Cenovus Energy Inc.

Fostering Transparency – Cenovus 2022 ESTMA Annual Report (unaudited)

For the Year Ended December 31, 2022

(Canadian Dollars)

INTRODUCTION

On June 1, 2015, the *Extractive Sector Transparency Measures Act* ("ESTMA" or "the Act") was brought into force by the Canadian government. The Act requires companies in the business of the commercial development of crude oil, natural gas and minerals to publicly disclose, on an annual basis, specific payments made to all governments in Canada and abroad. The Act is one of the ways Canada is delivering on its international commitment to contribute to global efforts to increase transparency and deter corruption in the extractive sector.

This report provides an overview of the payments made to governments by Cenovus Energy Inc., its subsidiaries and partnerships (together "Cenovus" or the "Company") involved in the commercial development of crude oil and natural gas for the year ended December 31, 2022.

BASIS FOR PREPARATION

Legislation

This report is prepared in accordance with the Act and the ESTMA Technical Specifications. In addition, the ESTMA Guidance document published by NRCan has been considered in Cenovus's interpretation of the Act.

Reporting Entities and Operatorship

Cenovus has registered its subsidiaries and partnerships in the business of the commercial development of crude oil and natural gas with NRCan, but has chosen to report as a consolidated group.

Cenovus is engaged in various joint venture agreements with other crude oil and natural gas producers. Each joint venture agreement identifies the operator of the joint venture as the party responsible for administering any obligations to a government and as such, where Cenovus is the operator, the full amount paid is disclosed in this report.

During 2022, Cenovus acquired the remaining 50 percent interest in Sunrise.

Activities

Payments made by Cenovus to governments arising from the commercial development of crude oil and natural gas are disclosed in this report. The commercial development of crude oil and natural gas means:

- The exploration or extraction of crude oil, natural gas liquids or natural gas.
- The acquisition or holding of a permit, license, lease or any other authorization to carry out exploration or extraction of crude oil or natural gas.

Commercial development includes activities such as prospecting and exploring for crude oil and natural gas and encompasses the abandonment and reclamation of sites. Commercial development is not intended to extend to ancillary or preparatory activities such as manufacturing equipment or the construction of extraction sites. In addition, post-extraction activities such as refining or processing as well as marketing and transporting are generally excluded. For example, business taxes associated with the Company's Calgary office space has been excluded as it does not relate to commercial development activities.

Payee

A payee includes any government in Canada or in a foreign state; a body that is established by two or more governments; any trust, board, commission, corporation or body or authority that is established to exercise or perform, or that exercises and performs a power, duty or function of government for a government referred to above. This could include any Indigenous group or organization that exercises or performs the power, duty or function of government.

Project

Payments are reported at the project level unless a payment is not attributable to a specific project in which case it is reported at the corporate level. A project means operational activities that are governed by a single contract, license, lease, concession or similar legal agreement that forms the basis for payment obligations with a government. Nonetheless, if a given geographical area or geological formation is managed and operated through multiple agreements, the area will be considered to be substantially interconnected, and will be treated as a single project.

All of Cenovus's crude oil and natural gas reserves and production are located in Canada within the provinces of British Columbia, Alberta, Saskatchewan, and Newfoundland and Labrador and the Asia Pacific regions, in China and Indonesia. Our upstream operations include oil sands projects in northern Alberta, thermal and conventional crude oil, natural gas and natural gas liquids

("NGLs") projects across Western Canada, crude oil production offshore Newfoundland and Labrador and natural gas and NGLs production offshore China and Indonesia.

Projects within Cenovus's Oil Sands segment have been determined based on its Oil Sands Royalty ("OSR") projects approved by the Government of Alberta and Saskatchewan. Projects within the Conventional segment are based on their geographic proximity, consistent with how they are operated and managed. Royalty rates in China and Indonesia are governed by production sharing contracts in which production is shared with the Chinese and Indonesian governments. Royalties at the White Rose field are based on an agreement between our working interest partners and the Government of Newfoundland and Labrador.

In some cases, very early stage oil sands projects that have not yet been assigned an OSR and for which payments are immaterial have been aggregated with another project in close geographic proximity.

Payments

The information is reported under the following payment categories:

- Taxes
- Royalties
- Fees
- Production entitlements
- Bonuses
- Dividends
- Infrastructure improvement payments

For each payee, if payments for the year are less than $100,000, the payments are excluded from this report. Payments are reported on a cash accounting basis. In-kind payments are included in the report and valued at fair market value based on Cenovus's realized sale price. Payments made in United States Dollars ("USD"), Indonesian Rupiah ("IDR") and Chinese Yuan ("RMB") are translated into Canadian dollars using the prevailing exchange rate at the time of payment. The average exchange rate for the period was $0.769 USD, 11,412 IDR and 5.173 RMB per Canadian dollar. Payments on the report filed with NRCan have been rounded to the nearest $10 thousand.

SUMMARY REPORT – BY PAYEE

($ thousands)

Payee	Taxes	Royalties	Fees	Production Entitlement	Bonuses	Dividends	Infra-structure Payments	Total
The Province of Alberta	23,940	4,459,890	51,880					**4,535,710**
The Province of Saskatchewan	64,680	353,150	1,850					**419,680**
Federal Government of China	289,230	84,800	8,410					**382,440**
Federal Government of Canada	182,250	16,920	900					**200,070**
Municipality of Wood Buffalo	26,100							**26,100**
Town of Bonnyville	17,930							**17,930**
The Province of British Columbia	1,280	8,630	3,950					**13,860**
The Province of Newfoundland and Labrador			9,380					**9,380**
Municipality of Frenchman Butte	8,100		10					**8,110**
Rural Municipality of Turtle River	6,940							**6,940**
Rural Municipality of Eldon	5,970		410					**6,380**
County of Grande Prairie	5,890		40					**5,930**
Yellowhead County	5,930							**5,930**
Rural Municipality of Britannia	5,490							**5,490**
County of Vermilion River	5,280		20					**5,300**
Municipal District of Greenview	4,770		10					**4,780**
Mackenzie County	3,720							**3,720**
Municipal District of Wainwright	3,000							**3,000**
Conklin Metis			180		750		2,000	**2,930**
Rural Municipality of Mervin	2,660		30					**2,690**
Heart Lake First Nation			80		320		2,000	**2,400**
Clearwater County	2,360							**2,360**
Rural Municipality of Wilton	2,240		10					**2,250**
Chipewyan Prairie First Nation			100		90		2,000	**2,190**
Rural Municipality of Paynton	1,740		10					**1,750**
Athabasca Chipewyan First Nation			1,020		360			**1,380**
Beaver Lake Cree Nation			80		300		1,000	**1,380**
Municipal District of Opportunity	1,100		20					**1,120**
Municipality of Manitou Lake	1,080							**1,080**
Municipal District of Brazeau	1,050							**1,050**
Mikisew Cree First Nation			660		330			**990**
Fort McKay First Nation			310		680			**990**
Municipal District of Provost	940							**940**
Rural Municipality of Hillsdale	910							**910**
Chard Metis Nation			80		10		750	**840**
Cold Lake First Nation			200		580			**780**
Town of Minnedosa	530							**530**
Fort McMurray First Nation			260		250			**510**
Rural Municipality of Senlac	500							**500**
Lacombe County	480							**480**
Red Deer County	410							**410**
Lac La Biche County	400							**400**
County of Wetaskiwin	360							**360**
Fort McKay Metis Nation			150		200			**350**
County of Two Hills	330							**330**
Woodlands County	310							**310**
McMurray Metis Local 1935			140		140			**280**
Saulteaux First Nation					210			**210**
County of St Paul	210							**210**
Moosomin First Nation					200			**200**
Fort Chipewyan Metis Association			80		80			**160**
Town of Rainbow Lake	160							**160**
Wheatland County	120							**120**
County of Minburn	120							**120**
First Nations Major Projects					100			**100**
TOTAL	**678,510**	**4,923,390**	**80,370**	**-**	**4,500**	**-**	**7,750**	**5,694,520**

SUMMARY REPORT – BY PROJECT

($ thousands)

Project	Taxes	Royalties	Fees	Production Entitlement	Bonuses	Dividends	Infra-structure Payments	Total
Christina Lake	16,150	2,265,460	5,730		1,670		7,750	**2,296,760**
Foster Creek	18,330	1,782,910	6,990		580			**1,808,810**
Lloydminster Thermal Projects	101,130	360,910	1,970		410			**464,420**
Liwan Gas Project	289,220	83,600	40					**372,860**
Corporate	202,800							**202,800**
Sunrise Energy Project	9,930	102,530	1,900		1,620			**115,980**
Rainbow Lake Development	3,880	81,600	4,140					**89,620**
Kaybob-Edson	7,510	68,580	7,640					**83,730**
Clearwater	11,200	63,880	7,890					**82,970**
Elmworth-Wapiti	5,910	62,190	8,500					**76,600**
Conventional Heavy Oil	12,440	10,980	10,990					**34,410**
White Rose Oil Field		15,090	9,960					**25,050**
Tucker Thermal Project		20,380	4,490					**24,870**
Block 23/07			7,940					**7,940**
Pelican Lake		3,450						**3,450**
Telephone Lake	10		1,730		220			**1,960**
Terra Nova Oil Field		1,830						**1,830**
Block 29/26			220					**220**
Block 15/33			90					**90**
Narrows Lake			80					**80**
Block 16/25			70					**70**
TOTAL	**678,510**	**4,923,390**	**80,370**	**-**	**4,500**	**-**	**7,750**	**5,694,520**