

Corporate guidance

2021 Corporate guidance - C\$, before royalties

January 28, 2021

UPSTREAM					
OIL SANDS					
	Production (Mbbbls/d)	Capital expenditures (\$ millions)	Operating costs (\$/bbl)	Effective royalty rates (%)	
Christina Lake	220 - 240		6.25 - 7.50		
Foster Creek	165 - 185		8.50 - 9.75		
Lloyd Thermal	80 - 90		13.00 - 15.00		
Cold/EOR	18 - 22		31.00 - 34.00		
Sunrise	23 - 27		14.00 - 17.00		
Tucker	18 - 22		14.00 - 17.00		
Oil Sands total	524 - 586	850 - 950	9.50 - 11.50	10 - 15	
CONVENTIONAL					
	Production (Mbbbls/d)	Capital expenditures (\$ millions)	Operating costs (\$/boe)	Effective royalty rates (%)	
Crude oil	8 - 11				
NGLs	26 - 32				
	(MMcf/d)				
Natural gas	590 - 650				
Conventional total	132 - 151	170 - 210	10.00 - 12.00	6 - 9	
OFFSHORE					
	Production (MBOE/d)	Capital expenditures (\$ millions)	Operating costs (\$/boe)	Effective royalty rates (%)	
Atlantic	11 - 13		40.00 - 45.00		
China	43 - 50		5.00 - 6.00		
Indonesia ⁽¹⁾	7 - 9		10.50 - 12.50		
Offshore total	61 - 72	200 - 250	12.00 - 14.00	6 - 9	
TOTAL UPSTREAM					
	Production (Mbbbls/d, MMcf/d, MBOE/d)	Capital expenditures (\$ millions)			
Total liquids	590 - 630				
Total natural gas	850 - 910				
Total upstream ⁽²⁾	730 - 780	1,220 - 1,410			
DOWNSTREAM					
	Throughput (Mbbbls/d)	Capital expenditures (\$ millions)	Operating costs (\$/bbl)		
Canadian manufacturing ⁽³⁾	100 - 110		8.50 - 10.00		
U.S. manufacturing ⁽⁴⁾	400 - 440		10.00 - 12.00		
Superior refinery ⁽⁵⁾		520 - 570			
Downstream total	500 - 550	1,000 - 1,200	10.00 - 11.50		
CORPORATE					
Corporate & other expenditures (\$ millions)		75 - 100	General & administrative expenses (\$ millions) ⁽⁶⁾	475 - 525	
Total capital expenditures (\$ billions)		2.3 - 2.7	Cash tax (\$ millions)	150 - 250	
One-time integration costs (\$ millions)		500 - 550	Effective tax rate (%) ⁽⁷⁾	21 - 25	
PRICE ASSUMPTIONS & ADJUSTED FUNDS FLOW SENSITIVITIES ⁽⁸⁾					
		Independent base case sensitivities (for the full year 2021)		Increase (\$ millions)	Decrease (\$ millions)
Brent (US\$/bbl)	\$49.50	Crude oil (WTI) - US\$1.00 change		250	(250)
WTI (US\$/bbl)	\$46.50	Light-heavy differential (WTI-WCS) - US\$1.00 change		(150)	150
Western Canada Select (US\$/bbl)	\$32.50	Chicago 3-2-1 crack spread - US\$1.00 change		190	(190)
Differential WTI-WCS (US\$/bbl)	\$14.00	Natural gas (AECO) - C\$1.00 change		25	(25)
Chicago 3-2-1 Crack Spread (US\$/bbl)	\$11.00	Exchange rate (US\$/C\$) - \$0.01 change		(100)	100
AECO (\$/Mcf)	\$2.50				
Exchange Rate (US\$/C\$)	\$0.78				

(1) Indonesia production and capital is accounted for under the equity method for consolidated financial statement purposes.

(2) Production ranges for assets are not intended to add to equal total upstream.

(3) Canadian manufacturing throughput and operating costs are associated with the Lloydminster upgrader & refinery.

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

(5) Capital expenditure to rebuild Superior refinery is before expected insurance proceeds.

(6) Forecasted G&A does not include stock based compensation.

(7) Statutory rates of 24% in Canada and 23% 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.

(8) Sensitivities include current hedge positions applicable for the full year of 2021. 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 guidance document contains certain forward-looking statements and future-oriented financial 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 estimates and projections about the future. This forward-looking information is current only as of the date indicated above and is prepared solely for the purpose of providing our reasonable estimates and expectations for the time period indicated, based on certain assumptions made by us in light of our experience and perception of historical trends. This forward-looking information may not be appropriate for other purposes. Although Cenovus believes this forward-looking information is reasonable based on the assumptions contained in this document, 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.

In addition to the price assumptions disclosed herein, the factors or assumptions on which the forward-looking information in this document is based include: low global oil price environment for an unknown period; projected capital investment levels, the flexibility of capital spending plans and associated sources of funding; achievement of further operating efficiencies, cost reductions and sustainability thereof; achieving corporate, operating and sustaining capital synergies as a result of the acquisition of Husky Energy Inc.; our ability to reduce our 2021 oil sands production, including without negative impacts to our assets; our forecast production volumes are subject to potential further ramp down of production based on business and market conditions; foreign exchange rate, including with respect to our US\$ debt and refining capital and operating expenses; future improvements in availability of product transportation capacity; realization of expected impacts of the company's storage capacity within its oil sands reservoirs; the ability of our refining capacity and existing pipeline commitments to mitigate a portion of heavy oil volumes against wider differentials; estimates of quantities of oil, bitumen, natural gas and liquids from properties and other sources not currently classified as proved; accounting estimates and judgments; future access, use and development of technology and associated expected future results; ability to obtain necessary regulatory and partner approvals; the successful and timely implementation of capital projects or stages thereof.

The information in this Guidance document is also subject to risks disclosed in our annual Management's Discussion and Analysis (“MD&A”) for the period ended December 31, 2019, supplemented by updates in our most recent quarterly MD&A, available on SEDAR at sedar.com, on EDGAR at sec.gov and at cenovus.com.