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	2,818,500	49,590					**3,632,020**
Federal Government of Canada	1,536,220	16,350	790					**1,553,360**
Federal Government of China	234,300	82,260	360					**316,920**
Province of Saskatchewan	46,510	161,490	4,160		570			**212,730**
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	3,500					**10,390**
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**	**3,083,820**	**102,600**	**-**	**7,270**	**-**	**13,600**	**5,900,870**

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	7,070		2,010		9,400	**1,542,090**
Foster Creek	18,290	1,079,100	4,260		590		2,400	**1,104,640**
Liwan Gas Project	234,300	82,260						**316,560**
Lloydminster Thermal Projects	57,470	141,620	2,560		2,140		1,800	**205,590**
Sunrise	9,360	77,180	3,110		1,390			**91,040**
Kaybob-Edson	7,680	50,040	9,010					**66,730**
Conventional Heavy Oil	26,800	27,140	6,630		570			**61,140**
White Rose Oil Field	230	14,900	40,190					**55,320**
Clearwater	10,580	30,640	11,230		140			**52,590**
Elmworth-Wapiti	7,640	30,440	11,850					**49,930**
Rainbow Lake Development	4,330	34,960	3,460					**42,750**
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**	**3,083,820**	**102,600**	**-**	**7,270**	**-**	**13,600**	**5,900,870**