Oil sands – key to building value

Maximizing value at producing properties
- improving cost, schedule & production

Recognizing value at emerging properties
- proving up resource & advancing development

Adding value through innovation
- developing technology & enhancing processes

Harbir Chhina
Executive Vice-President, Oil Sands
Investor Day | Calgary | December 7, 2011
Why we’re successful

- Top quality reservoirs
- Manufacturing approach & project execution
- Operational excellence
- Experienced team
- Technological innovations
- Stakeholder relationships & environmental track record

Sustainable, predictable development

<table>
<thead>
<tr>
<th>Pre-development</th>
<th>Initial development</th>
<th>Expansion phases</th>
<th>Full field development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exploration/planning</td>
<td>Delineation</td>
<td>Application approval</td>
<td>Engineering, procurement &amp; construction</td>
</tr>
<tr>
<td>Land</td>
<td>1 - 3 years</td>
<td>5 years</td>
<td>5 - 7 years</td>
</tr>
<tr>
<td>Net asset value</td>
<td>Production</td>
<td>CL - D</td>
<td>FC - A-E, CL-A-C</td>
</tr>
<tr>
<td>CL - E</td>
<td>FC - FGH</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Winifred Lake</td>
<td>Narrows Lake</td>
<td>Foster Creek</td>
<td></td>
</tr>
<tr>
<td>East McMurray</td>
<td>Grand Rapids</td>
<td>Christina Lake</td>
<td></td>
</tr>
<tr>
<td>Steepbank</td>
<td>Telephone Lake</td>
<td>Pelican Lake Wabiskaw</td>
<td></td>
</tr>
</tbody>
</table>

More than half of our oil sands leases have zero wells per section
Building NAV by converting resources

Discovered BIIP 56 Bbbls
Undiscovered BIIP* 82 Bbbls

137 Bbbls
7.8 Bbbls

*Undiscovered BIIP is unrisked. Volumes are shown before royalties and on a net basis.

Foster Creek – improving on a top tier reservoir

<table>
<thead>
<tr>
<th>Milestones</th>
<th>Performance</th>
<th>Phase F, G &amp; H expansion</th>
<th>Technology development</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>Produced at 95% of nameplate</td>
<td>Progressed phase F (30% complete)</td>
<td>Commercialized blowdown boiler</td>
</tr>
<tr>
<td></td>
<td>Completed turnaround</td>
<td></td>
<td>Tested liner design</td>
</tr>
<tr>
<td>2012</td>
<td>Exceed nameplate production</td>
<td>Ramp up to full construction</td>
<td>Test secondary pay</td>
</tr>
<tr>
<td></td>
<td>Conduct May turnaround</td>
<td></td>
<td>Expand Wedge Well™ technology use</td>
</tr>
<tr>
<td></td>
<td>Convert first well pairs to blowdown</td>
<td></td>
<td>Pilot CO₂ co-injection</td>
</tr>
</tbody>
</table>
Operational excellence – Foster Creek

Technology increases capacity at Foster Creek

- Overall production capacity increased by 20,000 bbls/d resulting from:
  - success of Wedge Well™ technology
  - plant optimization

<table>
<thead>
<tr>
<th>Project phase</th>
<th>First production target</th>
<th>Expected production capacity (bbls/d) gross</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foster Creek</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A - E</td>
<td>120,000</td>
<td></td>
</tr>
<tr>
<td>F</td>
<td>2014F</td>
<td>35,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>45,000</td>
</tr>
<tr>
<td>G</td>
<td>2015F</td>
<td>35,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>40,000</td>
</tr>
<tr>
<td>H</td>
<td>2016F</td>
<td>35,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>40,000</td>
</tr>
<tr>
<td>Future phases</td>
<td>2017F+</td>
<td>45,000 – 65,000</td>
</tr>
<tr>
<td>Total capacity</td>
<td></td>
<td>270,000 – 290,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>290,000 – 310,000</td>
</tr>
</tbody>
</table>

Volumes are shown on a 100% basis.
Technology improved performance

- Total production
- Wedge Well™ production
- ISOR

![Graph showing production and ISOR from Jan-09 to Jul-11. The ISOR reduced from 3.4 to 1.6, indicating improved performance.]

The graph illustrates the improved performance over time, with a reduction in ISOR from 3.4 to 1.6.

Wedge Well™ technology reduced SOR: 2.5 to 2.2

Christina Lake – top tier reservoir

<table>
<thead>
<tr>
<th>Milestones</th>
<th>Phase C expansion</th>
<th>Phase D &amp; E expansion</th>
<th>Technology development</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>Achieved first production</td>
<td>Accelerated project timing</td>
<td>Tested improved start-up technique</td>
</tr>
<tr>
<td></td>
<td>Improved schedule &amp; cost</td>
<td></td>
<td>Implemented Wedge Well™ technology</td>
</tr>
<tr>
<td>2012</td>
<td>Ramp to full capacity (Q2)</td>
<td>Achieve first oil at phase D (Q4)</td>
<td>Pilot CondenSAP</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Drill downspacing wells</td>
</tr>
</tbody>
</table>

![Image of Christina Lake with text overlay indicating various milestones and developments.]
Operational excellence – Christina Lake

Volumes are shown on a 100% basis.

Record production
45 Mmbls/d Nov. 27, 2011

Advancing timing at Christina Lake

- Strong execution drives improved schedule for Christina Lake phases D & E

<table>
<thead>
<tr>
<th>Project phase</th>
<th>Regulatory application filings</th>
<th>First production target</th>
<th>Expected production capacity (bbls/d) gross</th>
</tr>
</thead>
<tbody>
<tr>
<td>Christina Lake</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A - C</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D</td>
<td>Q3-2007</td>
<td>Q1-2013F</td>
<td>58,000</td>
</tr>
<tr>
<td>E</td>
<td>Q4-2009</td>
<td>2014F</td>
<td>40,000</td>
</tr>
<tr>
<td>F</td>
<td>Q4-2009</td>
<td>2016F</td>
<td>40,000</td>
</tr>
<tr>
<td>G</td>
<td>Q4-2009</td>
<td>2017F</td>
<td>40,000</td>
</tr>
<tr>
<td>H</td>
<td>2013F</td>
<td>2019F</td>
<td>40,000</td>
</tr>
<tr>
<td>Total capacity</td>
<td></td>
<td></td>
<td>258,000</td>
</tr>
</tbody>
</table>
Leading capital efficiency

Capital efficiency is calculated based on production design capacity for each phase.
*Foster Creek F,G&H expectations reflect greenfield expansion and design enhancement initiatives.

Pelican Lake – our lowest risk growth opportunity

<table>
<thead>
<tr>
<th>Milestones</th>
<th>Performance</th>
<th>Expansion</th>
<th>Technology development</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>Maintained production</td>
<td>Commenced infill drilling with 2 rigs, added a 3rd in July</td>
<td>Expanded polymer flood</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Drilled 70 infill wells</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>Achieve production growth</td>
<td>Add 4th drilling rig Q1 Commence new battery construction Begin field pipeline upgrade</td>
<td>Continue to expand polymer flood</td>
</tr>
</tbody>
</table>
Volumes are shown before royalties. 2011F based on commodity price assumptions as outlined in the October 27, 2011 guidance document. 2012F based on midpoints of December 7, 2011 guidance document. 2013F through 2020F based on future price assumptions as noted in the advisory.

*Timeline subject to change; production not currently included in 10-year plan. Steam and production includes ~6 months initial steaming with no production followed by 12 - 18 month production ramp up. Timing subject to regulatory approval and project sanction.*
Adding value through innovation

• Successfully developing technology through:
  • culture of innovation
  • portfolio of projects to minimize risk
  • financial capacity to support field testing (60/40 rule)
  • emphasis on pilot testing
  • collaboration opportunities

• Protecting our intellectual property rights

“Status quo is unacceptable” – Harbir Chchina

Blowdown boiler commercialized in 2011

• Utilizes boiler water (blowdown) as feed water for second boiler
• Generates more steam from the same water
• Improves heat recovery
• Lowers operating costs & emissions
• Improves steam quality from ~77% to ~92%

BFW  1st BD  2nd BD
Commercializing one technology per year

![Graph showing technology development timeline]

*Commercial demonstration may take up to 4 years to become part of mainstream process.

www.cenovus.com

Developing technology to build value

1. ESP (phase 2) – early stage enhancement of pump technology
2. CondenSAP – a condensate based Solvent Aided Process
3. SAP – butane based, being piloted at Christina Lake, commercial plans for Narrows Lake
4. Blowdown boiler – part of all future template designs, makes more steam per mcf of gas used
5. Wedge Well™ technology – commercialized at Foster Creek

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  - improving cost, schedule and production
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- Adding value through innovation
  - developing technology and enhancing processes

Cenovus land at Dec. 31, 2010

Supplemental information
## Oil sands project comparison

<table>
<thead>
<tr>
<th></th>
<th>Foster Creek</th>
<th>Christina Lake</th>
<th>Narrows Lake</th>
<th>Grand Rapids</th>
<th>Telephone Lake</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working interest</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Potential size</td>
<td>290 – 310</td>
<td>258</td>
<td>130</td>
<td>180</td>
<td>90</td>
</tr>
<tr>
<td>(Mbbls/d gross)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Design SOR</td>
<td>2.1</td>
<td>1.7</td>
<td>2.1 SAGD</td>
<td>3.0 – 3.5</td>
<td>2.1</td>
</tr>
<tr>
<td>Contingent resource</td>
<td>0.8</td>
<td>0.4</td>
<td>0.5</td>
<td>1.3</td>
<td>1.2</td>
</tr>
<tr>
<td>(best estimate)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(US$/bbl WTI)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Core area well density</td>
<td>8 – 26</td>
<td>8 – 40</td>
<td>11 – 26</td>
<td>1 – 8</td>
<td>0 – 16</td>
</tr>
<tr>
<td>(wps)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land position</td>
<td>70,720</td>
<td>12,480</td>
<td>12,960</td>
<td>52,480</td>
<td>36,480</td>
</tr>
<tr>
<td>(net acres)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Wedge Well™ technology

- **Technology details:**
  - < 0.1 average SOR
  - First year production rate of 600 – 800 bbls/d at Foster Creek, current average of 400 bbls/d; 300 – 400 bbls/d at Christina Lake
  - Acceleration of production
  - 10 – 15% potential increase in recovery factor
  - Foster Creek wells – 38 producing, 13 coming on, 10 planned for 2011F
  - Christina Lake wells – 4 producing
Cenovus’s Solvent Aided Process (SAP)

- SAP versus SAGD metrics
  - 30% production rate improvement
  - 15% incremental total oil recovery
  - 3% reduction in annual fuel gas usage
  - 0.05 bbls solvent (butane) purchased per bbl bitumen
  - 30% increase to initial capital
  - 10% decrease in annual sustaining capital
  - 5 – 10% reduction in non-fuel operating cost
  - ~$1.00/bbl netback uplift
- Environmental benefits
  - lower SOR & emission intensity
  - lower water usage & footprint

Steam & solvent (SAGD)

Steam only (SAGD)

Milestones
- 2000 – 2001 Senlac SAP pilot
- 2004 – 2005 Christina Lake SAP pilot
- 2009 – 2011F Christina Lake isolated test
- 2010 Q2 SAP & SAGD Narrows Lake
Forward looking information

The presentations and posters at Investor Day 2011 contain certain forward-looking statements and other information (collectively "forward-looking information") about our current expectations, estimates and projections, made in light of our experience and perception of historical trends, current conditions, expected future developments and other factors we believe are appropriate in the circumstances. Such forward-looking information includes, but is not limited to, statements concerning our future capital expenditure programs and financial requirements, our strategies, expectations and anticipated financial results, projected future production and development costs, expected reserves and contingent, prospective or in-place resources estimates, potential dividends and dividend growth strategy, anticipated business for future reporting periods, general corporate strategy, return on and development of our business and other matters. We caution readers not to place undue reliance on forward-looking information as actual results may differ materially from those expressed or implied.

The assumptions on which our 2011 guidance is based include actual prices for the first 9 months of 2011 and September 30 strip pricing for the remainder of the year and an average number of shares outstanding of approximately 758 million. Approximate September 30 strip pricing WTI of US$76.70/bbl; Western Canada Select of US$59.70/bbl; NYMEX at US$1.15/MMBtu; ARCO at US$1.50/MWh; Chicago 2-1-2 OTS Crack Spread of US$12.65; and exchange rate of 0.9665 US$/C$. For the period 2011 to 2022 assumptions include WTI of US$85.00-US$105.00/bbl; Western Canada Select of US$65.00-US$85.00/bbl; NYMEX at US$2.00-US$4.00/MMBtu; ARCO at US$2.50-US$4.50/MWh; Chicago 2-1-2 OTS Crack Spread of US$18.00; exchange rate of 0.9570 US$/C$. Developed net capital expenditures of US$17.5 billion; and average number of shares outstanding of approximately 750 million. It assumes WTI of US$90.00/bbl; Western Canada Select of US$75.00/bbl; NYMEX of US$4.50/MMBtu; ARCO of US$8.50/MWh; Chicago 2-1-2 OTS Crack Spread of US$14.50; and exchange rate of 0.975 US$/C$.

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 in the industry generally. The factors or assumptions on which the forward-looking information is based include: assumptions inherent in our current guidance, available at www.cenovus.com; our 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 our properties, including reserves and resources; anticipated operating costs and revenues; prices and price volatility for oil, bitumen, natural gas and other commodities; expected changes in the costs of technology and its application to our business; the timing and the costs of well and pipeline construction; our ability to secure adequate transportation capacity; our ability to maintain our existing workforce or to hire and manage our labour force; our ability to maximize the recovery of our reserves and resources; our ability to obtain necessary regulatory and partner approvals; our ability to maintain our relationship and to successfully manage and operate our integrated heavy oil business; reliability of our assets; potential disruption or unexpected technical difficulties in developing new products and manufacturing processes; refining and marketing margins; potential failure of new facilities or equipment; changes in the political or economic conditions in the countries in which we operate; the occurrence of unexpected technical difficulties; the occurrence of major accidents; the occurrence of fires, explosions, spills, pipeline ruptures; the occurrence of unprecedented or unexpected interruption in service; our ability to produce, transport and market and sell our products; our ability to acquire material additional properties and other sources not currently classified as proved; ability to obtain necessary regulatory and partner approvals; the successful and timely implementation of capital projects; our ability to generate sufficient cash flow from operations to meet our current and future obligations; and other risks and uncertainties described from time to time in the filings we make with securities regulatory authorities. The risk factors and uncertainties that could cause our actual results to differ materially, include: volatility of and assumptions regarding oil and gas prices, the effectiveness of our risk management programs, including the impact of derivative financial instruments and our access to various sources of capital; accuracy of cost estimates associated with the development and implementation of capital projects; our ability to generate sufficient cash flow from operations to meet our current and future obligations; and other risks and uncertainties described from time to time in the filings we make with securities regulatory authorities.

We use the words "anticipate", "believe", "expect", "plan", "forecast", "target", "project", "may", "will", "could", "would", "should", "likely", "intend" and other words and expressions of similar meaning to identify forward-looking statements or information, although not all forward-looking statements contain these words. Forward-looking information is based on the expectations, estimates and projections of management's current judgment at the date of the information. It involves known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied.

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