



## CREATING A RESILIENT INTEGRATED ENERGY LEADER

***cenovus***  
ENERGY

(TSX: CVE) (NYSE: CVE)

 **Husky**

(TSX: HSE)

# Leadership and Governance

## Leadership

**Alex Pourbaix**



*President & CEO*

**Jeff Hart**



*EVP & CFO*

**Jon McKenzie**



*EVP & COO*

Track record of operational excellence, capital discipline, cost management and strong safety performance

Other senior executives will be selected from top talent of both companies

## Board

**Keith MacPhail**



*Independent Board Chair*

- **Board of Directors will consist of a majority of independent directors**
- **Board will initially consist of 12 directors**
  - 8 directors selected by Cenovus (1 management director and 7 independent directors)
  - 4 directors selected from Husky (must include at least 1 independent)

Note: See advisory

# Benefits of the combination

Combination creates a resilient integrated energy leader that delivers value accretion for all shareholders

## Accretive on day 1



**Accretive** to cash flow per share, free funds flow

Quarterly dividend reinstated  
**\$0.0175/share**  
(subject to Board approval)

## Synergies & Cost Structure



Annual synergies  
**\$1.2 billion**

Free funds flow WTI break-even of  
**US\$36/bbl** in 2021

**~\$600 million** in cash flow savings (including workforce optimization)

## Balanced Portfolio



Integrated across  
**value chain**

Future heavy oil  
**margin enhancement** opportunities

**High netback** Asia Pacific natural gas assets

## Credit Profile



Support for  
**investment grade** credit profile

Accelerated path to  
**<2x net debt to EBITDA** within 24 months

Combined committed credit capacity of  
**\$8.5 billion**

Note: See advisory

# Transaction summary

## Transaction

**All share** transaction

Structured as a **plan of arrangement**

Combined business valued at **\$23.6 billion**, inclusive of debt

Expected to close in **early 2021** subject to approvals

Each Husky preferred share to be exchanged for an equivalent Cenovus preferred share

## Consideration

Husky common shareholders to receive for each common share **0.7845** Cenovus shares

**0.0651** warrants to acquire a Cenovus share with a 5 year term and **\$6.54** strike price

**21% premium**<sup>(1)</sup> for Husky common shareholders

## Ownership

Pro forma equity ownership  
**61%** Cenovus  
**39%** Husky

**27%** held by Hutchison Whampoa Europe Investments S.à r.l. and L.F. Investments S.à r.l. ("Husky's Significant Shareholders")

Pro forma share count of **~2,017** million shares

## Conditions & approvals

**Unanimously approved** by each of Cenovus's and Husky's Board of Directors

Subject to Cenovus and Husky shareholder approvals, customary closing conditions and regulatory approvals

Husky's Significant Shareholders have each provided hard lock-up to vote Husky shares in favour (**~70% in total**)

Note: (1) Premium based on 5 day volume weighted average price from Oct. 19 – 23, 2020; Excludes value for warrants

# Integrated portfolio of high-quality assets

Combining high-quality, low-cost heavy oil assets with extensive midstream / downstream infrastructure

## Top-tier heavy oil assets



- FCCL – best-in-class oil sands assets with low SOR, low sustaining capital and long-life reserves
- Lloyd Thermal – repeatable, profitable development opportunities, backstopped by low decline, stable operations at Sunrise & Tucker
- Extensive resource portfolio to sustain current production at low cost for 33+ years

## Extensive midstream & downstream network



- Combined pipeline, rail, storage and refining platform enhances ability to capture margin
- Strategically located assets, including in-basin refining and upgrading complex at Lloydminster, storage / blending operations at Hardisty, and large U.S. refining footprint in PADD II & III
- Retail and commercial fuels business

## Diversified offshore production



- Long-term, contracted, high netback gas production in Asia Pacific
- Investment options including future China and Indonesia developments and West White Rose

## Attractive margin short-cycle development opportunities

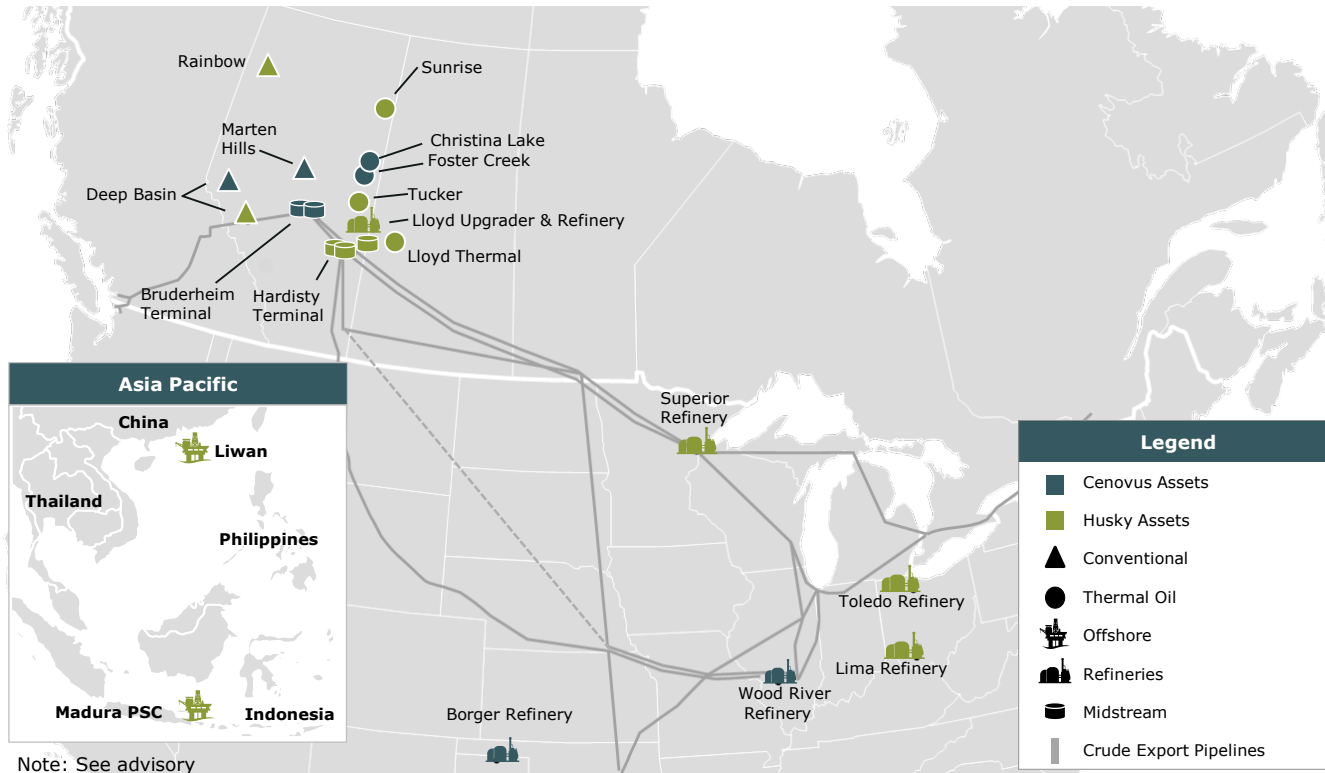


- Attractive ROIC development opportunities including liquids-rich Montney, Deep Basin gas / liquids and Marten Hills Clearwater oil
- Opportunity to high-grade investments and drive cost efficiency

Note: See advisory

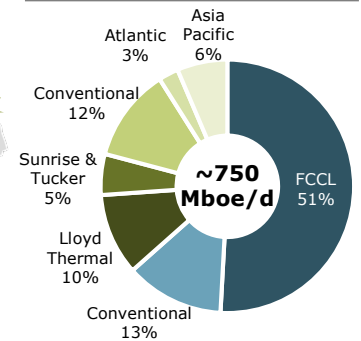
# High-quality, diverse & integrated portfolio

Complementary assets provide geographic diversification, physical integration and market access coupled with long-life 2P reserves of ~9.0 Bboe (RLI of ~33 years)

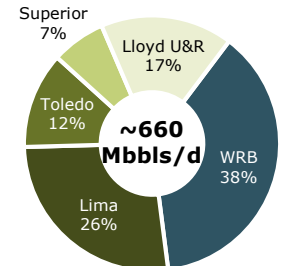


Note: See advisory

## 2020 YTD Production

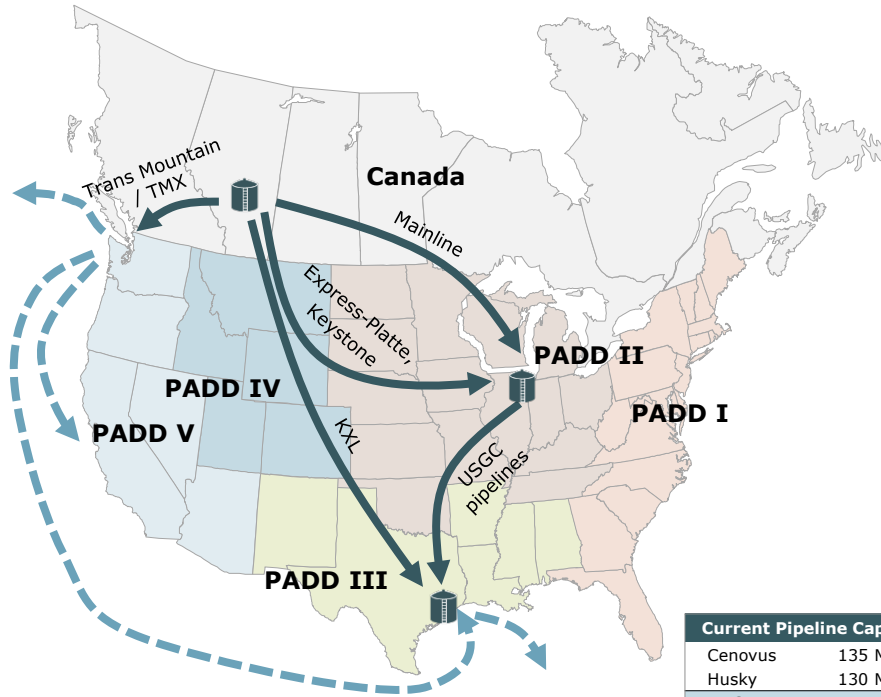


## Refining / Upgrading



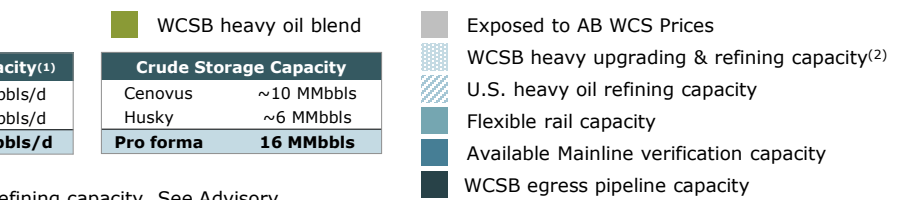
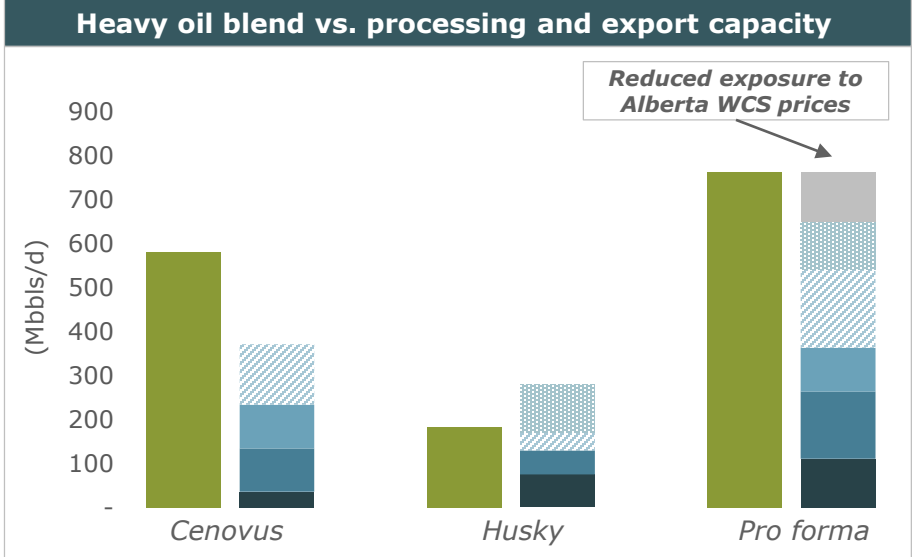
# Balanced integrated heavy oil value chain

Creates a resilient company with reduced exposure to Alberta heavy oil price differentials



Current Pipeline Capacity <sup>(1)</sup>	
Cenovus	135 Mbbls/d
Husky	130 Mbbls/d
<b>Pro forma</b>	<b>265 Mbbls/d</b>

Crude Storage Capacity	
Cenovus	~10 MMbbls
Husky	~6 MMbbls
<b>Pro forma</b>	<b>16 MMbbls</b>

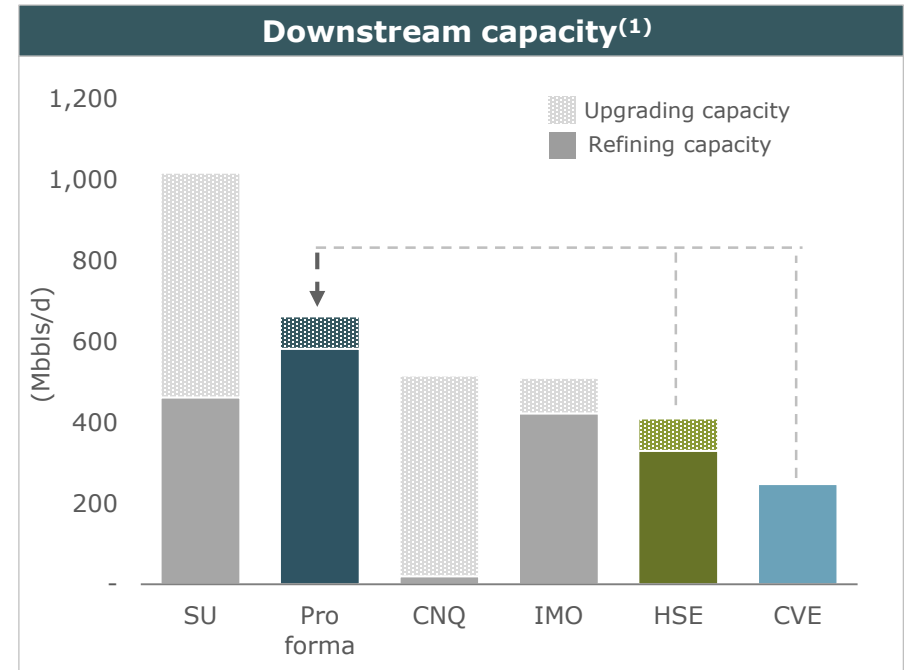
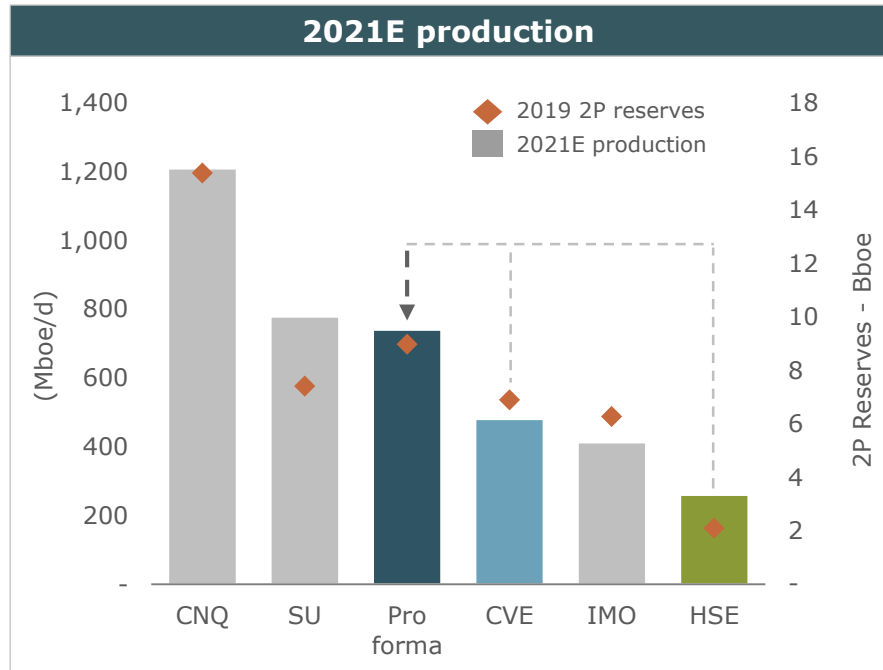


Notes: (1) Includes available Mainline verification capacity

(2) Barrels are refined and upgraded in WCSB and don't require use of pipeline or U.S. refining capacity. See Advisory

# Enhanced operating scale

Combined company will be one of the largest Canadian integrated oil and gas producers



Source: Consensus estimates and company disclosure.

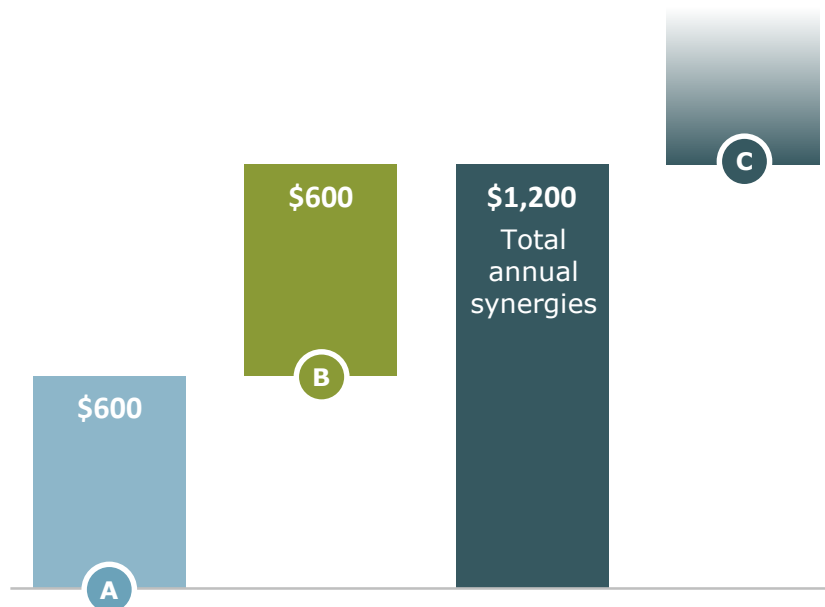
Note: (1) See advisory Downstream refining capacity includes Superior Refinery capacity (45 Mbbbls/d gross, ~25 Mbbbls/d heavy refining capacity) which is currently being re-built. See advisory



# \$1.2 billion per year in run-rate synergies

~\$900 million of the run-rate synergies expected to be achieved within first year,  
~\$600 million within the first 6 months

(\$MM per year)



Note: See advisory

## A Workforce reductions, operating & other cost synergies

- Management and corporate support
- Overlapping positions across asset teams and operations
- FCCL operating strategies applied to Husky's SAGD assets
- IT and procurement and commercial savings
- Combined Deep Basin portfolio

## B Sustaining capital allocation synergies

- Optimize sustaining capital allocation to highest quality assets without impacting volumes
- Drive down break-evens and sustaining capital requirements

## C Longer-term opportunities

(in addition to \$1.2 billion)

- Potential optimization through the physical integration between FCCL and the Lloyd complex
- Future portfolio optimization

# Lloydminster refinery & upgrading complex synergy

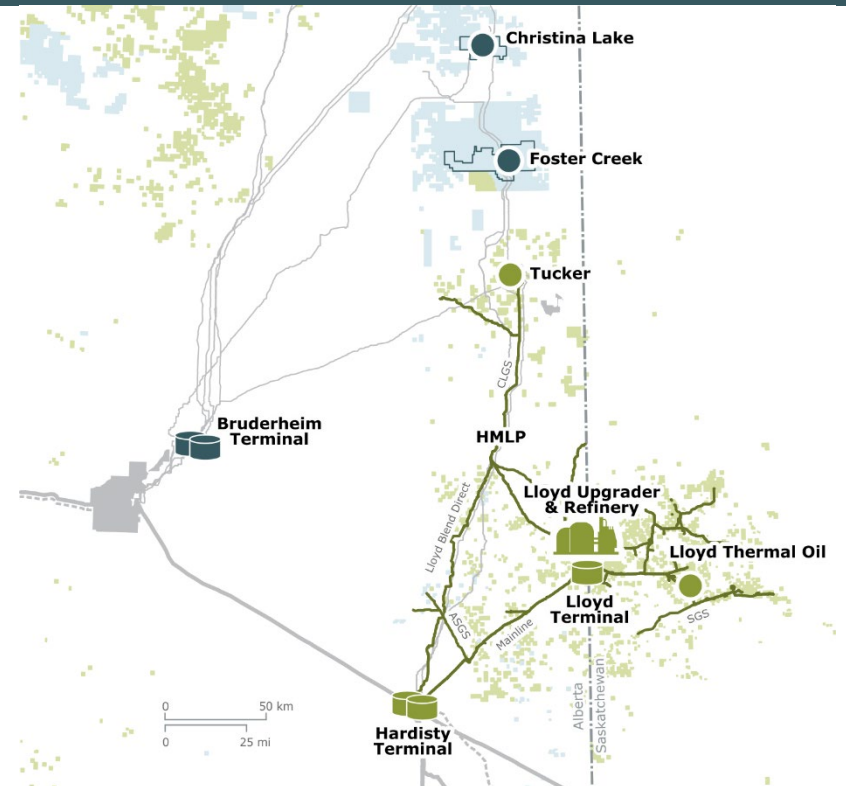
There is strong industrial logic to physically integrate FCCL's low-cost production with the Lloyd Complex, however this is **not** included in the \$600 million of cash flow synergies

## Physical integration of FCCL's low cost production with the Lloyd Complex and pipe infrastructure provides compelling potential for further synergies

- Lower priced, higher diluent feedstock via FCCL
- Reduced exposure to condensate prices and shortened value chain
- Improved capital allocation options by displacing current production feed

## Future opportunities include:

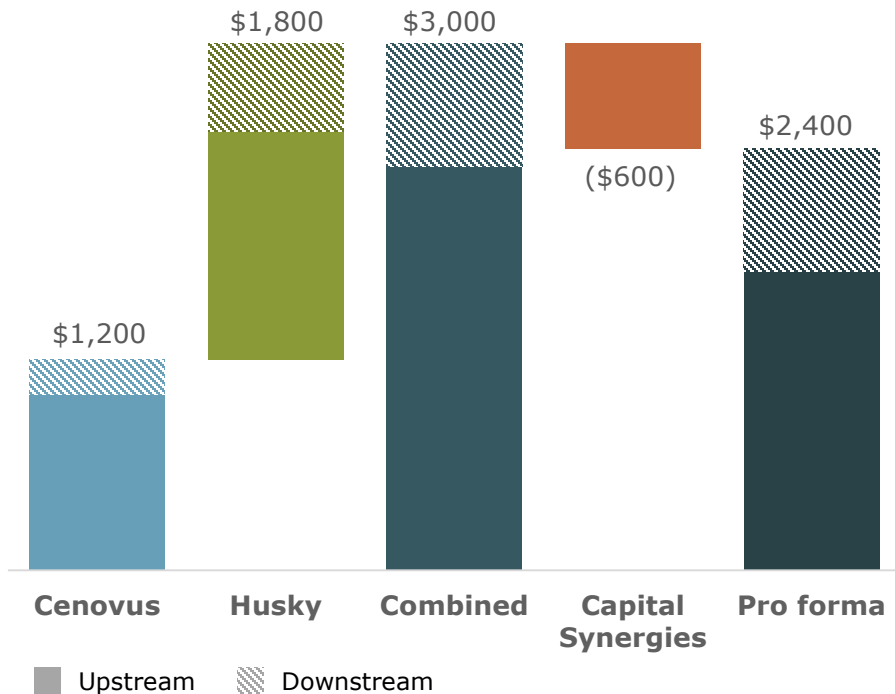
- Optimizing the complex with FCCL's crude slate to reduce the feedstock cost and maximize margin
- Expanding the complex with a diluent recovery unit, adding a second train and vacuum tower



# Efficiencies through returns-focused sustaining capital allocation

The combined company will be positioned to more efficiently allocate capital across the combined portfolio on a returns-focused basis, significantly reducing sustaining capital

(\$MM per year)



Note: See advisory

Sustaining capital requirements to be **reduced by ~20%**

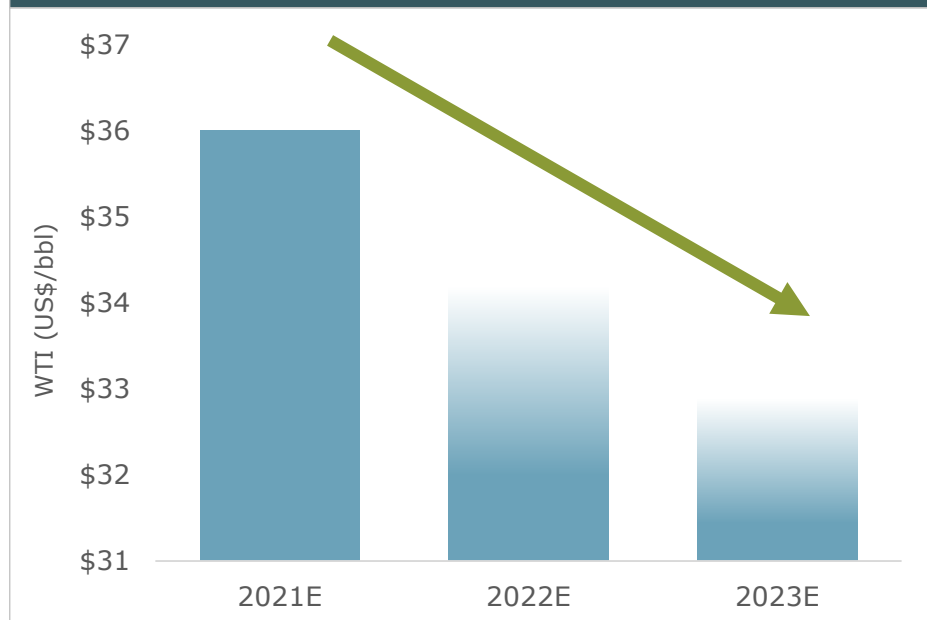
All **\$600 million of annual capital synergies** to be realized within the upstream assets, by pivoting capital to higher margin production and development opportunities

Corporate sustaining capital for both companies allocated between upstream and downstream segments

# Accretive on free funds flow break-even

Forecasted break-even reductions anticipated through 2022 from optimization of cost structure and shortening heavy oil value chain

## Illustrative free cash flow break-even

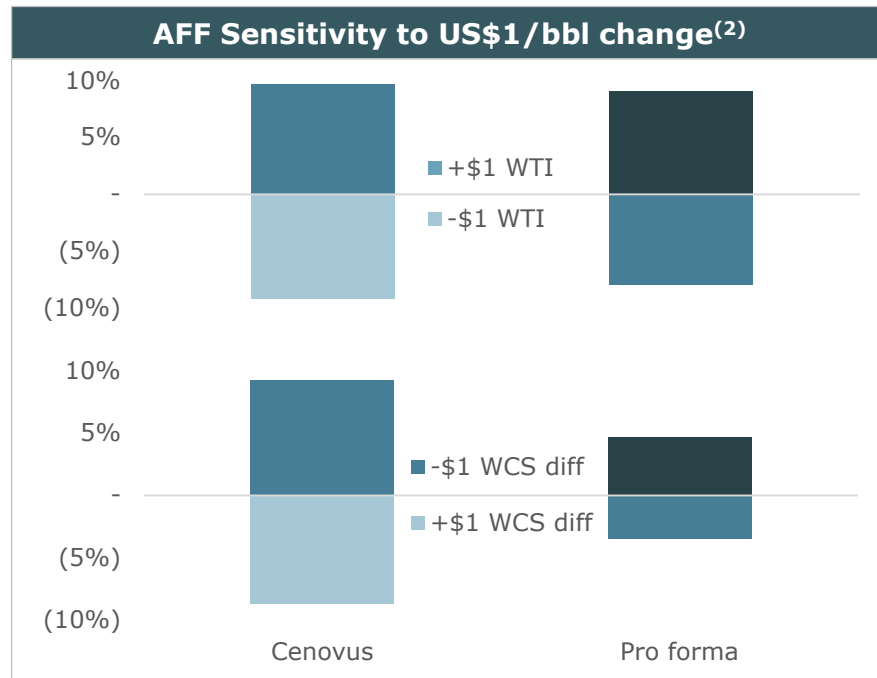
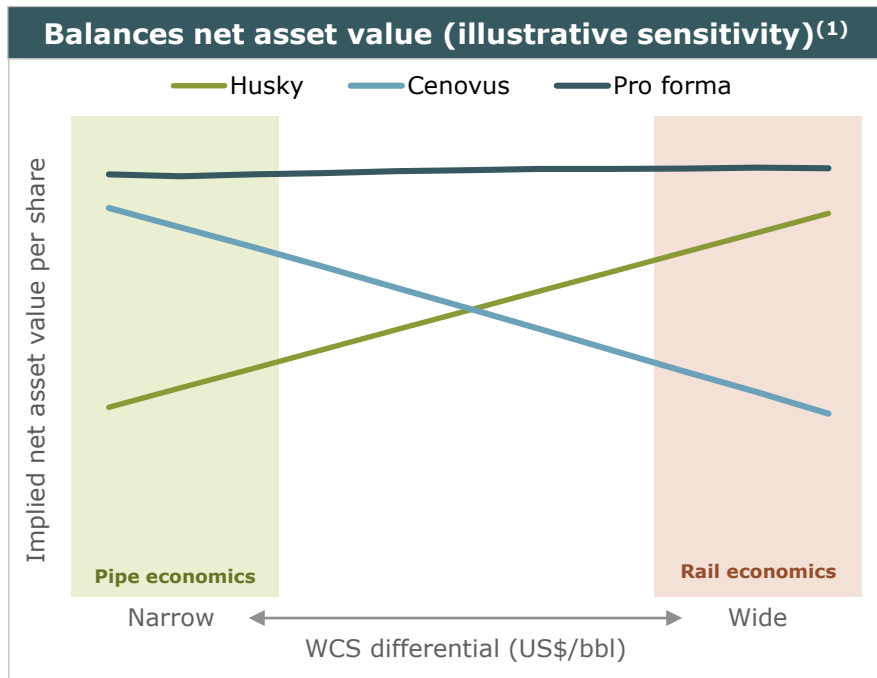


- WTI break-even lowered relative to both Cenovus and Husky through an optimized portfolio of capital allocation and synergies
- US\$36/bbl break-even combines Cenovus's low capital cost structure in FCCL assets, steady cash flows from high netback production in Asia Pacific along with combined capital and operational synergies

Note: Break-evens calculated using a US\$13.00/bbl WTI-WCS differential, US\$13.00/bbl Chicago 3-2-1 Crack, 0.69-0.75 CAD/USD exchange rate depending on WTI. Pro forma break-even excludes one-time transaction related costs. See advisory

# Combined assets provide cash flow stability

Reduced locational differential risk while maintaining healthy exposure to global pricing

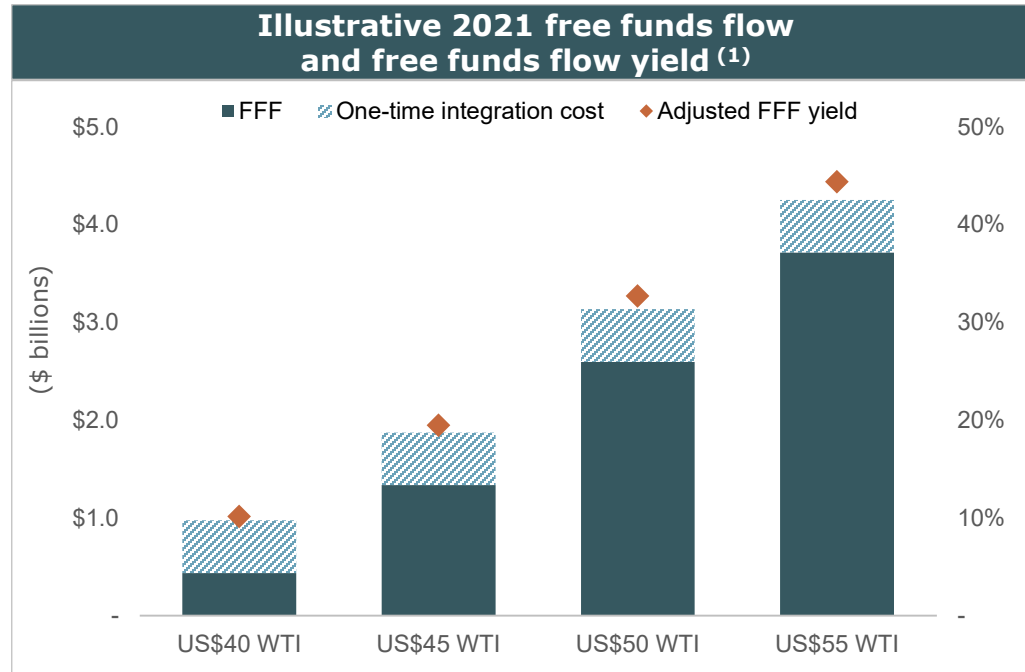


Notes: (1) Implied NAV is an indicative estimate based on assumptions of Cenovus management and does not represent a valuation/appraisal

(2) Sensitivity to adjusted funds flow. Calculations based on Aug.20, 2020 forward strip commodity price assumptions. See Advisory

# Positioned for free funds flow across the cycle

More stable revenue profile leads to more predictable funds flow relative to Cenovus standalone business



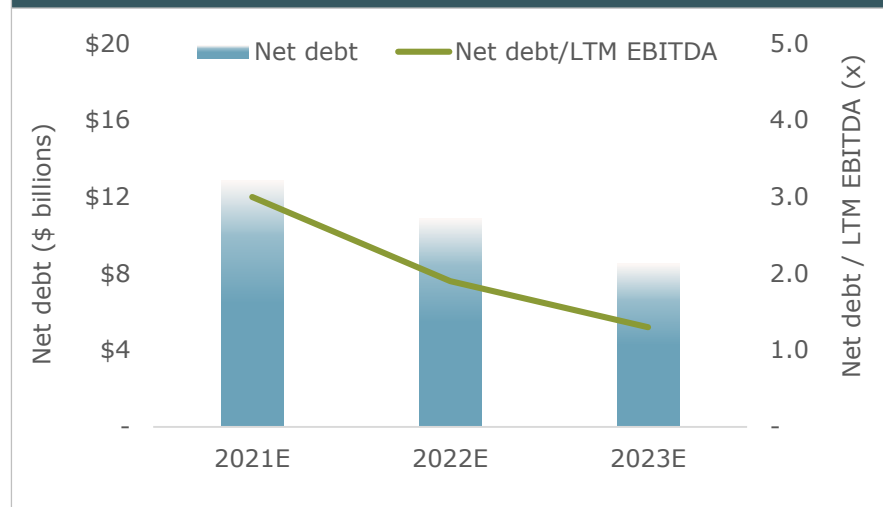
- Lower break-evens and corporate sustaining costs drive ability to generate substantial funds flow in a low price commodity environment
- Low volatility in cash flows along with best-in-class cost structure provides increased free funds flow to support dividends and continue to delever the balance sheet
- One-time integration costs of ~\$500 million expected to be largely realized in 2021

Note: (1) Illustrative 2021 free funds flow is calculated pre-dividend and assumes sustaining capital (~\$2.4 billion) and no other capital, US\$10.00/bbl WTI-WCS differential (in US\$40 WTI case), US\$13.00/bbl WTI-WCS differential (in all other WTI cases), US\$11-\$13/bbl Chicago 3-2-1 Crack, and 0.75 CAD/USD exchange rate. Adjusted free funds flow yield excludes one-time integration costs. See advisory

# Balance sheet supports investment grade credit profile

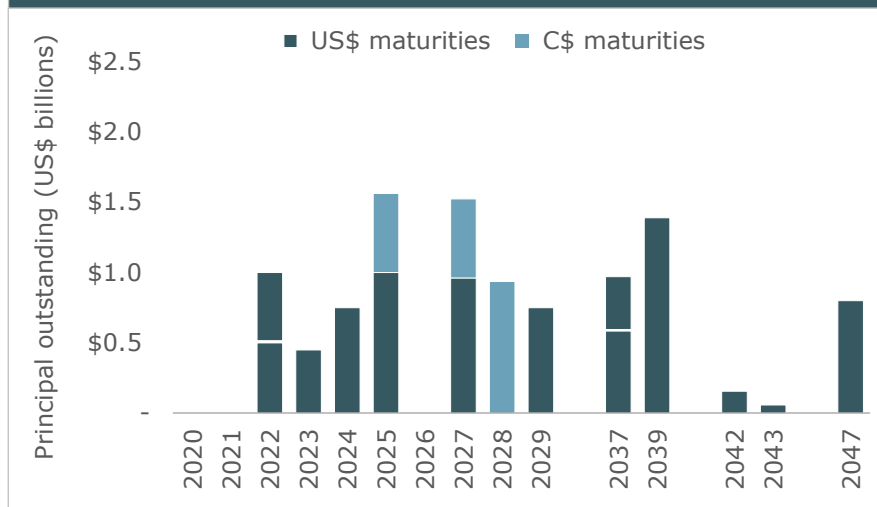
Cenovus will continue its commitment to balance sheet strength and prioritization of an investment grade credit rating

## Net debt & net debt/LTM EBITDA <sup>(1)</sup>



- At closing, the combined company will have \$8.5 billion in committed credit facilities from a broad banking syndicate

## Attractive debt maturity profile<sup>(2)</sup>



- No debt maturities until 2022
- Free cash flow profile provides opportunities in the near term to repay outstanding debt

Notes: (1) Net debt forecast based on Aug. 20, 2020 forward strip commodity price assumptions  
 (2) C\$ maturities converted to US\$ using 0.75 CAD/USD exchange rate. See Advisory

# Disciplined capital allocation priorities

Prioritize investment grade credit rating

Committed capital	Safe & reliable operations / sustaining capital ~\$2.4 billion per year
	Base dividend \$0.07/share annualized (\$0.0175/share paid quarterly)
Discretionary capital	<b>1</b> Target net debt <2x adjusted EBITDA at low commodity cycle prices
	<b>2</b> Incremental shareholder returns dividend increases / share repurchases
	<b>3</b> Reinvestment in the business focused on full-cycle earnings and returns

### Capital allocation principles

- Maintain strong balance sheet
- Support a low cost structure
- Net zero emissions by 2050
- Reinstate sustainable dividend program
- Disciplined capital allocation focused on full-cycle earnings and return of capital to shareholders

Note: See advisory



# Committed to safety and ESG leadership

Global energy supplier of choice in the transition to a lower-carbon future

## Climate & emissions reduction

Ambition of net zero emissions by 2050

## Indigenous communities

Ongoing engagement & support of economic reconciliation

## Environmental stewardship

Minimizing impact on land, wildlife & water

## Diversity & inclusion

Committed to progressing diversity & inclusion initiatives

*Executive (and non-executive) employee compensation program linked to ESG performance*

## SAFETY

Committed to best-in-industry safety practices, people safety and operational reliability

## GOVERNANCE

Robust governance framework that guides ESG integration into long-term strategy

*"Striking the right balance among environmental, economic and social considerations is central to our strategy of creating long-term value and business resilience for our company."* – ALEX POURBAIX  
CEO, CENOVUS

Note: See advisory

# Next steps

## Shareholder votes

- Husky shareholder approval required by 66⅔% of votes cast, Cenovus shareholder approval required by majority of votes cast, with voting expected to occur in December 2020
- Cenovus's Board of Directors unanimously supports the transaction and recommends that shareholders vote in favour of the arrangement
- Husky's Significant Shareholders have entered into separate irrevocable voting support agreements pursuant to which they have each committed to vote their Husky shares (in aggregate ~70% of the Husky shares) in favour of the transaction at the special meeting of Husky shareholders
- In addition to the Support Agreement, Husky's Significant Shareholders will be subject to certain standstill restrictions, voting requirements and transfer restrictions for a term of five years following completion of the transaction, pursuant to a Standstill Agreement

## Closing

- Expected to close in Q1 2021, subject to closing conditions and regulatory approvals, including court approval and the approval of shareholders of both companies

# Why own the new Cenovus going forward?

Combination creates a resilient integrated energy leader that delivers value accretion for all shareholders

## Diversification, integration & market access



Enables **margin capture** across the value chain and **funds flow stability**

**Reduced** exposure to WCS locational **differential risk**

Healthy exposure to **global pricing**

## Resilient balance sheet



Support for **investment grade** credit profile

Accelerated path to **<2x net debt to EBITDA** within 24 months

## Leading cost structure & returns focused capital allocation



Drives **free funds flow** and earnings ability **through the commodity cycle**

Low sustaining capital and free funds flow **WTI breakeven US\$36/bbl**

## Committed to shareholder returns



Reinstating base **dividend** and strong positioning for consistent growth in shareholder returns <sup>(1)</sup>

## Committed to ESG leadership



**Committed** to meaningful ESG performance targets

**Proven track record** of emissions intensity reductions

Note: (1) Subject to Board approval; See advisory

# Advisories

## ***Basis of Presentation***

All financial figures and information have been prepared in Canadian dollars (which includes references to "dollars" and "\$"), except where another currency has been indicated, and in accordance with International Financial Reporting Standards ("IFRS" or "GAAP") as issued by the International Accounting Standards Board. Production volumes are presented on a before royalties basis.

## ***Non-GAAP Measures***

Certain financial measures in this presentation do not have a standardized meaning as prescribed by IFRS, such as adjusted EBITDA, adjusted free funds flow, free funds flow, net debt and netback, 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 order to provide shareholders, potential investors and analysts with additional measures for analyzing the transaction. This additional information should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS.

Adjusted EBITDA is a non-GAAP measure defined as net earnings before finance costs, interest income, income tax expense, depreciation, depletion and amortization, exploration & evaluation write-down, goodwill impairments, asset impairments and reversals, unrealized gains (losses) on risk management, foreign exchange gains (losses), revaluation gain, re-measurement of contingent payment, gains (losses) on divestiture of assets, and other income (loss), net, calculated on a trailing twelve-month basis.

Net-debt is a non-GAAP measure defined as short-term borrowings, and the current and long-term portions of long-term debt, net of cash and cash equivalents and short-term investments. Free funds flow is a non-GAAP measure defined as adjusted funds flow less capital investment.

Adjusted funds flow is a non-GAAP 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. Adjusted funds flow is defined as cash from (used in) operating activities excluding net change in other assets and liabilities and net change in non-cash working capital. Non-cash working capital is composed of accounts receivable, inventories (excluding non-cash inventory write-downs and reversals), income tax receivable, accounts payable and income tax payable. Net change in other assets and liabilities is composed of site restoration costs and pension funding.

Netback is a non-GAAP measure commonly used in the oil and gas industry to assist in measuring operating performance on a per-unit basis. Cenovus's and Husky's netback calculation is aligned with the definition found in the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook"). Netbacks reflect the margin of Cenovus and Husky, as applicable, on a per-barrel of oil equivalent basis. Netback is defined as gross sales less royalties, transportation and blending, operating expenses and production and mineral taxes divided by sales volumes. Netbacks do not reflect non-cash write-downs or reversals of product inventory until it is realized when the product is sold. The sales price, transportation and blending costs, and sales volumes exclude the impact of purchased condensate. Condensate is blended with the heavy oil to transport it to market.

## ***Barrels of Oil Equivalent***

Natural gas volumes have been converted to barrels of oil equivalent ("BOE") on the basis of six Mcf to one barrel ("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. Given that the value ratio based on the current price of crude oil compared with natural gas is significantly different from the energy equivalency conversion ratio of 6:1, utilizing a conversion on a 6:1 basis is not an accurate reflection of value.

# Advisories

## **Note Regarding Forward-Looking Information**

This presentation contains certain forward-looking statements and forward-looking information (collectively referred to as "forward-looking information") within the meaning of applicable securities legislation, including the *U.S. Private Securities Litigation Reform Act of 1995*, about Cenovus's and Husky's current expectations, estimates and projections about the future, based on certain assumptions made in light of experiences and perceptions of historical trends. Although Cenovus and Husky believe that the expectations represented by such forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct.

This forward-looking information is identified by words such as "aim", "anticipate", "believe", "can be", "capacity", "committed", "commitment", "continue", "could", "drive", "E", "enhance", "ensure", "estimate", "expect", "F", "focus", "forecast", "forward", "future", "guidance", "maintain", "may", "objective", "opportunities", "outlook", "plan", "position", "potential", "priority", "re-establishing", "strategy", "should", "target", "will", or similar expressions and includes suggestions of future outcomes, including statements about: the timing and completion of the plan of arrangement and the acquisition of all issued and outstanding Husky common shares and Husky preferred shares, if applicable; the timing and anticipated receipt of required regulatory, court and securityholder approvals for the transaction and other customary closing conditions; Cenovus's ability to issue securities pursuant to the transaction; anticipated share ownership of the combined company following the transaction; the anticipated benefits of the transaction, including corporate, operational and other synergies and the timing thereof; the ability to integrate the businesses of Cenovus and Husky, anticipated margins and reductions to free funds flow break-even at WTI, excluding one-time transaction related costs; expected free funds flow; planned capital allocation; anticipated savings and the sustainability and timing thereof; the expected exposure to WCS oil prices, Alberta and global commodity prices and anticipated sensitivity to commodity price fluctuations; the anticipated effect of the transaction on the profitability, liquidity and cost structure of the combined company; anticipated free funds flow generation and stability; expectations of the combined company's deleveraging capability; the anticipated reserves of the combined company; the expected credit profile and credit ratings; expectations of the combined company's ability to pay dividends, subject to board approval, and any increases thereto; the anticipated safety and reliability of the operations of the combined company; the relative size of the combined company; the expected benefits of the midstream gathering, upgrading, refining and transportation network and assets, including high netback international offshore natural gas assets, to be acquired by Cenovus and the quality and efficiencies thereof; expected pro forma financial and operational projections for 2021 and future years and plans and strategies to realize such projections; the expected development and growth of the combined company's business and plans and strategies to realize such expectations; the combined company's net-debt-to-Adjusted-EBITDA ratio; the combined company's credit facilities; the planned commitments to clean technology, emission intensity reductions, Indigenous engagement, environmental stewardship and diversity; expectations of future production and the timing, stability and growth thereof; anticipated transportation, processing and refining capacities; anticipated priorities for 2020 and future years; anticipated market access; the expected ability to implement the necessary operating expertise; ambition of net zero emissions by 2050; the composition of the combined company's board of directors and management following closing of the transaction; and the projected shareholder returns. You are cautioned not to place undue reliance on forward-looking information as the combined company's actual results may differ materially from those expressed or implied.

# Advisories

## *Note Regarding Forward-Looking Information (continued)*

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, Husky and the combined company and others that apply to the industry generally. The factors or assumptions on which the forward-looking information is based include, but are not limited to: the satisfaction of the conditions to closing of the transaction in a timely manner and complete the arrangement on the expected terms; the combined company's ability to successfully integrate the businesses of Cenovus and Husky; accretive to shareholders in the first year of the combination excluding one-time costs of the transaction; access to sufficient capital to pursue any development plans associated with full ownership of Husky; the combined company's ability to issue securities; the impacts the transaction may have on the current credit ratings of Cenovus and Husky and the credit rating of the combined company following closing; forecast commodity prices, light-heavy crude oil price differentials and other assumptions identified in the 2020 guidance of Cenovus; the potential further ramp down for forecast production volumes based on business and market conditions; projected capital investment levels, the flexibility of capital spending plans and associated sources of funding; achievement of further cost reductions and sustainability thereof; applicable royalty regimes, including expected royalty rates; future improvements in availability of product transportation capacity; the ability of underlying pricing fundamentals to support the continuation of crude-by-rail programs; changes in transportation costs following suspension of crude-by-rail programs; increases to the combined company's share price and market capitalization over the long term; opportunity for the combined company to pay dividends, and the approval and declaration of such dividends by the board of the combined company; opportunities to repurchase shares for cancellation at prices acceptable to the combined company; funds flows, cash balances on hand and access to credit and demand facilities being sufficient to fund capital investments; foreign exchange rate, including with respect to the combined company's US\$ debt and refining capital and operating expenses; realization of expected capacity to store within oil sands reservoirs barrels not yet produced, including that the combined company will be able to time production and sales of its inventory at later dates when demand has increased, pipeline and/or storage capacity has improved and crude oil differentials have narrowed; the Government of Alberta's mandatory production curtailment continuing to narrow the differential between WTI and WCS crude oil prices thereby positively impacting funds flows for the combined company; the WTI-WCS differential in Alberta remaining largely tied to the extent to which voluntary economically driven supply cuts are made, production curtailments in Alberta remain in place, the potential start-up of the Enbridge Inc.'s Line 3 Replacement Program, the completion of Trans Mountain Expansion and Keystone XL projects, and the level of crude-by-rail activity; the ability of the combined company's refining capacity, dynamic storage, existing pipeline commitments and financial hedge transactions to partially mitigate a portion of the combined company's WCS crude oil volumes against wider differentials; estimates of quantities of oil, bitumen, natural gas and liquids from properties and other sources not currently classified as proved; accounting estimates and judgments; future use and development of technology and associated expected future results; the combined company's ability to obtain necessary regulatory and partner approvals; the successful and timely implementation of capital projects or stages thereof; the ability to generate sufficient funds flow to meet current and future obligations; estimated abandonment and reclamation costs, including associated levies and regulations applicable thereto; the combined company's ability to obtain and retain qualified staff and equipment in a timely and cost-efficient manner; the combined company's ability to carry out transactions on the desired terms and within the expected timelines; forecast inflation and other assumptions inherent in the current guidance of Cenovus and Husky; expected impacts of the contingent payment to ConocoPhillips; alignment of realized WCS and WCS prices used to calculate the contingent payment to ConocoPhillips; the combined company's ability to reach net zero emissions by 2050; the combined company's ability to access and implement all technology necessary to efficiently and effectively operate its assets; and other risks and uncertainties described from time to time in the filings made by Cenovus and Husky with securities regulatory authorities.

# Advisories

## *Note Regarding Forward-Looking Information (continued)*

The forward-looking information in this presentation also includes financial outlooks and other forward-looking metrics (including production, financial and oil and gas related metrics) relating to Cenovus, Husky, the combined company and the transaction, including: the expectations of Cenovus and Husky regarding the impact of the transaction on free funds flow breakeven at WTI, net-debt-to-adjusted-EBITDA, deleveraging capability, the projected capital expenditures of combined company, sustaining capital, undrawn committed credit facilities, general and administrative costs, expenses per BOE and operating costs.

Our forecast for the combined company reaching a net-debt-to-adjusted-EBITDA ratio of less than 2x in 2022 is based on August 20, 2020 forward strip commodity pricing, set out in the below table:

<b>Year</b>	<b>WTI</b>	<b>WTI-WCS differential</b>	<b>Chicago 3-2-1 Crack</b>	<b>CAD/USD exchange rate</b>
2021	US\$45.00/bbl	US\$14.75/bbl	US\$10.15/bbl	0.75 CAD/USD
2022	US\$46.00/bbl	US\$15.00/bbl	US\$11.50/bbl	0.75 CAD/USD
2023	US\$47.00/bbl	US\$13.50/bbl	US\$13.50/bbl	0.75 CAD/USD

The risk factors and uncertainties that could cause actual results to differ materially from the anticipated results or expectations expressed in this presentation, include: the completion and the timing of the transaction; the ability of the Cenovus and Husky to receive, in a timely manner, the necessary regulatory, court, securityholder, stock exchange and other third-party approvals; the ability of Cenovus and Husky to satisfy, in a timely manner, the other conditions to the closing of the transaction; interloper risk; the ability to complete the transaction on the terms contemplated by the arrangement agreement between Cenovus and Husky, and other agreements, including the Support Agreements or at all; the ability of the combined company to realize the anticipated benefits of, and synergies from, the transaction and the timing thereof; failure to achieve and sustain future cost reductions; the timing of the commencement and completion of construction activities, first production and sales, if at all; the impacts of a changing risk profile and possible subjection to a credit rating review, which may result in a downgrade or negative outlook being assigned to the combined company; the ability of the combined company to pay dividends and the approval and declaration of such dividends by the board of the combined company; the potential exposure to political, economic or social instability related to Husky's international operations; the consequences of not completing the transaction, including the volatility of the share prices of Cenovus and Husky, negative reactions from the investment community and the required payment of certain costs related to the transaction; actions taken by government entities or others seeking to prevent or alter the terms of the transaction; potential undisclosed liabilities unidentified during the due diligence process; the accuracy of the pro forma financial information of the combined company after the transaction; the interpretation of the transaction by tax authorities; the success of business integration; the focus of management's time and attention on the transaction and other disruptions arising from the transaction; the ability to access or implement some or all of the technology necessary to efficiently and effectively operate the assets and achieve expected future results; volatility of and other assumptions regarding commodity prices;

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## *Note Regarding Forward-Looking Information (continued)*

the duration of the market downturn; a resurgence in cases of COVID-19, which has occurred in certain locations and the possibility of which in other locations remains high and creates ongoing uncertainty that could result in restrictions to contain the virus being re-imposed or imposed on a more strict basis, including restrictions on movement and businesses; the extent to which COVID-19 impacts the global economy and harms commodity prices; the extent to which COVID-19 and fluctuations in commodity prices associated with COVID-19 impacts the business, results of operations and financial condition, all of which will depend on future developments that are highly uncertain and difficult to predict, including, but not limited to the duration and spread of the pandemic, its severity, the actions taken to contain COVID-19 or treat its impact and how quickly economic activity normalizes; the success of new COVID-19 workplace policies and the ability of people to return to workplaces; continued liquidity being sufficient to sustain operations through a prolonged market downturn; WTI-WCS differential in Alberta does not remain largely tied to the extent to which voluntary economically driven supply cuts are made, production curtailments in Alberta remain in place, the potential start-up of Enbridge Inc.'s Line 3 Replacement Program, the completion of the Trans Mountain Expansion and Keystone XL projects, and the level of crude-by-rail activity; the ability to achieve lower transportation costs as a result of temporarily suspending the crude-by-rail program; the ability to realize the expected impacts of the capacity to store within oil sands reservoirs barrels not yet produced, including possible inability to time production and sales at later dates when pipeline and/or storage capacity and crude oil differentials have improved; failure of the Government of Alberta's mandatory production curtailment to cause the differential between the WTI and the WCS crude oil prices to narrow or to narrow sufficiently to positively impact funds flows; unexpected consequences related to the Government of Alberta's mandatory production curtailment; the Government of Alberta may extend mandatory production curtailment beyond when takeaway capacity constraints have been sufficiently relieved; the effectiveness of risk management programs, including the impact of derivative financial instruments, the success of hedging strategies and the sufficiency of liquidity positions; the accuracy of cost estimates regarding commodity prices, currency and interest rates; lack of alignment of realized WCS prices and WCS prices used to calculate Cenovus's contingent payment to ConocoPhillips; product supply and demand; accuracy of share price and market capitalization assumptions; market competition, including from alternative energy sources; risks inherent in 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 the operation of crude-by-rail terminal, including health, safety and environmental risks; the ability to maintain desirable ratios of net-debt-to-adjusted-EBITDA as well as net debt to capitalization; the ability to access various sources of debt and equity capital, generally, and on acceptable terms; the ability to finance growth and sustaining capital expenditures; changes in credit ratings applicable to the parties or any of their securities; changes to dividend plans; the ability to utilize tax losses in the future; accuracy of reserves, future production and future net revenue estimates; accuracy of accounting estimates and judgements; the ability to replace and expand oil and gas reserves; potential requirements under applicable accounting standards for impairment or reversal of estimated recoverable amounts of some or all of assets or goodwill from time to time; the ability to maintain relationships with partners and to successfully manage and operate integrated businesses; 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, pandemics, explosions, blow-outs, equipment failures, transportation incidents and other accidents or similar events; refining and marketing margins; cost escalations, including inflationary pressures on operating costs, including labour, materials, natural gas and other energy sources used in oil sands processes and increased insurance deductibles or premiums; potential failure of products to achieve or maintain acceptance in the market; risks associated with fossil fuel industry reputation and litigation related thereto; unexpected cost increases or technical difficulties in constructing or modifying manufacturing or refining facilities;



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## *Note Regarding Forward-Looking Information (continued)*

unexpected difficulties in producing, transporting or refining of bitumen and/or crude oil into petroleum and chemical products; risks associated with technology and equipment, including potential cyberattacks; risks associated with climate change and assumptions relating thereto; the ability to reach net zero emissions by 2050; the timing and the costs of well and pipeline construction; the ability to secure adequate and cost effective product transportation including sufficient pipeline, crude-by-rail, marine or alternate transportation, including to address any gaps caused by constraints in the pipeline system or storage capacity; availability of, and the ability to attract and retain, critical talent; possible failure to obtain and retain qualified staff and equipment in a timely and cost efficient manner; changes in labour relationships; changes in the regulatory framework in any of the locations in which Cenovus or Husky operate, including changes to the regulatory approval process and land-use designations, royalty, tax, environmental, greenhouse gas, carbon, climate change 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; changes in general economic, market and business conditions; the impact of production agreements among OPEC and non-OPEC members; the political and economic conditions in the countries in which Cenovus and Husky operate or supply; the occurrence of unexpected events such as pandemics, war, terrorist threats and the instability resulting therefrom; and risks associated with existing and potential future lawsuits, shareholder proposals and regulatory actions.

Statements relating to "reserves" and "resources" are deemed to be forward-looking information, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves and resources described exist in the quantities predicted or estimated, and can be profitably produced in the future.

You are cautioned that the foregoing lists of factors are not exhaustive. Events or circumstances could cause the combined company's actual results to differ materially from those estimated or projected and expressed in, or implied by, the forward-looking information. You should carefully consider the risk factors discussed in each of Cenovus's and Husky's management's discussion and analysis and annual information form for the year ended December 31, 2019 and management's discussion and analysis for the three months ended June 30, 2020. The information contained on Cenovus's website is not incorporated by reference into this presentation. The reference to Cenovus's website is intended to be an inactive textual reference.

You should not place undue reliance on the forward-looking information contained in this presentation, as actual results achieved will vary from the forward-looking information provided herein and the variations may be material. Cenovus and Husky make no representation that actual results achieved will be the same in whole or in part as those set out in the forward-looking information. Furthermore, the forward-looking information contained in this presentation is made as of the date of this presentation. The purpose of the financial outlook in this presentation is to provide management's expectations of the effects of the transaction. Except as required by applicable securities law, Cenovus and Husky undertake no obligation to update publicly or otherwise revise any forward-looking information or the foregoing list of factors affecting those statements, whether as a result of new information, future events or otherwise or the foregoing lists of factors affecting this information.

This cautionary statement qualifies all forward-looking information contained in this presentation. The prospective financial information included in this presentation has been prepared by, and is the responsibility of management of Cenovus and Husky.

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## *Oil and Gas Information*

The estimates of reserves of Cenovus were prepared effective December 31, 2019 by independent qualified reserves evaluators, based on the COGE Handbook and in compliance with the requirements of National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activity ("NI 51-101"). Estimates are presented using an average of three IQRs January 1, 2020 price forecasts.

The estimates of reserves of Husky were prepared effective December 31, 2019 by internal qualified reserves evaluators in accordance with the COGE Handbook, were audited and reviewed by Sproule Associates Limited, an independent qualified reserves auditor, and represent the Company's working interest share. Historical Husky production volumes provided are gross, which represents Husky's working interest share before deduction of royalties.

Readers are cautioned that the term proved reserves life index may be misleading, particularly if used in isolation. This measure is used for consistency with other oil and gas companies and does not reflect the actual life of the reserves.

For additional information about the reserves of Cenovus and Husky and other oil and gas information, see "Reserves Data and Other Oil and Gas Information" and "Statement of Reserves Data and Other Oil and Gas Information" in Cenovus's and Husky's annual information forms for the year ending December 31, 2019, respectively.

The U.S. Securities and Exchange Commission (the "SEC") definitions of proved and probable reserves are different from the definitions contained in NI 51-101; therefore, proved and probable reserves disclosed herein may not be comparable to U.S. standards. The SEC requires U.S. oil and gas reporting companies, in their filings with the SEC, to disclose only proved reserves after the deduction of royalties and production due to others, but permits the optional disclosure of probable and possible reserves.



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