News Release

CALGARY, Alberta (February 11, 2010)

cenovus ENERGY

Cenovus Energy achieves strong performance in 2009

Total proved reserves, before royalties, up 8 percent, to 1.4 billion BOE; Christina Lake expansion accelerated

- Cenovus met 2009 production guidance for oil and natural gas. Production from Foster Creek and Christina Lake increased 43 percent to about 43,000 barrels per day (bbls/d) (net), after royalties.
- Bitumen proved reserves increased 24 percent, to about 866 million barrels, before royalties.
- Cash flow of approximately US$2.5 billion, or $3.29 per share, was in line with guidance. Free cash flow was approximately $580 million.
- Operating earnings were approximately $1.3 billion, or $1.74 per share.
- The transition to Cenovus as an independent company resulted in a cash tax acceleration in the fourth quarter that impacted financial results.

"We're launching Cenovus from a position of strength – a vast resource base, a solid financial foundation and a track record of superior operational performance," said Brian Ferguson, President & Chief Executive Officer of Cenovus. "These past months have been an exciting time for all of us at Cenovus. Our staff is enthusiastic about being part of a new company with tremendous potential and one that is applying fresh thinking to develop our energy resources.

"Shareholders sent a strong message with their vote to create two separate companies, each with a greater focus on its individual assets. For Cenovus, that means concentrating on the development of our oil properties, especially in northeast Alberta. We're undertaking an in-depth evaluation of our undeveloped assets and are assessing where to invest the cash flow generated from our conventional oil and natural gas production to create the greatest value over the long term. We're also accelerating the development of phase D at Christina Lake by six months and we're considering whether to move ahead timelines for other phases," Ferguson said.

Financial & Production Summary

(for the period ended December 31) (US$ millions, except per share amounts)	Q4 2009	Q4 2008	% change	2009	2008	% change
Cash flow [1]	**225**	(174)	-	**2,472**	3,088	-20
Per share diluted [2]	**0.30**	(0.23)	-	**3.29**	4.11	-20
Operating earnings[1]	**152**	(123)	-	**1,312**	1,629	-19
Per share diluted [2]	**0.20**	(0.16)	-	**1.74**	2.17	-20
Capital investment	**481**	626	-23	**1,892**	2,046	-8
Production (after royalties)						
Foster Creek (bbls/d)	**45,035**	28,955	56	**36,654**	25,947	41
Christina Lake (bbls/d)	**7,022**	6,113	15	**6,527**	4,236	54
Other Oil and NGLs (bbls/d)	**62,533**	68,249	-8	**66,603**	70,067	-5
Natural gas (MMcf/d)	**765**	879	-13	**824**	905	-9

[1] Cash flow and operating earnings are non-GAAP measures as defined in Note 1 on Page 12.

[2] Per share amounts prior to November 30, 2009 have been calculated using EnCana's common share balances. Pursuant to the Plan of Arrangement which became effective November 30, 2009, EnCana shareholders received one share of Cenovus and one share of the new EnCana for each EnCana share they held.

Calgary, Alberta (February 11, 2010) – Cenovus Energy Inc. (TSX, NYSE: CVE) is off to a strong start as Canada's newest integrated oil company with its enhanced oil properties in northeast Alberta showing robust growth, funded by the reliable stream of cash flow provided by its other oil and natural gas assets.

The company achieved significant fourth quarter 2009 increases in both cash flow and operating earnings as well as a 48 percent increase in production, net after royalties, at the company's Foster Creek and Christina Lake operations compared to the fourth quarter of 2008. Cash flow would have been even higher, if not for a one time acceleration of cash tax expense created by the split of Cenovus from EnCana Corporation. The transaction increased the fourth quarter cash tax expense by approximately $400 million, an amount that would otherwise have been deferred to 2010. Cenovus will continue to encounter some minor transition related costs over the next few months.

Cenovus's 2009 financial results met guidance, reflecting the company's solid asset base and operational stability. Cash flow for the year was approximately $2.5 billion, or $3.29 per share, down 20 percent from 2008, mainly due to lower commodity prices for much of 2009. Operating earnings were approximately $1.3 billion, or $1.74 per share, also down about 20 percent from the previous year. Cenovus's realized, after tax hedging gains for 2009 were approximately $692 million, reflecting the benefit of the company's hedging strategy. The 2009 financial results benefited from a successful challenge to staff to cut costs and reduce capital spending by 10 percent.

The Cenovus Board of Directors has established a dividend of C$0.20 per share per quarter. Accordingly, a first quarter dividend of C$0.20 per share was declared payable on March 31, 2010, to common shareholders of record as of March 15, 2010. Starting in the first quarter of 2010, Cenovus expects to report its results in Canadian dollars. Therefore, a decision was made to change the currency of the dividend payment to Canadian dollars as well.

Cenovus's 2010 guidance remains unchanged although the information has been updated to include production volumes, before royalties. The 2010 guidance is posted at www.cenovus.com.

Cenovus's total proved reserves, before royalties, at the end of 2009 were 1.4 billion barrels of oil equivalent (BOE), an 8 percent increase over the previous year. The most significant increase – 24 percent – came from the company's bitumen reserves, the area where Cenovus plans to focus the majority of its growth. Cenovus replaced more than 200 percent of its 2009 production. The company added the new reserves to its portfolio at a finding and development cost of C$5.39 per BOE.

As a new company, Cenovus has chosen to focus on the growth of its oil assets and is in the process of assessing and prioritizing the development of its vast resources. Cenovus expects to provide an estimate of contingent resources in April, based on the work of independent qualified reserves evaluators. Additional information about development plans will be provided during its investor days on June 17 in Calgary and June 21 in New York. An escalation of the stratigraphic well drilling program at the company's northeast Alberta properties in 2010 is expected to provide an additional assessment of the quality of its oil assets. About 200 of these wells are expected to be drilled to help categorize and quantify the reservoirs, twice as many as were drilled in that region in 2009.

Cenovus will focus on increasing net asset value and total shareholder return through effective management of its portfolio. The company is committed to maintaining a low cost structure and delivering projects on time and on budget.

"Cenovus's business model is designed to achieve success and provide financial stability. We're an integrated energy company - from the production of bitumen and crude oil, to the sale of refined products to energy consumers in some of North America's largest markets. Our natural gas assets economically integrate with our oil facilities and refineries as we currently consume about 100 million cubic feet of natural gas each day. The conventional oil and natural gas properties also provide a reliable stream of cash flow for sustainable, long term growth," Ferguson said.

IMPORTANT NOTE: Cenovus's financial statements are prepared in accordance with Canadian generally accepted accounting principles (GAAP). For purposes of consistency, and in keeping with EnCana's historical reporting, all information is stated in U.S. dollars unless otherwise noted and follows U.S. protocols, which report crude oil and natural gas production, sales and reserves on an after royalty basis. In addition, to provide more complete information on our business, we are providing production and reserves information on a before royalties basis. Cenovus expects to report its results in Canadian dollars starting in the first quarter of 2010.

Cenovus's assets were held by EnCana until November 30, 2009. The financial and production information in this news release represents carve out data derived from the accounting records of EnCana for the first 11 months of 2009, in addition to the actual Cenovus results for December 2009. Numbers for 2008 are also based on carve out data. More details can be found in the unaudited Interim Consolidated Financial Statements at www.cenovus.com under "Invest In Us".

Operations

Foster Creek and Christina Lake

Cenovus's enhanced oil properties in northeast Alberta represent the company's most significant opportunity for substantial growth. Foster Creek and Christina Lake are both steam assisted gravity drainage (SAGD) operations that are owned 50-50 with ConocoPhillips.

Production

- Foster Creek production increased 41 percent in 2009 with the commissioning of phases D & E early in the year. Success from the wedge well technology is also contributing to increased production.
- Production at Christina Lake increased 54 percent in 2009, with the ramp up of volumes from phase B.
- In the summer of 2009, Foster Creek achieved 100 million barrels (bbls) (gross) of cumulative production, making it the first industry SAGD project to reach this milestone.
- Foster Creek is currently producing about 52,000 bbls/d (net), before royalties.
- Christina Lake is currently producing about 7,500 bbls/d (net), before royalties.
- The Foster Creek and Christina Lake operations are expected to provide combined annual production growth of 10 to 15 percent over the next five years.

Expansions

- Construction is progressing on phase C at Christina Lake, adding an expected 40,000 bbls/d (gross) of production capacity. First production is expected in late 2011.

- Plans are underway for an acceleration of phase D at Christina Lake, which is expected to provide an additional 40,000 bbls/d (gross) of production capacity. Construction is now expected to begin in mid 2010, with first production expected in mid 2013, 6 months sooner than initially planned.
- A regulatory application for three more phases of expansion (E, F & G) at Christina Lake was filed in the fourth quarter of 2009. The current goal is to reach production capacity of approximately 218,000 bbls/d (gross) by 2017.
- A regulatory application for Foster Creek's next three phases of development (F, G & H) was also filed in 2009. These additional phases are expected to bring production capacity to approximately 210,000 bbls/d (gross) by 2017.
- Narrows Lake is an emerging enhanced oil project for Cenovus. The proposed terms of reference for the project's environmental impact assessment have been filed.
- The Narrows Lake regulatory application is expected to be submitted in the summer of 2010. The project would be developed in two or three phases, with each phase expected to add approximately 40,000 bbls/d (gross) of production capacity.
- The Borealis SAGD project application is under review by the regulators. The company is collecting additional data in support of the application. Stratigraphic and groundwater monitoring wells are being drilled and 3D seismic, cap rock and reservoir testing programs are underway. The initial phase of the Borealis project is expected to have production capacity of about 35,000 bbls/d (gross).

Environment

- Cenovus has achieved an industry leading steam to oil ratio (SOR) at its SAGD facilities of less than 2.5. These operations are at the low end of the SOR scale compared to other SAGD producers. A low SOR means less water is needed. It also means less natural gas is burned, resulting in lower emissions.
- Cenovus's SAGD operations utilize primarily saline water for steam generation and a robust recycle system, minimizing the need for additional water.

Costs

- Operating costs per barrel at Foster Creek and Christina Lake averaged $11.35 in 2009, lower than in the previous year mainly due to lower fuel costs and increased production.
- Non fuel operating costs for Foster Creek and Christina Lake were $9.32 per bbl.

(After royalties) (Mbbls/d)	Daily Production										
	2009					2008					2007
	Full Year	**Q4**	Q3	Q2	Q1	Full Year	Q4	Q3	Q2	Q1	Full Year
Foster Creek	**37**	**45**	39	34	28	26	29	27	21	27	24
Christina Lake	**6**	**7**	6	6	7	4	6	5	4	2	3
Total	**43**	**52**	45	40	35	30	35	32	25	29	27

Other Crude Oil and NGLs

In addition to the major enhanced oil assets in northeast Alberta, Cenovus holds a large base of other crude oil assets across Alberta and Saskatchewan. These highly efficient operations include the Pelican Lake and Weyburn enhanced oil operations as well as conventional oil production in southern Alberta. Cash flow generated from these properties will be used to help grow the company's operations in northeast Alberta.

- An emphasis on new technologies and improved recovery methods has helped reduce production declines at these mature properties.
- Production at the Weyburn operation increased 7 percent in 2009 over the previous year as a result of expanded CO_2 injection, well optimization and lower royalties.
- Cenovus's Weyburn operation is the world's largest geological CO_2 sequestration project. An additional two million tonnes of CO_2 were injected for storage at the Weyburn field in 2009, pushing the total amount of CO_2 sequestered to more than 15 million tonnes.
- Evaluation of assets in the promising Bakken and Lower Shaunavon plays in Saskatchewan is underway.
- Operating costs per barrel increased slightly in 2009 to $9.92 mainly due to a drop in production, partially offset by lower operating expenses, primarily as a result of cost reduction initiatives.

(After royalties) (Mbbls/d)	Daily Production									
	2009				2008					2007
	Full Year	**Q4**	Q3	Q2	Q1	Full Year	Q4	Q3	Q2	Q1	Full Year
Pelican Lake	**20**	**19**	21	19	21	22	20	22	21	24	23
Weyburn	**15**	**14**	15	15	16	14	15	14	13	14	15
Southern Alberta	**22**	**21**	22	23	24	24	23	23	24	26	27
Other Oil & NGLs	**10**	**9**	10	9	9	10	10	9	11	10	10
Total	**67**	**63**	68	66	70	70	68	68	69	74	75

Natural Gas

Cenovus's natural gas assets in southern Alberta are an important component of the company's financial foundation, generating funds required for production expansion in other areas of the company. Natural gas also fuels the company's SAGD and refinery operations so natural gas production acts as an economic hedge against price fluctuations. Cenovus's natural gas properties comprise established, reliable fields with efficient operations.

- A 9 percent decrease in natural gas production in 2009 compared to 2008 was due to natural declines, decreased capital investment and voluntary production restrictions in response to lower prices. Those same factors influenced natural gas production in the fourth quarter of 2009, resulting in a 13 percent decrease compared to the same quarter in 2008.
- Cenovus plans to manage declines in natural gas production, targeting a long term production level of between 400 and 500 million cubic feet a day (MMcf/d), in line with expected future natural gas requirements at Cenovus's upstream operations and refineries.
- In response to the weak economic environment, Cenovus implemented cost saving measures in 2009, which led to a decrease in operating costs of nearly 10 percent from 2008, to $0.76 per thousand cubic feet (Mcf).

(After royalties) (MMcf/d)	Daily Production									
	2009					2008					2007
	Full Year	**Q4**	Q3	Q2	Q1	Full Year	Q4	Q3	Q2	Q1	Full Year
Natural Gas	**824**	**765**	826	864	842	905	879	892	923	925	966

2009 Proved Reserves

At year end 2009, Cenovus had total proved reserves of 1.4 billion barrels of oil equivalent (BOE), an increase of 8 percent over the previous year (before royalties). Cenovus has chosen to focus on before royalty reserves data since it believes this offers a more accurate assessment of the assets and facilitates a direct comparison with other Canadian oil companies.

All of Cenovus's proved reserves are evaluated by independent qualified reserves evaluators.

- Bitumen reserves increased 24 percent to 866 million bbls, largely due to the sanctioning of phase D at Christina Lake.
- Cenovus's other crude oil and natural gas liquids (NGLs) reserves are unchanged.
- Natural gas reserves were down 21 percent, mainly due to lower prices.
- Cenovus's average F&D cost in 2009 was C$5.39 per BOE, a decrease of more than 80 percent compared to 2008 due to the large addition of bitumen reserves in 2009.
- Cenovus achieved a production replacement of 205 percent in 2009.
- The proved reserves life index is approximately 14.7 years.

Before Royalties

2009 Reserves Reconciliation			
(Before royalties)	Bitumen (MMbbls)	Other Oil & NGLs (MMbbls)	Natural Gas (Bcf)
Start of 2009	699	276	1,937
Revisions & improved recovery	28	22	(151)
Extensions & discoveries	161	6	51
Acquisitions	-	-	-
Divestitures	(5)	-	(3)
Production	(17)	(27)	(305)
End of 2009	866	277	1,529
% Change	24	-	(21)
Developed Undeveloped	132 734	203 74	1,504 25
Total Proved	866	277	1,529
Total Probable	479	156	436

Proved Reserves Costs				
(Before royalties)	2009	2008	2007	3 Year
Capital investment (C$ millions)				
Finding and development	1,084	1,590	1,355	4,029
Finding, development and acquisitions	1,231	1,590	1,370	4,191
Reserves additions (MMBOE) [1]				
Finding and development	201.0	53.4	312.2	566.6
Finding, development and acquisitions	201.0	53.4	312.3	566.7
Proved reserves costs (C$/BOE)[1]				
Finding and development	5.39	29.75	4.34	7.11
Finding, development and acquisitions	6.13	29.75	4.39	7.40

[1] Oil equivalency has been calculated by Cenovus. See the Advisory Regarding Reserves Data and Other Oil and Gas Information accompanying this news release.

After Royalties

2009 Proved Reserves Reconciliation			
(After royalties)	Bitumen (MMbbls)	Other Oil & NGLs (MMbbls)	Natural Gas (Bcf)
Start of 2009	668	241	1,855
Revisions & improved recovery	(88)	8	(128)
Extensions & discoveries	160	6	50
Acquisitions	-	-	-
Divestitures	(4)	-	(2)
Production	(17)	(23)	(301)
End of 2009	719	232	1,474
% Change	8	(4)	(21)
Developed	108	170	1,450
Undeveloped	611	62	24
Total Proved	719	232	1,474
Total Probable	403	127	405

Proved Reserves Costs				
(After royalties)	**2009**	2008	2007	3 Year
Capital investment (US$ millions)				
Finding and development	950	1,487	1,282	3,719
Finding, development and acquisitions	1,085	1,487	1,297	3,869
Reserves additions (MMBOE) [1]				
Finding and development	73.2	146.6	249.5	469.3
Finding, development and acquisitions	73.2	146.6	249.6	469.4
Proved reserves costs (US$/BOE)[1]				
Finding and development	12.97	10.14	5.14	7.92
Finding, development and acquisitions	14.81	10.14	5.20	8.24

[1] Oil equivalency has been calculated by Cenovus. See the Advisory Regarding Reserves Data and Other Oil and Gas Information accompanying this news release.

Prices Used for Reserves Estimates			
	2009 Average[1]	2008 Dec. 31	% Change
Oil			
West Texas Intermediate (WTI)	61.18	44.60	37
Western Canada Select (WCS) C$	58.65	41.98	40
Natural gas (NYMEX)	3.87	5.71	(32)

[1] The SEC has revised its price requirement for year end 2009 from a single day price on December 31, to the average of 12 single day prices on the first day of each month prior to the effective date of the estimate. For 2008, prices were based on the December 31 price.

Downstream

Cenovus's downstream operations include the Wood River refinery in Illinois and the Borger refinery in Texas, which are jointly owned with ConocoPhillips.

- In 2009, the refineries produced 208,500 bbls/d (net) of refined products.
- Refinery crude utilization averaged 87 percent or 197,000 bbls/d crude throughput (net). Refinery utilization in 2009 was 6 percent lower compared to 2008 due to optimization efforts as a result of lower market crack spreads, increased planned turnaround activity and unplanned maintenance.
- Operating cash flow from downstream operations was $310 million in 2009, in line with guidance. This compares with an operating cash deficiency of $241 million reported in 2008. The improvement in operating cash flow is mainly due to lower purchased product costs and lower energy costs.
- Downstream capital investment was $907 million in 2009 compared to $478 million in 2008. The increase was mainly due to capital spending on the Coker and Refinery Expansion (CORE) project at Wood River.
- Cenovus plans to spend approximately $700 million to $800 million of capital on its downstream operations in 2010, including approximately $500 million to substantially complete the CORE project at the Wood River refinery.
- The CORE project is on budget, with approximately 71 percent complete as of December 31, 2009 and is expected to be in operation in mid 2011.
- The CORE project is expected to more than double heavy crude oil refining capacity at Wood River to approximately 240,000 bbls/d (gross) and is a fundamental component of the company's integrated oil business strategy since it provides an economic hedge for the bitumen production. The project is expected to result in improved refining margins at Wood River once in operation.

Financial

Dividend declared

The Cenovus Board of Directors has established a dividend of C$0.20 per share per quarter. Accordingly, a first quarter dividend of C$0.20 per share was declared payable on March 31, 2010, to common shareholders of record as of March 15, 2010. Based on the February 10, 2010 closing share price on the Toronto Stock Exchange of C$24.74, this represents an annualized yield of about 3.2 percent. The declaration of dividends is at the sole discretion of the Board of Directors.

Risk management strategy

Cenovus has implemented a hedging strategy to help provide predictability around cash flow and safeguard its capital program. The company currently has about 71 percent of its expected 2010 gas production, net of internal fuel use, hedged at an average NYMEX price of $6.10 per Mcf and 24,600 bbls/d of its expected 2010 oil production hedged at a WTI price of $76.99 per bbl. The Board has approved a risk management strategy that enables Cenovus to hedge as much as 75 percent of its net current year natural gas production, and as much as 50 percent and 25 percent respectively in the following two years. The strategy allows for fixed price hedges of as much as 50 percent of net liquids production in the current year and 25 percent of net liquids production for each of the following two years.

Financial highlights

- Cenovus's realized, after tax hedging gains for 2009 were $692 million. These were offset by unrealized losses of $473 million, resulting in an increase in net earnings of $219 million, after tax. This compares to a 2008 after tax increase in net earnings of $306 million.
- Oil and natural gas prices were significantly lower in 2009 compared to 2008, with the WTI oil price averaging $62.09 per bbl, a 38 percent decrease, and the NYMEX natural gas price averaging $3.99 per Mcf in 2009, a decrease of 56 percent from 2008.
- Cenovus's average realized price, excluding hedges, for oil and liquids in 2009 was $50.87 per bbl, a 31 percent decrease from 2008. The average realized gas price was $3.60 per Mcf, a decrease of 54 percent from the previous year. The company's 2009 hedging program increased natural gas prices by $3.22 per Mcf and liquids prices by $0.98 per bbl.
- Cenovus completed its first issue of long term notes in September, 2009. The aggregate $3.5 billion of 5, 10 and 30 year notes that were issued have an average interest rate of 5.85 percent.
- In order to provide ongoing liquidity and for working capital requirements, the company has in place a C$2.5 billion unsecured revolving credit facility with a syndicate of banks (with C$2.4 billion of that unused at year end).
- Cenovus targets a debt to capitalization ratio of between 30 and 40 percent and a debt to adjusted EBITDA ratio of between 1.0 and 2.0 times. At December 31, 2009, the company's debt to capitalization ratio was 28 percent and debt to adjusted EBITDA, on a trailing 12-month basis, was 1.2 times.
- Cenovus plans to sell approximately $1 billion of mature assets over the next two years, if market conditions are favourable for the divestitures. The assets will be mainly mature natural gas properties but may include some conventional oil properties.
- Cenovus staff contributed to the company's stable financial position in 2009 by exceeding a challenge to reduce operating and capital spending by 10 percent.

Net earnings

Cenovus's net earnings for 2009 were $648 million, a 73 percent decrease over the previous year. These results were impacted by a decrease in commodity prices. Net earnings take into account unrealized mark-to-market, after tax gains or losses, which decreased Cenovus's 2009 earnings by $473 million. This compares to an unrealized mark-to-market, after tax gain of $519 million in 2008. In the fourth quarter of 2009, net earnings were $24 million compared to $380 million in the fourth quarter of 2008. Cenovus management views operating earnings, a non-GAAP measure defined in Note 1 on page 12, as a better measure of performance than net earnings.

Earnings Reconciliation Summary

(for the period ended December 31) ($ millions, except per share amounts)	**Q4 2009**	Q4 2008	**2009**	2008
Net earnings Add back (losses) & deduct gains:	**24**	380	**648**	2,368
Unrealized mark-to-market hedging gain (loss), after-tax	**(98)**	272	**(473)**	519
Non-operating foreign exchange gain (loss), after-tax	**(30)**	231	**(191)**	220
Operating earnings[1]	**152**	(123)	**1,312**	1,629
Per share diluted [2]	**0.20**	(0.16)	**1.74**	2.17

[1] Cash flow and operating earnings are non-GAAP measures as defined in Note 1 on Page 12.

[2] Per share amounts prior to November 30, 2009 have been calculated using EnCana's common share balances. Pursuant to the Plan of Arrangement which became effective November 30, 2009, EnCana shareholders received one share of Cenovus and one share of the new EnCana for each EnCana share they held.

Conference Call Today

9:00 a.m. Mountain Time (11:00 a.m. Eastern Time)

Cenovus will host a conference call today Thursday, February 11, 2010 starting at 9:00 a.m. MT (11:00 a.m. ET). To participate, please dial 888-231-8191 (toll-free in North America) or 647-427-7450 approximately 10 minutes prior to the conference call. An archived recording of the call will be available from approximately 2:00 p.m. MT on February 11 until midnight February 18, 2010 by dialing 800-642-1687 or 416-849-0833 and entering conference ID 48172874.

A live audio webcast of the conference call will also be available via Cenovus's website, www.cenovus.com, under Investor Relations. The webcast will be archived for approximately 90 days.

Cenovus Energy Inc.

Cenovus Energy is a leading integrated oil company headquartered in Calgary, Alberta, with an enterprise value of approximately C$22 billion. The company's operations include its growing enhanced oil projects and established natural gas and crude oil production in Alberta and Saskatchewan as well as ownership in two high-quality refineries in Illinois and Texas. Cenovus is respectful of the environment and communities where it operates and is committed to applying fresh, progressive thinking to the development of energy resources the world needs. Cenovus shares, which trade under the symbol CVE, are listed on the Toronto and New York stock exchanges. For more information, go to www.cenovus.com.

Further information on Cenovus Energy is available on the company's website, www.cenovus.com, or by contacting:

Cenovus Contacts

Investors:

Paul Gagne

Vice-President, Investor Relations

403-766-4737

Susan Grey

Manager, Investor Relations

403-766-4751

James Fann

Analyst, Investor Relations

403-766-6700

Media:

Rhona DelFrari

Manager, Media Relations

403-766-4740

NOTE 1: Non-GAAP measures

This news release contains references to non-GAAP measures as follows:

- Operating Cash Flow is a non-GAAP measure defined as Revenue, Net of Royalties less production and mineral taxes, transportation and selling, operating and purchased product expenses and is used to provide a consistent measure of the cash generating performance of our assets and improves the comparability of our underlying financial performance between periods.
- Cash flow is a non-GAAP measure defined as cash from operating activities excluding net change in other assets and liabilities and net change in non-cash working capital from continuing operations, both of which are defined on the Consolidated Statement of Cash Flows, in this news release and interim financial statements.
- Operating earnings is a non-GAAP measure that shows net earnings excluding non-operating items such as the after-tax impacts of a gain/loss on discontinuance, the after-tax gain/loss of unrealized mark-to-market accounting for derivative instruments, the after-tax gain/loss on translation of U.S. dollar denominated debt issued from Canada and the partnership contribution receivable, the after-tax foreign exchange gain/loss on settlement of intercompany transactions, future income tax on foreign exchange related to U.S. dollar intercompany debt recognized for tax purposes only and the effect of changes in statutory income tax rates. Management believes that these excluded items reduce the comparability of the company's underlying financial performance between periods. The majority of the U.S. dollar debt issued from Canada has maturity dates in excess of five years.
- Free cash flow is a non-GAAP measure that Cenovus defines as cash flow in excess of capital investment, excluding net acquisitions and divestitures, and is used to determine the funds available for other investing and/or financing activities.

- Capitalization is a non-GAAP measure defined as debt plus shareholders' equity. Debt to capitalization and debt to adjusted EBITDA are two ratios which management uses to steward the company's overall debt position as measures of the company's overall financial strength.
- Adjusted EBITDA is a non-GAAP measure defined as net earnings from continuing operations before gains or losses on divestitures, income taxes, foreign exchange gains or losses, interest net, accretion of asset retirement obligation, and depreciation, depletion and amortization.

These measures have been described and presented in this news release in order to provide shareholders and potential investors with additional information regarding Cenovus's liquidity and its ability to generate funds to finance its operations.

RESERVES COST DEFINITIONS – Production replacement is calculated by dividing reserves additions by production in the same period. Reserves additions over a given period, in this case 2009, are calculated by summing revisions and improved recovery, extensions and discoveries, acquisitions and divestitures. Finding and development cost is calculated by dividing total capital invested in finding and development activities by additions to proved reserves, before acquisitions and divestitures, which is the sum of revisions and improved recovery, extensions and discoveries. Finding, development and acquisition cost is calculated by dividing total capital invested in finding, development and acquisition activities by additions to proved reserves, before divestitures, which is the sum of revisions, extensions, discoveries and acquisitions. Proved reserves added in 2009 included both developed and undeveloped quantities. Cenovus uses the aforementioned metrics as indicators of relative performance, along with a number of other measures. Many performance measures exist, all measures have limitations and historical measures are not necessarily indicative of future performance.

ADVISORY REGARDING RESERVES DATA AND OTHER OIL AND GAS INFORMATION– National Instrument 51-101 ("NI 51-101") imposes oil and gas disclosure standards for Canadian public companies engaged in oil and gas activities. We have obtained an exemption from the Canadian securities regulatory authorities to permit us to provide disclosure in accordance with the relevant legal requirements of the U.S. Securities and Exchange Commission (the "SEC"). This facilitates comparability of our oil and gas disclosure with that provided by U.S. and other international issuers, given that we are active in the U.S. capital markets. Accordingly, the proved and probable reserves data and much of the other oil and gas information included in this press release is disclosed in accordance with U.S. disclosure requirements. Such information, as well as the information that we anticipate disclosing in the future in reliance on such exemption, may differ from the corresponding information prepared in accordance with NI 51-101 standards. In 2008, the SEC amended its oil and gas reporting requirements effective for Cenovus's 2009 year end reporting. The U.S. Financial Accounting Standards Board also amended its oil and gas reserve estimation and disclosure requirements to align with the amended SEC requirements. The amendments included changing the price used to calculate reserves from a year-end single day price to a historical 12-month average price, permitting optional disclosure of probable reserves and the sensitivity of reserves to price and requiring the separate disclosure of bitumen reserves from crude oil and NGLs reserves. The primary differences between the current U.S. requirements and the NI 51-101 requirements are that: (i) the U.S. standards require disclosure only of proved reserves, whereas NI 51-101 requires disclosure of proved and probable reserves; and (ii) the U.S. standards require that the reserves and related future net revenue be estimated under existing economic and operating conditions, i.e. historic average annual price, whereas NI 51-101 requires disclosure of reserves and related future net revenue using forecast prices and costs. The definitions of proved reserves also differ, but according to the Canadian Oil and Gas Evaluation Handbook, the reference source for the definition of proved reserves under NI 51-101, differences in the estimated proved reserves quantities based on constant prices should not be material. According to the SEC, proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward, from known reservoirs and under existing economic conditions, operating methods and government regulations. Prices include consideration of future price changes only to the extent provided by contractual arrangements in existence at year-end. The current U.S. requirements permit, but do not require, the disclosure of probable reserves information. The SEC has defined probable reserves as the estimated quantities of bitumen, crude oil, natural gas and NGLs that are less certain to be recovered than proved reserves, but which, together with proved reserves, are as likely as not to be recovered. Under U.S. disclosure standards, reserves and production information is required to be disclosed on a net basis (after royalties). The Alberta Government has implemented an oilsands royalty scheme which ties the bitumen royalty rate to the West Texas Intermediate reference oil price, in Canadian dollars. Since oil price is unregulated and can have significant volatility, this in turn means the royalty rate can vary significantly. For example, our year-end 2008 proved bitumen reserves were subject to a forecasted average royalty rate of four percent, while year-end 2009 proved bitumen reserves face a forecasted average royalty rate of 16 percent. This oil price dependent volatility can mask the impact of our development activities. To provide more complete information on our business, we are voluntarily providing reserves and production information for both proved and probable reserves, on a before royalties basis, as well as on an after royalties basis.

Oil and gas reserves estimates have an inherent degree of associated uncertainty, the degree of which is affected by many factors. In general, estimates of crude oil and natural gas reserves are based upon a number of variable factors and assumptions, such as product prices, future operating and capital costs, historical production from the properties and the assumed effects of regulation by governmental agencies, all of which may vary considerably from actual results. All such reserves estimates are to some degree uncertain and classifications of reserves as proved or probable are only attempts to define the degree of uncertainty associated with the estimates. In addition, whereas proved reserves are those reserves that can be estimated with reasonable certainty to be economically producible, probable reserves are those reserves as likely as not to be recovered. Therefore, probable reserves estimates, by definition, have a higher degree of uncertainty than proved reserves.

In this news release, certain natural gas volumes have been converted to barrels of oil equivalent (BOE) on the basis of one barrel (bbl) to six thousand cubic feet (Mcf). BOE may be misleading, particularly if used in isolation. A conversion ratio of one bbl to six Mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent value equivalency at the well head.

ADVISORY REGARDING FORWARD-LOOKING STATEMENTS – In the interests of providing Cenovus shareholders and potential investors with information regarding Cenovus, including management's assessment of future plans, Cenovus has included in this news release certain statements and information that are forward-looking statements or information within the meaning of applicable securities legislation, and which are collectively referred to herein as "forward-looking statements." The forward-looking statements in this news release include, but are not limited to, statements with respect to: strong free cash flow, anticipated oil and liquids production for 2010, anticipated production growth and capacity in 2010 and beyond, the expected future attributes and success of Cenovus, potential dividends, future exploration and development plans and growth opportunities, drilling programs, future acquisition or disposition opportunities, estimates of proved and probable reserves, estimates regarding the development of undeveloped reserves, cash flow and the sources thereof, financial metrics (including debt to capitalization), future net capital investment, anticipated future production, estimates of production decline rates, the company's capital efficiency, refining capacity, components of its business strategy and the effectiveness thereof, annual production growth rates, the successful use of new technology and innovations to increase recovery and decrease costs, possible internal and external growth opportunities for its assets, the timing of completion and anticipated capacities of the Foster Lake and Christina Lake expansions, the margins at Wood River, the anticipated capacities of and the timing of capacity expansions for the Wood River refinery, including the timing of completion of the CORE project and the capital expenditures for such expansions, Cenovus's ability to obtain regulatory approvals, its ability to increase net asset value and shareholder returns and the anticipated dates for submitting project applications. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the future circumstances, outcomes or results anticipated in or implied by such forward-looking statements will occur or that plans, intentions or expectations upon which the forward-looking statements are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that circumstances, events or outcomes anticipated or implied by forward-looking statements will not occur, which may cause the actual performance and financial results in future periods to differ materially from the performance or results anticipated or implied by any such forward-looking statements. These risks and uncertainties include, among other things: volatility of and assumptions regarding oil and gas prices; assumptions contained in or relevant to the company's current corporate guidance; fluctuations in currency and interest rates; product supply and demand; market competition; risks inherent in marketing operations (including credit risks); imprecision of reserves estimates and estimates of recoverable quantities of oil, bitumen, natural gas and liquids from resource plays and other sources not currently classified as proved reserves and the life index of proved reserves; the ability to successfully manage and operate the integrated North American oil business with ConocoPhillips; the ability of Cenovus to obtain regulatory approvals; refining and marketing margins; potential disruption or unexpected technical difficulties in developing new products and manufacturing processes; potential failure of new products to achieve acceptance in the market; unexpected cost increases or technical difficulties in constructing or modifying manufacturing or refining facilities; unexpected difficulties in manufacturing, transporting or refining synthetic crude oil; risks associated with technology and the application thereof to the business of Cenovus; the ability to replace and expand oil and gas reserves; the ability to generate sufficient cash flow from operations to meet current and future obligations; the ability to access external sources of debt and equity capital; the timing and the costs of well and pipeline construction; the ability to secure adequate product transportation; changes in royalty, tax, environmental, greenhouse gas, carbon and other laws or regulations or the interpretations of such laws or regulations; applicable political and economic conditions; the risk of war, hostilities, civil insurrection, political instability and terrorist threats; risks associated with existing and potential future lawsuits and regulatory actions; the expected impacts of the Arrangement on our employees, operations, suppliers, business partners and stakeholders, our ability to obtain financing in the future on a stand alone basis, that the historical financial information pertaining to Cenovus's assets as operated by EnCana prior to December 1, 2009 may not be representative of Cenovus's results as an independent entity, that we have a limited operating history as a separate entity; and other risks and uncertainties described from time to time in the reports and filings made with securities regulatory authorities by Cenovus. Although Cenovus believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct.

Readers are cautioned that the foregoing list of important factors is not exhaustive.

Statements relating to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated, and can be profitably produced in the future. Readers are cautioned that the foregoing list of important factors is not exhaustive.

Assumptions relating to forward-looking statements generally include Cenovus's current expectations and projections made by the company in light of, and generally consistent with, its historical experience and its perception of historical trends, as well as expectations regarding rates of advancement and innovation, generally consistent with and informed by its past experience, all of which are subject to the risk factors identified elsewhere in this news release.

Our forward-looking information respecting anticipated 2010 cash flow, operating cash flow and pre-tax cash flow is based upon achieving average 2010 production of approximately 105,000 bbls/d to 111,500 bbls/d of crude oil and liquids and 720 MMcf/d to 740 MMcf/d of natural gas, average commodity prices for 2010 of a WTI price of $65/bbl to $85/bbl and a WCS price of $54/bbl to $71/bbl for oil, a NYMEX price of $5.50/Mcf to $6.15/Mcf and AECO price of $5.15/GJ to $5.70/GJ for natural gas, an average U.S./Canadian dollar foreign exchange rate of $0.85 to $0.96 US$/CDN$, an average Chicago 3-2-1 crack spread for 2010 of $7.50/bbl to $9.50/bbl for refining margins, and an average number of outstanding shares of approximately 751 million. Assumptions relating to forward-looking statements generally include Cenovus's current expectations and projections made by the company in light of, and generally consistent with, its historical experience and its perception of historical trends, as well as expectations regarding rates of advancement and innovation, generally consistent with and informed by its past experience, all of which are subject to the risk factors identified elsewhere in this news release.

Furthermore, the forward-looking statements contained in this news release are made as of the date of this news release, and, except as required by law, Cenovus does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this news release are expressly qualified by this cautionary statement.