



Cenovus Energy Inc.

**Fostering Transparency – Cenovus 2023 ESTMA Annual Report
(unaudited)**

For the Year Ended December 31, 2023

(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, 2023.

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.

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. Payments on the report filed with NRCan have been rounded to the nearest \$10,000.

SUMMARY REPORT – BY PAYEE

(\$ thousands)

Payee	Taxes	Royalties	Fees	Production Entitlement	Bonuses	Dividends	Infra-structure Payments	Total
Province of Alberta	763,930	2,818,420	31,900					3,614,250
Federal Government of Canada	1,536,220	16,290	570					1,553,080
Federal Government of China	234,300	82,260	360					316,920
Province of Saskatchewan	46,510	161,490	4,160					212,160
Province of Newfoundland and Labrador			39,910					39,910
Municipality of Wood Buffalo	26,370							26,370
Town of Bonnyville	17,840							17,840
The Province of British Columbia	1,670	5,220	550					7,440
Rural Municipality of Frenchman Butte	7,320		10					7,330
Rural Municipality of Eldon	6,230		410					6,640
Yellowhead County	6,250							6,250
County of Grande Prairie	5,970		30					6,000
Rural Municipality of Turtle River	5,490		50					5,540
Municipal District of Greenview	5,280		10					5,290
Rural Municipality of Britannia	5,210							5,210
Mackenzie County	3,750							3,750
Thunderchild First Nation			120		1,710		1,800	3,630
Heart Lake First Nation			80		900		2,400	3,380
Conklin Metis			180		760		2,400	3,340
County of Vermilion River	3,320							3,320
Cold Lake First Nations			200		590		2,400	3,190
Rural Municipality of Mervin	2,910		20					2,930
Clearwater County	2,530							2,530
Chipewyan Prairie First Nation			90		20		2,400	2,510
Rural Municipality of Paynton	1,790		30					1,820
Rural Municipality of Wilton	1,680		10					1,690
Beaver Lake Cree Nation			80		300		1,200	1,580
Athabasca Chipewyan First Nation			1,060		260			1,320
Municipal District of Wainwright	1,130		10					1,140
Municipal District of Brazeau	1,120							1,120
Chard Metis Nation			80				1,000	1,080
Municipal District of Provost	970							970
Fort McKay First Nation			330		630			960
Mikisew Cree First Nation			700		250			950
Rural Municipality of Manitou Lake	860							860
Municipal District of Opportunity	640		20					660
Lac La Biche County	580							580
Rural Municipality of Hillsdale	540							540
Red Deer County	520							520
Fort McMurray First Nation			270		250			520
Lacombe County	490							490
County of Wetaskiwin	400							400
Northern Rockies Regional Municipality	400							400
Fort McKay Metis Nation			160		200			360
Woodlands County	330							330
County of Two Hills	320							320
McMurray Metis Local 1935			150		160			310
Moosomin First Nation					240			240
Town of Placentia	230							230
County of St Paul	210							210
Saulteaux First Nation					200			200
Fort Chipewyan Metis Association			90		90			180
Town of Rainbow Lake	150							150
Sunchild First Nation					140			140
County of Minburn	120							120
Government of Northwest Territories			100					100
TOTAL	2,693,580	3,083,680	81,740	-	6,700	-	13,600	5,879,300

SUMMARY REPORT – BY PROJECT

(\$ thousands)

Project	Taxes	Royalties	Fees	Production Entitlement	Bonuses	Dividends	Infra-structure Payments	Total
Corporate	2,299,760		450					2,300,210
Christina Lake	17,140	1,506,470	5,840		2,010		9,400	1,540,860
Foster Creek	18,290	1,079,100	2,350		590		2,400	1,102,730
Liwan Gas Project	234,300	82,260						316,560
Lloydminster Thermal Projects	57,470	141,620	1,650		2,140		1,800	204,680
Sunrise	9,360	77,180	3,060		1,390			90,990
Kaybob-Edson	7,680	50,040	5,550					63,270
Conventional Heavy Oil	26,800	27,140	3,710					57,650
White Rose Oil Field	230	14,900	40,190					55,320
Clearwater	10,580	30,500	7,770		140			48,990
Elmworth-Wapiti	7,640	30,440	8,390					46,470
Rainbow Lake Development	4,330	34,960						39,290
Pelican Lake		6,340						6,340
Tucker Thermal Project		1,340	640					1,980
Telephone Lake			1,200		430			1,630
Terra Nova Oil Field		1,390						1,390
Narrows Lake			580					580
Block 29/26			230					230
Block 15/33			100					100
Block 16/25			30					30
TOTAL	2,693,580	3,083,680	81,740	-	6,700	-	13,600	5,879,300