

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Cenovus Energy Inc. (as acquirer of Husky Energy Inc.)		2 Issuer's employer identification number (EIN) 98-0642460	
3 Name of contact for additional information Todd McBride	4 Telephone No. of contact (403) 766-7711	5 Email address of contact investor.relations@cenovus.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 225 6 Ave SW, PO Box 766		7 City, town, or post office, state, and ZIP code of contact Calgary, AB T2P 0M5	
8 Date of action January 1, 2021		9 Classification and description Common and preferred shares; common share purchase warrants	
10 CUSIP number Please see attached.	11 Serial number(s) N/A	12 Ticker symbol Please see attached.	13 Account number(s) N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On January 1, 2021, pursuant to the definitive arrangement agreement that was announced on October 25, 2020, Cenovus Energy Inc. ("Cenovus") and Husky Energy Inc. ("Husky") combined in an all-stock transaction (the "Arrangement"). In the Arrangement, Husky common shareholders other than dissenters received 0.7845 of a Cenovus common share and 0.0651 of a Cenovus common share purchase warrant in exchange for each Husky common share. In addition, Husky preferred shareholders other than dissenting shareholders exchanged each Husky preferred share for one Cenovus preferred share with substantially identical terms.

The Arrangement is described in the November 9, 2020 Joint Management Information Circular Concerning the Plan of Arrangement Involving Cenovus Energy Inc. and Husky Energy Inc. (the "Circular"), which is available on www.sedar.com.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ The exchange of Husky common shares for Cenovus common shares and common share purchase warrants, as well as the exchange of Husky preferred shares for Cenovus preferred shares, were taxable transactions for U.S. federal income tax purposes. As a result, a holder's adjusted U.S. tax basis in each Cenovus common or preferred share or common share purchase warrant received in the Arrangement will generally equal the fair market value of such common or preferred share or common share purchase warrant as of the completion of the Arrangement. See Item 16 for a discussion of the determination of fair market value for these purposes.

Shareholders are urged to refer to the "CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS" section of the Circular and to consult with their own tax advisor regarding the consequences of the Arrangement including the applicability and effect of all U.S. federal, state and local and non-U.S. tax laws.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ Please see attachment.


Part II Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ _____
IRC Sections 1001 and 1012

18 Can any resulting loss be recognized? ▶ Losses realized on the exchange of Husky common and preferred shares for Cenovus common and preferred shares and common share purchase warrants can generally be recognized for U.S. federal income tax purposes.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The Arrangement was completed on January 1, 2021. For a Husky shareholder whose taxable year is the calendar year, the reportable tax year is 2021.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ▶  Date ▶ February 10, 2021
Print your name ▶ Jeff Hart Title ▶ Executive VP & Chief Financial Officer

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

Cenovus Energy Inc. (as acquirer of Husky Energy Inc.)
Attachment to Form 8937

Item 10, Cenovus Energy Inc. CUSIP Numbers:

<u>Cenovus Security</u>	<u>TSX</u>	<u>NYSE</u>
Common shares	15135U109	15135U109
Common share purchase warrants	15135U117	15135U117
Preferred share, Series 1	15135U307	N/A
Preferred share, Series 2	15135U406	N/A
Preferred share, Series 3	15135U505	N/A
Preferred share, Series 5	15135U703	N/A
Preferred share, Series 7	15135U885	N/A

Item 12, Cenovus Energy Inc. Ticker Symbols:

<u>Cenovus Security</u>	<u>TSX</u>	<u>NYSE</u>
Common shares	CVE	CVE
Common share purchase warrants	CVE.WT	CVE.WS
Preferred share, Series 1	CVE.PR.A	N/A
Preferred share, Series 2	CVE.PR.B	N/A
Preferred share, Series 3	CVE.PR.C	N/A
Preferred share, Series 5	CVE.PR.E	N/A
Preferred share, Series 7	CVE.PR.G	N/A

Item 16:

As stated in Item 15, a holder's adjusted U.S. tax basis in each Cenovus common or preferred share or common share purchase warrant received in the Arrangement will generally equal the fair market value of such common or preferred share or common share purchase warrant as of the completion of the Arrangement on January 1, 2021 (the "Completion Date"). U.S. tax law does not provide specific guidance on how the fair market value of the Cenovus securities received in the Arrangement should be determined.

In the case of Cenovus common shares, one method that could be used to determine fair market value on the Completion Date is by reference to the closing share price of Cenovus common shares on the Toronto Stock Exchange ("TSX") and the New York Stock Exchange ("NYSE") on the day immediately prior to the Completion Date, December 31, 2020. The closing share price of the Cenovus common shares on the TSX on December 31, 2020 was CDN \$7.75, and the closing share price of the Cenovus common shares on the NYSE on December 31, 2020 was USD \$6.04. Please note that TSX values are shown in Canadian dollars.

In the case of the Cenovus preferred shares and the Cenovus common share purchase warrants, these securities did not begin trading until January 6, 2021. One method that could be used to determine the

fair market value of these securities on the Completion Date is by reference to the opening share prices of the securities on the TSX and, in the case of the Cenovus common share purchase warrants, the NYSE, on January 6, 2021. The following chart lists the January 6, 2021 opening share price of the Cenovus preferred shares and the Cenovus common share purchase warrants on the TSX and, for the Cenovus common share purchase warrants, on the NYSE. As the Cenovus preferred shares are not listed on the NYSE, the opening share price for the five series of preferred shares are only provided for the TSX. Please note that TSX values are shown in Canadian dollars.

<u>Cenovus Security</u>	<u>\$CDN TSX Opening Price</u>	<u>\$USD NYSE Opening Price</u>
Common share purchase warrants	\$ 4.73	\$ 2.75
Preferred shares:		
Series 1	9.96	
Series 2	9.79	
Series 3	16.70	
Series 5	18.08	
Series 7	17.30	

Adjusted U.S. tax basis for the Cenovus common and preferred shares and common share purchase warrants will need to be determined and reported in U.S. dollars. Fair market values for Cenovus securities held on the TSX should be translated into U.S. dollars at the December 31, 2020 spot exchange rate of 1.2753 Canadian dollars to one U.S. dollar or the January 6, 2021 spot exchange rate of 1.2685 Canadian dollars to one U.S. dollar, as applicable.¹

Other reasonable methods for determining the Completion Date fair market value of the Cenovus securities received in the Arrangement may exist. You should consult your independent tax advisor to determine the appropriate method of determining the fair market value of the Cenovus securities received in the Arrangement.

THE INFORMATION ABOVE IS NOT TAX ADVICE, AND IT IS NOT A COMPLETE ANALYSIS OR DESCRIPTION OF EVERY POTENTIAL U.S. FEDERAL INCOME TAX CONSEQUENCE OR ANY OTHER TAX CONSEQUENCE OF THE ARRANGEMENT. IN ADDITION, THE INFORMATION ABOVE DOES NOT ADDRESS U.S. FEDERAL INCOME TAX CONSEQUENCES THAT MAY VARY WITH, OR ARE CONTINGENT ON, INDIVIDUAL CIRCUMSTANCES, NOR DOES IT ADDRESS ANY U.S. NON-INCOME, STATE, LOCAL OR NON-U.S. TAX CONSEQUENCES. ACCORDINGLY, EACH STOCKHOLDER IS URGED TO CONSULT WITH HIS, HER OR ITS OWN TAX ADVISER TO DETERMINE THE PARTICULAR U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES TO HIM, HER OR IT OF THE ARRANGEMENT.

¹ Per Schedule H.10, Foreign Exchange Rates, U.S. Federal Reserve