

Cenovus and Husky Combine to Create a Resilient Integrated Energy Leader



BENEFITS OF COMBINATION

Annual synergies
\$1.2 billion

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

Cash flow savings
~\$600 million

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

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TRANSACTION HIGHLIGHTS

- Accretive to all shareholders on cash flow and free funds flow per share
- Anticipated annual run rate synergies of \$1.2 billion, largely achieved within the first year, independent of commodity prices
- Expected free funds flow break-even at West Texas Intermediate (WTI) pricing of US\$36 per barrel (bbl) in 2021, and at less than WTI US\$33/bbl by 2023
- Low exposure to Western Canadian Select (WCS) locational differential risk while maintaining healthy exposure to global commodity prices
- Increased and more stable cash flows support investment grade credit profile
- Net-debt-to-adjusted-EBITDA ratio of less than 2x expected to be achieved in 2022
- Anticipated quarterly dividend of \$0.0175 per share (upon Board approval) and positioned for consistent growth
- Husky shareholders will receive 0.7845 of a Cenovus share plus 0.0651 of a Cenovus share purchase warrant in exchange for each Husky common share

AN INTEGRATED OIL & NATURAL GAS LEADER – KEY FACTS

	Standalone Cenovus ¹	Standalone Husky ¹	Pro forma company ¹
Production (BOE/d)	~475,000	~275,000	~750,000
Upgrading & refining capacity (BOE/d)	~250,000	410,000	~660,000
2P reserves (mmBOE)	~7,000	~2,000	~9,000
Takeaway capacity from Alberta (bbls/d)			
Current pipelines	~135,000	~130,000	~265,000
Planned pipelines/expansions	~275,000	~30,000	~305,000
Crude oil storage (mmbbls)	~10	~6	~16
Sustaining capital (\$billion per year)	1.2	1.8	2.4

Commitment to ESG leadership Ambition to achieve net zero emissions by 2050; specific ESG targets and plan to be announced post close

¹ Based on year-to-date production.

ADVISORIES

This Fact Sheet contains forward-looking information that is subject to risks and assumptions. For more information, please refer the advisory of the news release dated October 25, 2020.