbl)						
Brent	43.37	43.22	45.02	41.87	33.27	50.96
West Texas Intermediate ("WTI")	40.93	40.77	42.39	39.63	27.85	46.17
Differential Brent Futures-WTI	2.44	2.46	2.63	2.24	5.43	4.79
Western Canadian Select ("WCS")	31.84	32.50	34.60	28.43	16.38	25.65
Differential - WTI-WCS	9.09	8.27	7.79	11.20	11.47	20.53
Differential - WTI-WTS	(0.03)	(0.11)	0.02	(0.01)	(0.19)	0.71
Mixed Sweet Blend ("MSW") (US\$)	37.42	38.16	38.30	35.80	21.71	38.59
Condensate (C5 @ Edmonton)	37.55	37.27	38.08	37.29	22.30	46.28
Differential - WTI-Condensate (premium)/discount	3.38	3.49	4.31	2.34	5.55	(0.10)
Refining Margins 3-2-1 Crack Spreads (US\$/bbl) ⁽¹⁾						
Chicago	7.89	8.15	7.62	7.90	6.44	8.79
Midwest Combined (Group 3)	8.28	8.57	7.77	8.51	7.92	10.91
Natural Gas Prices						
AECO (C\$/Mcf)	2.15	1.89	1.99	2.56	1.91	2.14
AECO (C\$/GJ)	2.04	1.79	1.89	2.43	1.81	2.03
NYMEX (US\$/Mcf)	1.98	1.50	1.85	2.58	1.72	1.95
Differential NYMEX - AECO (US\$/Mcf)	0.36	0.10	0.37	0.61	0.35	0.33
FIFO Adjustment (C\$ millions) ⁽²⁾						
FIFO Adjustment					139	(87)

⁽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").

⁽²⁾ Year totals are not intended to sum. These are period end balances that include impairment reclass between FIFO-LIFO presentation.

Foreign Exchange:

- "Our revenues are subject to foreign exchange exposure as the sales prices of our crude oil, NGLs, 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, there is a positive impact on our reported results. In addition to our revenues being denominated in U.S. dollars, our long-term debt is also U.S. dollar denominated. In periods of a weakening Canadian dollar, our U.S. dollar debt gives rise to unrealized foreign exchange losses when translated to Canadian dollars." (Cenovus MD&A for the period ended June 30, 2020)

Risk Management

- "Cenovus uses its marketing and transportation initiatives, including storage and pipeline assets to optimize product mix, delivery points, transportation commitments and customer diversification, to inventory physical positions when prices can be fixed in future periods and are superior to short-term prices. The risk management gains and losses offset corresponding fluctuations in revenues generated from the underlying physical sales." (Cenovus MD&A for the period ended June 30, 2020)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

All amounts in \$ millions, unless otherwise indicated

For the periods ended June 30, 2020

Net Fair Value of Risk Management Positions

As at June 30, 2020	Notional Volumes ^{(1) (2)}	Terms ⁽³⁾	Weighted Average Price ⁽¹⁾	Fair Value Asset (Liability)
Crude Oil and Condensate Contracts				
WTI Fixed - Sell	88,449 bbls/d	July 2020 - March 2021	US\$32.10/bbl	(241)
WTI Fixed - Buy	56,664 bbls/d	July 2020 - March 2021	US\$34.00/bbl	115
WCS Differential - Sell	14,506 bbls/d	August 2020 - March 2021	US\$(14.06)/bbl	(9)
WCS Differential - Buy	11,275 bbls/d	August 2020 - December 2020	US\$(13.89)/bbl	1
Belvieu Fixed - Sell	8,468 bbls/d	July 2020 - August 2020	US\$19.11/bbl	(7)
Belvieu Fixed - Buy	15,242 bbls/d	July 2020 - August 2020	US\$25.46/bbl	3
Other Financial Positions ⁽⁴⁾				(3)
				(141)
Cross Currency Interest Rate Swaps				2
Total Fair Value				(139)

(1) Barrels per day ("bbls/d"). Barrel ("bbl").

(2) Notional volumes are weighted over the respective term.

(3) Contract terms range from one to nine months.

(4) Other financial positions consist of risk management positions related to condensate differentials and the Company's Refining and Marketing segment.

Forward-Looking Information:

This document contains references to forward-looking information previously provided, identified by words such as "will" or similar expressions and includes other suggestions of future outcomes and 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 2020 Corporate Guidance and in the Advisories for referenced News Releases and Management's Discussion and Analysis, available at cenovus.com. For a full discussion of our material risk factors, see "Risk Management and Risk Factors" in our 2019 Annual Management's Discussion and Analysis, available at sedar.com, sec.gov and cenovus.com