Cenovus finishes 2015 with strong balance sheet
Additional budget reductions planned to preserve financial resilience

Calgary, Alberta (February 11, 2016) – Cenovus Energy Inc. (TSX: CVE) (NYSE: CVE) achieved significant sustainable cost savings across its business in 2015 and further strengthened what is now one of the best balance sheets in the North American exploration and production sector. The company is planning additional measures in 2016 to help it remain financially resilient through another year of expected low crude oil and natural gas prices. These measures include reducing 2016 capital, operating and general and administrative (G&A) spending by another $400 million to $500 million.

Planned 2016 measures to maintain financial resilience

- Reduce planned capital spending by $200 million to $300 million to between $1.2 billion and $1.3 billion
- Decrease operating and G&A expenses, including workforce costs, by $200 million
- Reduce first quarter dividend by 69% to $0.05 per share

Key 2015 developments

- Exited 2015 with more than $8 billion in liquidity, including cash, cash equivalents and undrawn credit facilities, as well as a net debt to capitalization ratio of 16%
- Cut capital spending by 44% or $1.3 billion compared with 2014
- Achieved better than expected cost savings of approximately $540 million through capital, operating and G&A spending reductions
- Reduced oil sands non-fuel operating costs by 19% to $7.66/barrel (bbl) from 2014
- Reduced workforce by 24% compared with 2014 levels
- Increased 2015 proved reserves by 7% compared with 2014, while decreasing finding and development (F&D) costs by 60% to $5.31/bbl

2015 production & financial summary

(for the period ended December 31) Production (before royalties)	2015 Q4	2014 Q4	% change	2015 Full Year	2014 Full Year	% change
Oil sands (bbls/d)	**139,413**	142,213	-2	**140,320**	128,195	9
Conventional oil[1] (bbls/d)	**60,143**	73,964	-19	**66,627**	75,298	-12
Total oil (bbls/d)	**199,556**	216,177	-8	**206,947**	203,493	2
Natural gas (MMcf/d)	**424**	479	-11	**441**	488	-10
Financial ($ millions, except per share amounts)						
Cash flow[2]	**275**	401	-31	**1,691**	3,479	-51
Per share diluted	**0.33**	0.53		**2.07**	4.59	
Operating earnings[2]	**-438**	-590		**-403**	633	-164
Per share diluted	**-0.53**	-0.78		**-0.49**	0.84	
Net earnings	**-641**	-472		**618**	744	-17
Per share diluted	**-0.77**	-0.62		**0.75**	0.98	
Capital investment	**428**	786	-46	**1,714**	3,051	-44

[1] Includes natural gas liquids (NGLs).
[2] Cash flow and operating earnings are non-GAAP measures as defined in the Advisory.

In 2015, Cenovus took a number of decisive steps to improve its financial resilience and further reinforce its balance sheet. These measures have left the company in a strong position to face what it believes will be another challenging year for the energy sector with continued volatility and low commodity prices.

"By focusing on the aspects of our business that are within our control, we ended 2015 in an even stronger competitive position than we started it," said Brian Ferguson, Cenovus President & Chief Executive Officer. "We must remain focused on maintaining our financial resilience through 2016 and beyond, ensuring that we don't compromise the balance sheet strength we've worked so hard to achieve, so that we are well placed to maximize shareholder value when commodity prices improve."

Maintaining financial resilience

To help maintain its financial position for the year ahead, Cenovus is taking a number of additional steps. These include reducing planned capital spending by $200 million to $300 million compared with the company's original 2016 budget released in December. Cenovus now plans to spend between $1.2 billion and $1.3 billion, 27% less than in 2015 and 59% below 2014 levels. The company is also targeting additional operating and G&A cost savings of $200 million in 2016 to match expected activity levels.

Planned capital budget reductions for 2016 include lower spending at Cenovus's Foster Creek and Christina Lake oil sands operations, its emerging oil sands assets and the company's conventional oil business. The planned capital spending reductions are expected to have minimal impact on the company's oil sands production for 2016, which is forecast to remain within guidance, at between 144,000 barrels per day (bbls/d) net and 157,000 bbls/d net. Cenovus plans to continue focused investment in technology development to help drive potential cost efficiencies and improvements in environmental performance.

Cenovus has identified further opportunities to reduce operating and G&A expenses by prioritizing repairs and maintenance and cancelling or deferring non-essential work, including the deferral of a scheduled turnaround at Foster Creek until 2017. The company plans to continue optimizing its processes to help realize greater efficiencies and is working with its suppliers and service providers to find additional opportunities to reduce costs and increase productivity.

In 2016, Cenovus also plans to further reduce its workforce and adjust its discretionary spending and compensation programs while continuing to focus on retaining the core capabilities and expertise needed to execute on its business plan. The company is undertaking a thorough evaluation of all its staffing costs to align total compensation with the current business environment. This includes reassessing benefits, allowances and contractor rates. Cash compensation for Cenovus's President & Chief Executive Officer as well as the company's four other highest paid executives was reduced in 2015 and will be reduced further in 2016. These workforce measures are expected to account for approximately 40% of the planned $200 million in 2016 operating and G&A cost savings.

Dividend update

To help preserve Cenovus's financial resilience during this prolonged period of low oil prices, the company is reducing its dividend by 69% from the fourth quarter of 2015. For the first

quarter of 2016, the Board of Directors has declared a dividend of $0.05 per share, payable on March 31, 2016 to common shareholders of record as of March 15, 2016. Based on the February 10, 2016 closing share price on the Toronto Stock Exchange of $13.52, this represents an annualized yield of about 1.5%. Declaration of dividends is at the sole discretion of the Board and will continue to be evaluated on a quarterly basis.

"Capital discipline and balance sheet strength will remain our top priorities in this extremely challenging oil price environment," said Ferguson. "We now have some of the fiscal and regulatory clarity at the provincial level necessary to make decisions about future growth. However, we still require additional certainty around federal fiscal and regulatory regimes and sustained cost reductions at our operations before committing to restart deferred projects."

Guidance update
As a result of its planned capital, operating and G&A cost reductions for 2016, Cenovus has updated its guidance for the year. The revised guidance is available at cenovus.com under "Investors."

2015 overview

Cenovus had a strong operational year in 2015, increasing its oil sands production by 9% and growing its proved reserves by 7% compared with 2014. At the same time, the company achieved its best-ever safety performance with a total recordable injury frequency (TRIF) of 0.39, a 40% improvement from the previous year.

Balance sheet strength
With the proceeds from the sale of its royalty and fee land business in July and a bought-deal common share issuance in March, the company finished 2015 with cash and cash equivalents on its balance sheet of $4.1 billion. Including the cash on hand and $4 billion in undrawn capacity under its committed credit facility, Cenovus has approximately $8 billion in liquidity available today, with no debt maturing until the fourth quarter of 2019. At the end of 2015, the company's net debt to capitalization ratio was 16% and its net debt to adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) was 1.2 times.

In 2015, Cenovus realized substantial reductions of approximately $540 million in capital, operating and G&A costs. These cost savings were more than twice the $200 million in annual savings the company had originally targeted at the beginning of 2015. Of Cenovus's 2015 savings, approximately 60% came from operating and G&A cost improvements, while the remaining 40% came from capital cost reductions, primarily due to greater capital efficiency.

Cenovus anticipates approximately 60% of its 2015 cost savings will be sustainable over the long term. The cost reductions included savings related to improved drilling efficiency, optimized scheduling and prioritization of repair and maintenance activities as well as reduced chemical costs and better oil sands waste disposal and handling processes. About one-quarter of Cenovus's 2015 cost savings were the result of work that has been deferred.

Oil sands growth
Cenovus increased production from its Foster Creek and Christina Lake oil sands projects by 9% in 2015 while significantly reducing per-unit operating costs compared with the previous year. Lower operating costs were the result of decreased natural gas prices, an increase in production volumes and a decrease in facility and well maintenance expenses. Oil sands operating costs declined $3.37/bbl or 25% to $10.13/bbl in 2015. This included a 19% decrease in non-fuel operating costs to $7.66/bbl.

The year-over-year production increase was largely due to the ramp-up of new wells associated with phase F at Foster Creek as well as improved facility performance and the ramp-up of additional sustaining wells at Christina Lake.

With the new production capacity that's recently come on stream and more nearing completion, Cenovus believes it is well positioned for when commodity prices recover. The recently completed Christina Lake optimization project is expected to ramp up through 2016. Cenovus is now concentrating on delivering its two oil sands expansion projects that are almost complete. The Foster Creek phase G and Christina Lake phase F expansions are on track with first oil from both projects anticipated in the third quarter of 2016. Together, these two expansion projects, plus the Christina Lake optimization, are expected to add approximately 100,000 bbls/d of incremental gross production capacity (50,000 bbls/d net), an increase of about 35% to Cenovus's current oil sands production capacity.

Financial results
In 2015, the significant decrease in average benchmark commodity prices compared with 2014 resulted in a 50% decrease in Cenovus's average crude oil sales price and a 33% decline in its average natural gas sales price. This contributed to a more than 40% decrease in the company's 2015 operating cash flow to $2.4 billion. Upstream operating cash flow was down by nearly 50% to $2.1 billion.

Operating cash flow from refining and marketing grew by almost 80% to $385 million in 2015, primarily due to improved margins on the sale of secondary products such as coke and asphalt, the weakening of the Canadian dollar relative to the U.S. dollar and an increase in average market crack spreads. This was partially offset by higher heavy crude oil feedstock costs relative to the West Texas Intermediate (WTI) benchmark price and higher reported operating costs as a result of exchange rate fluctuation.

Leadership appointments
Cenovus is pleased to announce the hiring of Kieron McFadyen, who will be joining the company as Executive Vice-President & President, Upstream Oil & Gas on April 6. He will be responsible for all of Cenovus's oil sands and conventional operations. McFadyen most recently held a senior position with a major international integrated oil and gas company. A mechanical engineer by training, he has acquired an impressive breadth of experience in a number of countries and in a variety of roles over his 30-year career.

"We are delighted that Kieron will be joining us," said Ferguson. "He has a strong technical and operational background, a noteworthy track record of value creation, change leadership and stakeholder management, and will be an excellent addition to the Cenovus Leadership Team."

2015 and fourth quarter details

Oil sands

Christina Lake

- Production averaged 74,975 bbls/d net in 2015, 9% more than in 2014, due to incremental volumes from additional wells and improved performance of facilities.
- In the fourth quarter, production averaged 75,733 bbls/d net, a 3% increase from the same period in 2014.
- Operating costs were $8.01/bbl in 2015, a decline of 28% from 2014. Non-fuel operating costs were $5.81/bbl, 22% lower than in 2014.
- The steam to oil ratio (SOR), the amount of steam needed to produce a barrel of oil, was 1.7 in 2015, a slight improvement from 1.8 in 2014.
- Netbacks were $15.05/bbl in 2015, down 65% from 2014.
- In December 2015, Cenovus received regulatory approval from the Alberta Energy Regulator for phase H, a potential future expansion that would add 50,000 bbls/d of incremental gross production capacity.

Foster Creek

- Production averaged 65,345 bbls/d net in 2015, 10% higher than in 2014, due to the ramp-up of volumes from phase F and production from new wells. The gain was partially offset by the impact of a forest fire in the second quarter, which decreased production by approximately 2,600 bbls/d net on an annualized basis.
- Operating costs at Foster Creek decreased 23% to $12.60/bbl in 2015. Non-fuel operating costs were $9.80/bbl, an 18% decline from a year earlier.
- The SOR was 2.5 in 2015, an improvement from 2.6 in 2014.
- Netbacks were $11.74/bbl in 2015, a 74% decline from the previous year.
- New reservoir management techniques Cenovus has been working on over the past couple of years to improve wellbore conformance and well productivity at Foster Creek have yielded excellent results. These enhancements, which include downhole instrumentation and optimization work, as well as steam circulation start-up on new pads, have increased wellbore conformance at Foster Creek from between 70% to 75% previously to approximately 90%, similar to Christina Lake. The improved wellbore conformance has accelerated production from more mature wells, which has led to faster declines at those wells, as expected.
- Unrelated to the improved wellbore conformance, Foster Creek had a higher than average percentage of wells down for servicing at the end of 2015. Cenovus usually expects 3% to 4% of its wells to be down at any given time in a field the size of Foster Creek. Approximately 7% of producing well pairs were offline at the end of the year for a variety of reasons, including pump changes, instrumentation, testing of different completions, regular maintenance and some mechanical issues.
- In accordance with the company's strategy to focus on value-driven production, Cenovus decided in 2015 not to address well outages as quickly as it would have in a higher price environment. To preserve capital, the company also chose in 2015 to defer some planned new well pads. These decisions, combined with the faster declines due to improved wellbore conformance and well productivity, contributed to lower fourth quarter volumes of 63,680 bbls/d net, a 7% decrease from the same period in 2014.

- Cenovus expects to increase its maintenance program to return well outages to normal levels. The company plans to bring on up to seven new well pads in 2016, which is expected to increase volumes through the year. Cenovus anticipates production at Foster Creek to average between 60,000 bbls/d and 65,000 bbls/d net in the first half of 2016 and between 65,000 bbls/d and 70,000 bbls/d net in the second half of the year, exiting 2016 above 70,000 bbls/d net.
- Cenovus is focused on driving its sustaining capital and F&D costs lower. The company believes that better wellbore conformance and well productivity at both Foster Creek and Christina Lake will help reduce these costs by providing Cenovus with the potential to enhance its development strategy through the use of longer horizontal wells and wider spacing. In addition, the company expects that Wedge Well™ technology may not be required between all of its well pairs and going forward would be considered on a case-by-case basis.

Conventional oil

- Total conventional oil production decreased 12% to 66,627 bbls/d in 2015 compared with the previous year, primarily due to a deferral of capital spending, expected natural declines, the sale of non-core assets in 2014 and the divestiture of Cenovus's royalty and fee land business in 2015. The decline was partially offset by successful horizontal well performance in southern Alberta.
- In the fourth quarter, production decreased 19% to 60,143 bbls/d compared with the same period in 2014.
- Operating costs were $15.78/bbl in 2015, 15% lower than in 2014.

Natural gas

- Natural gas production averaged 441 million cubic feet per day (MMcf/d) in 2015, down 10% from 2014, primarily due to expected natural declines and the company's 2015 sale of its royalty and fee land business.
- In the fourth quarter, natural gas production declined 11% to 424 MMcf/d, compared with the final quarter of 2014.
- Operating costs fell 2% to $1.20 per thousand cubic feet (Mcf) in 2015 compared with 2014.

Downstream

- Cenovus's Wood River Refinery in Illinois and Borger Refinery in Texas, which are jointly owned with the operator, Phillips 66, had continued strong performance in 2015. This included:
  - processing a combined average of 419,000 bbls/d gross of crude oil (91% utilization), compared with 423,000 bbls/d gross in 2014
  - processing an average of 200,000 bbls/d gross of heavy oil compared with 199,000 bbls/d gross in 2014
  - producing an average of 444,000 bbls/d gross of refined products, little changed from 445,000 bbls/d gross a year earlier.
- Refinery operating results from the fourth quarter of 2015 included:
  - processing a combined average of 405,000 bbls/d gross of crude oil (88% utilization), compared with 420,000 bbls/d gross in the same period in 2014
  - processing an average of 196,000 bbls/d gross of heavy oil compared with 179,000 bbls/d gross in the year-earlier period

    - producing an average of 430,000 bbls/d gross of refined products, compared with 442,000 bbls/d gross a year earlier.
- Operating cash flow from refining and marketing was $385 million in 2015, up from $215 million the previous year. This includes a $15 million inventory write-down, compared with a write-down of $113 million in 2014. Cenovus's refining operating cash flow is calculated on a first-in, first-out (FIFO) inventory accounting basis. Using the last-in, first-out (LIFO) accounting method employed by most U.S. refiners, Cenovus's operating cash flow from refining would have been $52 million higher in 2015, compared with $101 million higher in 2014.

Financial

Corporate and financial information

- Total cash flow decreased by 51% to nearly $1.7 billion, primarily due to lower crude oil and natural gas sales prices.
- Operating cash flow was $2.4 billion in 2015, down 42% from 2014, largely due to lower crude oil and natural gas sales prices and a decline in natural gas sales volumes. The decrease was partially offset by realized risk management gains of $613 million, excluding refining and marketing, as well as lower royalties and reduced operating expenses.
- In 2015, Cenovus had capital spending of approximately $1.7 billion, nearly 70% of which was directed towards its oil sands assets. Total capital spending for the year was down 44%, or $1.3 billion, from 2014 and was approximately $150 million below the company's guidance for 2015.
- In 2015, Cenovus invested nearly $1.2 billion in its oil sands assets, 40% lower than in 2014. Investment in conventional oil and natural gas was $245 million, 71% lower than the previous year, while refining and marketing investment was $248 million, a 52% increase. The company also invested $37 million in corporate assets, a 40% decline from 2014.
- For the year, operating cash flow in excess of capital invested was $452 million from the company's conventional oil business, $293 million from natural gas and $137 million from refining and marketing. Capital investment in Cenovus's oil sands business exceeded operating cash flow by $138 million.
- In 2015 Cenovus recorded inventory write-downs and asset impairments of $404 million, compared with $779 million in 2014. The 2015 impairments included a $184 million property, plant and equipment impairment charge related to the company's conventional assets in northern Alberta. The company also recorded exploration expense of approximately $138 million for oil sands and conventional properties deemed not to be commercially viable or technically feasible as well as $66 million in inventory write-downs due to the decline in forward commodity prices.
- After investing approximately $1.7 billion in 2015, Cenovus had a free cash flow shortfall of $23 million compared with free cash flow of $428 million in 2014.
- Net income fell 17% to $618 million in 2015. The decrease was primarily due to a decline in operating earnings, unrealized foreign exchange losses on the company's U.S.-dollar denominated debt of $1.1 billion and unrealized risk management losses of $195 million compared with gains in 2014. The decrease was offset by an after-tax gain of approximately $1.9 billion from the divestiture of its royalty and fee land business and a deferred tax recovery compared with an expense in 2014.

- G&A expenses were $335 million in 2015, 12% lower than in 2014. The decrease was primarily due to workforce reductions and lower employee long-term incentive costs driven by the decline in the company's share price. Lower discretionary spending also contributed to the decrease, partially offset by severance costs of $43 million.
- At December 31, 2015, the company's net debt to capitalization ratio was 16% and net debt to adjusted EBITDA was 1.2 times. The debt to capitalization ratio was 34% and debt to adjusted EBITDA was 3.1 times. Over the long term, Cenovus continues to target a debt to capitalization ratio of between 30% and 40% and a debt to adjusted EBITDA ratio of between 1.0 and 2.0 times. The company expects these ratios may be outside of the target ranges at different points in the economic cycle.

Commodity price hedging

- Cenovus had realized after-tax hedging gains of $481 million in 2015, as the company's contract prices exceeded average benchmark prices. The company had unrealized after-tax hedging losses of $141 million in 2015.
- From mid-December 2015 through January 2016, Cenovus added 29,000 bbls/d of Brent fixed-price contracts for the first half of 2016 at an average price of US$39.48/bbl and 10,000 bbls/d of WTI fixed-price contracts for the second half of the year at an average price of US$39.02/bbl. As of January 31, 2016, the company had approximately 24% of its oil production hedged for the remainder of the year at a volume-weighted average floor price of about C$72.31/bbl.
- Including hedging, market access commitments and downstream integration largely provided by the company's two U.S. refineries, Cenovus has positioned itself to mitigate the impact of swings in the Canadian light-heavy oil price differential for more than 85% of its anticipated 2016 heavy oil production. Together, these mechanisms help to support Cenovus's financial resilience during this challenging period for the industry.

Reserves and resources

All of Cenovus's reserves and resources are evaluated each year by independent qualified reserves evaluators (IQREs).

- At year-end 2015, Cenovus had total proved reserves of approximately 2.5 billion BOE, an increase of 7%, or 167 million BOE, compared with 2014.
- Proved bitumen reserves for 2015 rose 11% compared with 2014 to approximately 2.2 billion barrels, while proved plus probable bitumen reserves remained unchanged at approximately 3.3 billion barrels. The increase in proved bitumen reserves was primarily due to Christina Lake proved reserves additions of 234 million barrels from improved reservoir performance and the regulatory approval of the Kirby East area expansion, which converted probable reserves to proved reserves.
- Bitumen best estimate economic contingent resources remained unchanged at 9.3 billion barrels compared with 2014.
- Cenovus's 2015 proved reserves F&D costs, excluding changes in future development costs, were $5.31/BOE, down 60% from $13.39/BOE in 2014, due to reduced capital spending and higher proved reserves additions in 2015. Three-year average F&D costs were $10.56/BOE, excluding changes in future development costs. The 2015 recycle ratio was 2.7 times.

- More details about Cenovus's reserves and contingent resources are available under Oil and Gas Information in the Advisory. Further information about the company's reserves is also available in Cenovus's Annual Information Form (AIF), while additional details about its resources can be found in the supplemental Statement of Contingent and Prospective Resources. These documents are available on SEDAR at sedar.com, EDGAR at sec.gov and on Cenovus's website at cenovus.com.

Recognitions

- In 2015, Cenovus was again recognized as a global leader in sustainable development through its inclusion in the Dow Jones Sustainability North America Index for the sixth consecutive year and the Dow Jones Sustainability World Index for the fourth consecutive year. The company was also listed on the CDP Canada 200 Climate Disclosure Leadership Index for the sixth consecutive year.
- Cenovus was also recently included, for the third year in a row, in the RobecoSAM Sustainability Yearbook. The publication lists the world's most sustainable companies in each industry as determined by their score in the RobecoSAM annual Corporate Sustainability Assessment, the same assessment used to create the Dow Jones Sustainability Index Series.

Conference Call Today

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

Cenovus will host a conference call today, February 11, 2016, starting at 9 a.m. MT (11 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. A live audio webcast of the conference call will also be available via cenovus.com. The webcast will be archived for approximately 90 days.

ADVISORY

FINANCIAL INFORMATION

Basis of Presentation

Cenovus reports financial results in Canadian dollars and presents production volumes on a net to Cenovus before royalties basis, unless otherwise stated. Cenovus prepares its financial statements in accordance with International Financial Reporting Standards (IFRS).

Reclassification of Employee Stock-Based Compensation Costs

Employee stock-based compensation costs previously included in operating expense have been reclassified to G&A expense to conform to the presentation adopted for the year ended December 31, 2015. As a result, for the years ended December 31, 2014 and 2013, expenses of $21 million and $16 million, respectively, were reclassified. For further information, refer to Cenovus's 2015 annual Consolidated Financial Statements and Management's Discussion and Analysis (MD&A).

Non-GAAP Measures

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

- Operating cash flow is defined as revenues, less purchased product, transportation and blending, operating expenses, production and mineral taxes plus realized gains,

less realized losses on risk management activities and is used to provide a consistent measure of the cash generating performance of the company's assets for comparability of Cenovus's underlying financial performance between periods. Items within the Corporate and Eliminations segment are excluded from the calculation of operating cash flow.

- Cash flow is defined as cash from operating activities excluding net change in other assets and liabilities and net change in non-cash working capital, both of which are defined on the Consolidated Statement of Cash Flows in Cenovus's interim and annual Consolidated Financial Statements. Cash flow is a measure commonly used in the oil and gas industry to assist in measuring a company's ability to finance its capital programs and meet its financial obligations.
- Free cash flow is defined as cash flow less capital investment.
- Operating earnings is used to provide a consistent measure of the comparability of the company's underlying financial performance between periods by removing non-operating items. Operating earnings is defined as earnings before income tax excluding gain (loss) on discontinuance, gain on bargain purchase, unrealized risk management gains (losses) on derivative instruments, unrealized foreign exchange gains (losses) on translation of U.S. dollar denominated notes issued from Canada, foreign exchange gains (losses) on settlement of intercompany transactions, gains (losses) on divestiture of assets, less income taxes on operating earnings (loss) before tax, excluding the effect of changes in statutory income tax rates and the recognition of an increase in U.S. tax basis.
- Debt to capitalization, net debt to capitalization, debt to adjusted EBITDA and net debt to adjusted EBITDA are ratios that management uses to steward the company's overall debt position as measures of the company's overall financial strength. Debt is defined as short-term borrowings and long-term debt, including the current portion. Net debt is defined as debt net of cash and cash equivalents. Capitalization is defined as debt plus shareholders' equity. Net debt to capitalization is defined as net debt divided by net debt plus shareholders' equity. Adjusted EBITDA is defined as earnings before finance costs, interest income, income tax expense, depreciation, depletion and amortization, goodwill and asset impairments, unrealized gains or losses on risk management, foreign exchange gains or losses, gains or losses on divestiture of assets and other income and loss, calculated on a trailing 12-month basis.

These measures do not have a standardized meaning as prescribed by IFRS and therefore are considered non-GAAP measures. These measures may not be comparable to similar measures presented by other issuers. 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. This information should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS. For further information, refer to Cenovus's most recent Management's Discussion and Analysis (MD&A) available at cenovus.com.

OIL AND GAS INFORMATION

The estimates of reserves and resources data and related information were prepared effective December 31, 2015 by independent qualified reserves evaluators ("IQREs"), based on the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook") and in

compliance with the requirements of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*. Estimates are presented using McDaniel & Associates Consultants Ltd. ("McDaniel") January 1, 2016 price forecast.

Resources Information

Best estimate is considered to be the best estimate of the quantity of resources that will actually be recovered. It is equally likely that the actual remaining quantities recovered will be greater or less than the best estimate. Those resources that fall within the best estimate have a 50% probability that the actual quantities recovered will equal or exceed the estimate. Contingent resources are those quantities of bitumen estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include such factors as economic, legal, environmental, political and regulatory matters or a lack of markets. It is also appropriate to classify as contingent resources the estimated discovered recoverable quantities associated with a project in the early evaluation stage. Contingent resources are further classified in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status. The McDaniel estimates of contingent resources have not been adjusted for risk based on the chance of development. There is uncertainty that it will be commercially viable to produce any portion of the contingent resources.

Economic contingent resources are those contingent resources that are currently economically recoverable based on specific forecasts of commodity prices and costs. Economic contingent resources are estimated using volumetric calculations of the in-place quantities, combined with performance from analog reservoirs. Existing SAGD projects that are producing from the McMurray-Wabiskaw formations are used as performance analogs at Foster Creek and Christina Lake. Other regional analogs are used for contingent resources estimation in the Cretaceous Grand Rapids formation at the Grand Rapids property in the Greater Pelican region, in the McMurray formation at the Telephone Lake property in the Borealis region and in the Clearwater formation in the Foster Creek region.

Contingencies which must be overcome to enable the reclassification of contingent resources as reserves can be categorized as economic, non-technical and technical. The COGE Handbook identifies non-technical contingencies as legal, environmental, political and regulatory matters or a lack of markets. Technical contingencies include available infrastructure and project justification. The outstanding contingencies applicable to our disclosed economic contingent resources do not include economic contingencies.

Our bitumen contingent resources are located in four general regions: Foster Creek, Christina Lake, Borealis and Greater Pelican. Further information with respect to contingent resources including project descriptions, significant factors relevant to the resource estimates, and contingencies which prevent the classification of contingent resources as reserves is contained in our supplemental Statement of Contingent and Prospective Resources for the year ended December 31, 2015, which is available on SEDAR at sedar.com and the company's website at cenovus.com.

Barrels of Oil Equivalent
Certain natural gas volumes have been converted to barrels of oil equivalent (BOE) on the basis of six Mcf to one bbl. 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 wellhead.

Netbacks reported in this news release are calculated as set out in the AIF. Heavy oil prices and transportation and blending costs exclude the costs of purchased condensate, which is blended with heavy oil. For 2015, the cost of condensate on a per barrel of unblended crude oil basis was as follows: Christina Lake - $27.39 and Foster Creek - $25.96.

Finding and Development Costs
Finding and development costs were calculated by dividing the sum of exploration costs and development costs in the particular period by the reserves additions (the sum of extensions and improved recovery, discoveries, technical revisions and economic factors) in that period. The aggregate of the exploration and development costs incurred in a particular period generally will not reflect total finding and development costs related to reserves additions for that period.

FORWARD-LOOKING INFORMATION
This document contains certain forward-looking statements and other information (collectively "forward-looking information") about Cenovus's current expectations, estimates and projections, made in light of the company's experience and perception of historical trends. Forward-looking information in this document is identified by words such as "anticipate", "believe", "expect", "estimate", "plan", "forecast" or "F", "future", "target", "guidance", "budget", "position", "priority", "project", "capacity", "could", "focus", "potential", "may", "strategy", "forward", "opportunity", "on track" or similar expressions and includes suggestions of future outcomes, including statements about: measures planned to help the company remain financially resilient through another year of expected low crude oil and natural gas prices; projections contained in the company's 2016 guidance; forecast operating and financial results; dividend plans and strategy; expected reserves and resources; forecast commodity prices; the strength of the company's position to face another challenging year for the energy sector with continued volatility and low commodity prices and when commodity prices recover; planned capital expenditures and reductions, and the expected impact on the company's upstream production for 2016; expectations regarding improving cost structures, forecast cost savings and the sustainability of cost savings; expected future production, including the timing, stability or growth thereof; future use and development of technology, including expected effects on environmental impact; the company's plans to continue optimizing its processes and potential to realize greater efficiencies; opportunities to further reduce costs and increase productivity, including the company's plans for further workforce reductions and adjustments to discretionary spending and compensation programs; Cenovus's priorities in the challenging commodity price environment; development strategy and related schedules; project capacities; expected future maintenance program and impacts on well outage levels; expected impacts of better wellbore conformance and well productivity, including with respect to future capital and cost structures; expectations regarding future requirements with respect to Wedge Well™ technology and potential impacts to future capital and cost structures; the company's

position to mitigate the impact of swings in the Canadian light-heavy oil price differential; and the company's financial resilience generally. Readers are cautioned not to place undue reliance on forward-looking information as the company's actual results may differ materially from those expressed or implied.

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 is based include: assumptions inherent in Cenovus's current guidance, available at cenovus.com; projected capital investment levels, the flexibility of capital spending plans and the associated source of funding; estimates of quantities of oil, bitumen, natural gas and liquids from properties and other sources not currently classified as proved; the company's ability to obtain necessary regulatory and partner approvals; the successful and timely implementation of capital projects or stages thereof; the company's ability to generate sufficient cash flow to meet its current and future obligations; and other risks and uncertainties described from time to time in the filings Cenovus makes with securities regulatory authorities.

2016 guidance (as updated on February 11, 2016), available at cenovus.com, assumes: Brent of US$52.75/bbl, WTI of US$49.00/bbl; WCS of US$34.50/bbl; NYMEX of US$2.50/MMBtu; AECO of $2.50/GJ; Chicago 3-2-1 crack spread of US$12.00/bbl; and an exchange rate of $0.75 US$/C$.

The risk factors and uncertainties that could cause Cenovus's actual results to differ materially, include: volatility of and assumptions regarding oil and natural gas prices; the effectiveness of the company's risk management program, including the impact of derivative financial instruments, the success of the company's hedging strategies and the sufficiency of its liquidity position; the accuracy of cost estimates; commodity prices, currency and interest rates; product supply and demand; market competition, including from alternative energy sources; risks inherent in the company's 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 operation of Cenovus's crude-by-rail terminal, including health, safety and environmental risks; maintaining desirable ratios of debt to adjusted EBITDA and net debt to adjusted EBITDA as well as debt to capitalization and net debt to capitalization; Cenovus's 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 and future production estimates; ability to replace and expand oil and gas reserves; the company's ability to maintain relationships with partners and to successfully manage and operate the company's integrated business; reliability of assets, including in order to meet production targets; potential disruption or unexpected technical difficulties in developing new products and manufacturing processes; the occurrence of unexpected events such as fires, severe weather conditions, explosions, blow-outs, equipment failures, transportation incidents and other accidents or similar events; 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 acceptance in the market;

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 Cenovus's business; the timing and costs of well and pipeline construction; ability to secure adequate product transportation, including sufficient pipeline, crude-by-rail, marine or other alternate transportation, including to address any gaps caused by constraints in the pipeline system; availability of, and Cenovus's ability to attract and retain, critical talent; changes in the regulatory framework in any of the locations in which Cenovus operates, including changes to the regulatory approval process and land-use designations, royalty, tax, environmental, greenhouse gas, carbon 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 Cenovus's business, its financial results and its consolidated financial statements; changes in the general economic, market and business conditions; the political and economic conditions in the countries in which Cenovus operates; the 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 the company.

Readers are cautioned that the foregoing lists are not exhaustive and are made as at the date hereof. For a full discussion of Cenovus's material risk factors, see "Risk Factors" in the company's AIF or Form 40-F for the period ended December 31, 2015, available on SEDAR at sedar.com, EDGAR at sec.gov and on Cenovus's website at cenovus.com.

TM denotes a trademark of Cenovus Energy Inc.

Cenovus Energy Inc.

Cenovus Energy Inc. is a Canadian integrated oil company. It is committed to applying fresh, progressive thinking to safely and responsibly unlock energy resources the world needs. Operations include oil sands projects in northern Alberta, which use specialized methods to drill and pump the oil to the surface, and established natural gas and oil production in Alberta and Saskatchewan. The company also has 50% ownership in two U.S. refineries. Cenovus shares trade under the symbol CVE, and are listed on the Toronto and New York stock exchanges. Its enterprise value is approximately $14 billion. For more information, visit cenovus.com.

Find Cenovus on Facebook, Twitter, LinkedIn, YouTube and Instagram.

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