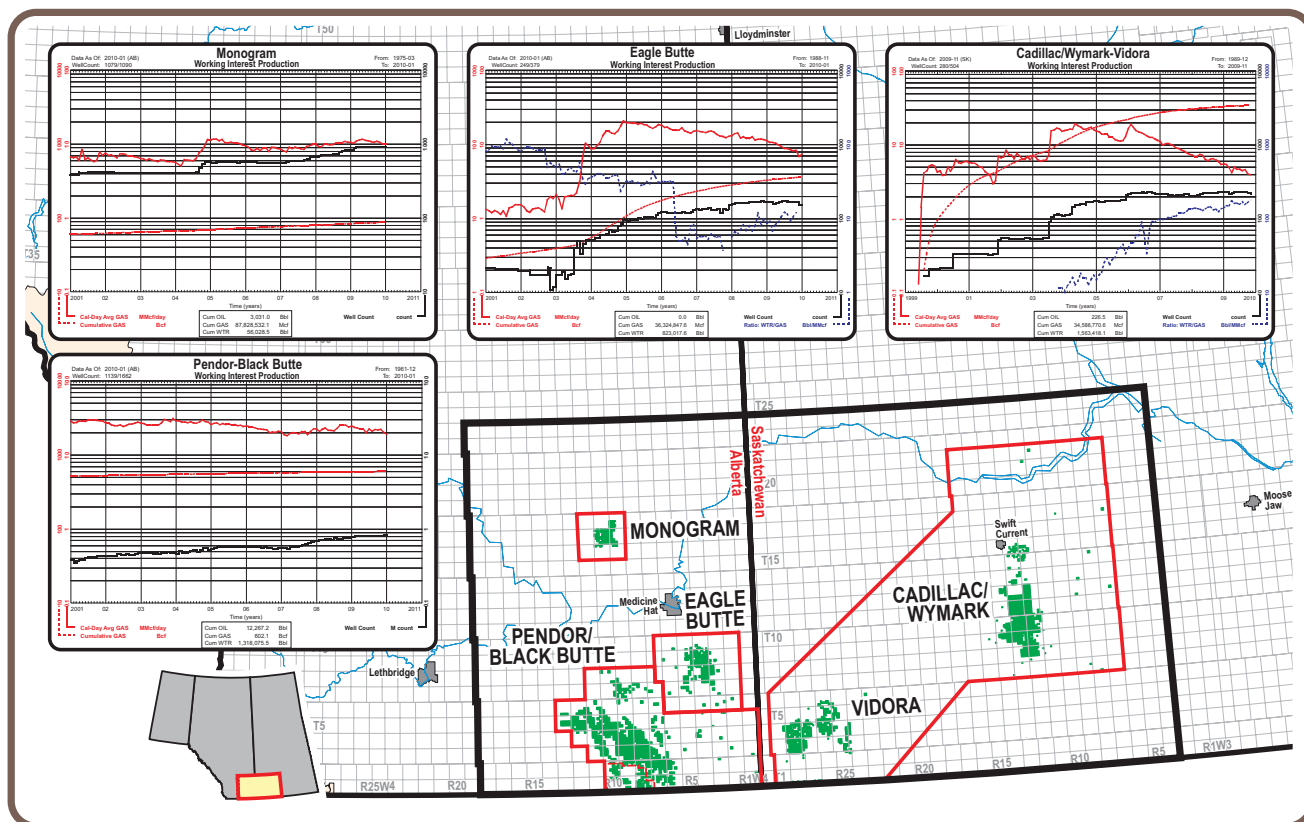


## 2010 Cenovus Southeast Alberta and Southwest Saskatchewan Asset Divestiture

Cenovus Energy Inc. (“the Company”) has initiated a process to divest certain natural gas properties in southeast Alberta and southwest Saskatchewan and has retained FirstEnergy Capital Corp. (“FirstEnergy”) as its exclusive financial advisor for the offering (“the Offering”). The assets in the divestiture produced roughly 38 MMcf/d (100% gas) in January 2010 and have been divided into 4 Packages: Pendor-Black Butte, Monogram, Eagle Butte and Cadillac/Wymark-Vidora (“the Packages”).



The Packages are characterized by large, contiguous, operated land positions, extensive owned and operated infrastructure with excess capacity, low operating costs, stable and predictable production profiles, and an extensive inventory of booked and unbooked opportunities including development and exploration drilling locations, recompletions and optimizations. The Company has an 82% average working interest in the lands within the offering, with total net undeveloped land of 229,906 acres. Overall operating costs in 2009 were impressively low at only \$1.09/Mcf (\$6.54/BOE). Reserve evaluations were completed by McDaniel & Associates Consultants Ltd. (“McDaniel”) for each Package with an effective date of February 28, 2010 and utilizing McDaniel January 2010 pricing. Identified opportunities included in the reserve report are generally low risk and forecast significant production and reserve increases. The strong current cash flow base exceeds the identified capital requirements, making the Packages self funding and allowing for execution of additional, unbooked opportunities. The Company owns significant infrastructure throughout the Packages which allows it to control costs and the pace of development.

Cenovus 2010 Offering - Production Summary			
Package	January 2010 Average Production		
	Liquids (bbl/d)	Gas (Mcf/d)	Total (BOE/d)
1 Pendor-Black Butte	0	17,837	2,973
2 Monogram	0	9,607	1,601
3 Eagle Butte	0	7,111	1,185
4 Cadillac/Wymark-Vidora	0	3,409	568
<b>Total</b>	<b>0</b>	<b>37,964</b>	<b>6,327</b>

## Key Attributes of the Divestiture Include:

### Pendor-Black Butte Package (T1-8, R1-13W4M)

- January 2010 working interest sales of 17.8 MMcf/d (2,973 BOE/d)
  - Nearly 100% working interest in production; 804 gross producing working interest gas wells
  - 2 gas facilities plus associated infrastructure with significant excess capacity
- Large, contiguous, operated land position
  - 84% working interest in 354,966 gross acres, of which 15% are undeveloped
- 2009 actuals: operating costs of \$1.19/Mcf; royalties of 6.6%; netback of \$2.34/Mcf
  - Third party custom processing revenues and contract operating revenue of \$1,022 M
- 168 km of 2-D and 439 km<sup>2</sup> of 3-D 100% proprietary seismic data for review
- A considerable inventory of booked and unbooked opportunities self funded through significant free cash flow
  - Infill drilling opportunities in the Bow Island, Second White Specks and Medicine Hat formations
  - Seismically defined development drilling in the Lower Mannville, Sunburst and Rundle formations
  - Recompletions in the Bow Island, Second White Specks and Medicine Hat formations
  - Optimization of existing wells via well site compression and swabbing

### Monogram Package (T16-18, R9-10W4M)

- January 2010 working interest sales of 9.6 MMcf/d (1,601 BOE/d)
  - Operatorship of Monogram Gas Unit with ownership interest of 36.94432%; 913 producing wells
- 49% working interest in 30,695 gross acres
- 2009 actuals: operating costs of \$0.62/Mcf; royalties of 4.3%; netback of \$3.10/Mcf
- A considerable inventory of booked and unbooked opportunities self funded through significant free cash flow
  - Opportunities include infill drilling, well optimizations, and Milk River refracturing
  - Substantial open deeper Crown land rights, including Sunburst, Basal Colorado and Bow Island formations
  - Shallow recompletion and exploration targets within the Colorado Shale and Belly River formations
  - Control of area infrastructure with excess capacity

### Eagle Butte Package (T6-10, R2-6W4M)

- January 2010 working interest sales of 7.1 MMcf/d (1,185 BOE/d)
  - 100% working interest in 148 producing gas wells and facilities, including gathering system and compression
- 90% working interest in 70,225 gross acres, of which 21% are undeveloped
- 2009 actuals: operating costs of \$0.83/Mcf; royalties of 6.6%; netbacks of \$2.75/Mcf
- 445 km of 100% exclusive proprietary 2-D seismic data, 166 km of partnered exclusive proprietary and 2 exclusive proprietary 3-D seismic surveys totaling 294 km<sup>2</sup> for review
- A considerable inventory of booked and unbooked opportunities self funded through significant free cash flow
  - Proved Undeveloped reserves have been assigned to predominantly infill drilling locations
  - Standing wells that have tested gas, many of which are currently tied-in
  - Multiple candidates for installation or resizing/relanding of siphon strings to lift water
  - Shallow recompletions identified

## Key Attributes of the Divestiture Include (Cont'd):

### Cadillac/Wymark-Vidora Package (T7-21, R7-15W3M and T1-6, R 23-29W3M )

- January 2010 working interest production of 3.4 MMcf/d (567 BOE/d)
- 219 gross producing working interest gas wells
  - Operated with predominantly high working interests
  - 100% ownership of 2 compressor stations and associated gas gathering systems
- 81% working interest in 297,412 gross acres, of which 73% are undeveloped
- 2009 actuals: operating costs of \$2.26/Mcf; royalties of 6.7%; netback of \$1.07/Mcf
- 750 km of 2-D 100% proprietary seismic data for review
- A considerable inventory of booked and unbooked opportunities self funded through significant free cash flow
  - An inventory of Proved Undeveloped infill drilling locations in the Second White Specks and Milk River formations
  - Standing wells tested available for tie-in
  - Seismically defined opportunities in the Shaunavon
  - Operational cost savings through well and facility optimization opportunities

## Description of the Sales Process

FirstEnergy has prepared an extensive Confidential Information Memorandum (CIM) which will include detailed information relating to the Packages, reserves, and opportunities; the CIM will be available the week of March 29, 2010 and electronic copies will be available for download from FirstEnergy's data room following the execution of the CA. Hard copies (paper) will also be made available if requested.

Parties who execute a Confidentiality Agreement (CA) will have access to the Confidential Information available in the physical and online data rooms, which will open the week of March 29, 2010. The data rooms will include the reserve reports, well lists, lease operating statements, marketing summaries, geological mapping, select well files, and other relevant information. Proposals will be due on May 6, 2010. A copy of the CA is available on the FirstEnergy website at [www.firstenergy.com/cenovus](http://www.firstenergy.com/cenovus) or by contacting FirstEnergy directly.

To facilitate review prior to the execution of the CA, FirstEnergy has prepared a non-confidential Introductory Presentation with summary information on the Offering and the Packages. This presentation will be available on the FirstEnergy website at [www.firstenergy.com/cenovus](http://www.firstenergy.com/cenovus) or by contacting FirstEnergy directly.

To assist in the evaluation of the Offering, a Value Navigator database of the reserves will be available within the Confidential Information. Technical presentations will be available on request to parties who have executed a CA and will elaborate on material summarized in the CIM.

Please direct all correspondence and inquiries relating to the opportunity to FirstEnergy at:

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**Disclaimer**

None of Cenovus Energy Inc. (“Cenovus” or the “Company”), FirstEnergy Capital Corp. (“FirstEnergy”) or any of their subsidiaries, affiliates, officers, directors, shareholders, employees, consultants, advisors, agents or representatives make any representation or warranty, express or implied, in connection with any of the information made available pursuant to the transaction process described herein, including, but not limited to, representations with respect to the Package characteristics and risks, the past, present or future value of the anticipated reserves, resource potential, cash flows, income, costs, expenses, liabilities and profits, if any, to be derived from the assets described herein (the “Assets”). Accordingly, any company, or other interested party, receiving such information will rely solely upon its own independent examination and assessment of said information in making a decision on whether and how to submit a bid on the Assets. None of Cenovus, FirstEnergy or any of their subsidiaries, affiliates, officers, directors, shareholders, employees, consultants, advisors, agents or representatives shall have any liability to any party receiving information pursuant to the transaction process described herein, nor to any affiliate, partner, member, officer, director, shareholder, employee, consultant, advisor, agent or representative of such party which may arise from the use of or in relation to any such information.

**Future Oriented Information**

Certain statements in this document, including all statements related to reserves, contain “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 or “forward-looking information” within the meaning of applicable Canadian securities legislation. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the future circumstances, outcomes or results anticipated in or implied by such forward-looking statements will occur or that plans, intentions or expectations upon which the forward-looking statements are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that circumstances, events or outcomes anticipated or implied by forward-looking statements will not occur, which may cause the actual performance and financial results in future periods to differ materially from the performance or results anticipated or implied by any such forward-looking statements. For a discussion of these assumptions, risks and uncertainties, see pages 84 – 86 of the Company’s Annual Information Form, available at [www.cenovus.com](http://www.cenovus.com) or [www.sedar.com](http://www.sedar.com).

Furthermore, any forward-looking statements or information regarding the Assets contained in this document are made as of the date of this document, and, except as required by law, Cenovus does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements and information regarding the Assets contained in this document are expressly qualified by this cautionary statement.

**Cenovus Disclosure Protocols**

Cenovus’s disclosure of reserves data and other oil and gas information is made in accordance with U.S. disclosure requirements pursuant to an exemption from the Canadian securities administrators. As a result, the information provided by Cenovus may differ from corresponding information prepared in accordance with National Instrument 51-101 (“NI 51-101”). Further information about the differences between the U.S. requirements and the NI 51-101 requirements is set forth under the heading “Note Regarding Reserves Data and Other Oil and Gas Information” in Cenovus’s Annual Information Form, available at [www.cenovus.com](http://www.cenovus.com) or [www.sedar.com](http://www.sedar.com).

Certain natural gas volumes have been converted to barrels of oil equivalent (“BOE”), which may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet (“Mcf”) of natural gas to one barrel of crude oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not necessarily represent value equivalency at the well head.

For convenience, references in this document to “Cenovus”, the “Company”, “we”, “us” and “our” may, where applicable, refer only to or include any relevant direct and indirect subsidiary corporations and partnerships (“Subsidiaries”) of Cenovus Energy Inc., and the assets, activities and initiatives of such Subsidiaries.

All information included in these documents is shown on a Canadian dollar, before royalties basis unless otherwise noted.