

CONFIDENTIALITY AGREEMENT (“Agreement”)

THIS AGREEMENT entered into as of the ____ day of _____, 2010.

BY AND BETWEEN:

Cenovus Energy Inc.
a body corporate,
organized and existing under the laws of Canada
(hereinafter referred to as “Cenovus”)

- and -

_____, a corporation organized and existing
under the laws of Alberta
(hereinafter referred to as “**Recipient**”).

In consideration of the mutual promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Parties hereto covenant and agree as follows:

1. Following are definitions which form part of this Agreement:

(a) "**Affiliate**" shall mean any company, partnership or legal entity which:

- (i) controls either directly or indirectly a Party; or
- (ii) which is controlled directly or indirectly by such Party; or
- (iii) is directly or indirectly controlled by a Person who directly or indirectly controls such Party. “Control” and related terms including “controlling” and “controlled” shall mean (for purposes of the definition of “Affiliate” only) the possession, direct or indirect, of: (i) in the case of a corporation, the power to vote more than 50% of the securities having ordinary voting power for the election of directors of such corporation; and (ii) in the case of a partnership (general or limited), joint venture or other Person, either (1) the power to exercise more than 50% of the voting rights in such Person; or (2) the power to cause the direction of the management and policies of such Person;

(b) "**Confidential Information**" means:

- (i) any information or data provided by or on behalf of Cenovus to the Recipient or its Representatives in connection with the Transaction, (including information acquired prior to execution of this Agreement) and further including, but not limited to, the confidential information memorandum dated March 2010 prepared by or on behalf of Cenovus, as well as all agreements, correspondence, financial information, engineering reports, models, data, compilations, marketing materials, budget information, geological, geophysical, geochemical and

engineering information, land schedules and other documentation which are or may be either applicable to or related in any way to the Transaction or the Properties and which may be made available to the Recipient or its Representatives in data rooms and in confidential or secure areas of the FirstEnergy website or the associated virtual data room established with respect to the Properties.

- (ii) any information or data acquired by the Recipient or its Representatives directly from Cenovus or its Representatives, or through the FirstEnergy Capital Corp. website at www.firstenergy.com/cenovus
- (iii) any and all information or data prepared or generated by the Recipient or its Representatives in connection with the review and evaluation of the information or data above; and
- (iv) the potential existence and subject matter of the Transaction, the existence of or status of negotiations relating to a possible Transaction, and information with respect to the process being conducted by Cenovus and the nature, terms, positions, views, status, outcome, developments or results of the Transaction;

in each case whether conveyed orally or in writing, or in graphic, electronic or any other form, but the term "**Confidential Information**" does not include information which:

- (v) becomes lawfully available to the Recipient from a source other than Cenovus or its Representatives;
 - (vi) is as of the date of this Agreement or becomes generally available to the public other than as a result of an unauthorized disclosure, directly or indirectly, by the Recipient;
 - (vii) was lawfully in the Recipient's possession prior to receipt of such Confidential Information from Cenovus or its Representatives; or
 - (viii) was independently developed by the Recipient or on its behalf through internal unrelated efforts by personnel having no access to the Confidential Information;
- (c) "**Party**" or "**Parties**" as the context requires, shall mean the signatories to this Agreement;
 - (d) "**Person**" shall mean any corporation, company, group, partnership, limited liability company, unincorporated association, trust, other entity or individual;
 - (e) "**Properties**" means all or any part of the lands highlighted on the attached Schedule "A."
 - (f) "**Representatives**" means all of the applicable Party's Affiliates and their directors, officers, employees, agents and legal, financial or technical advisors; (in particular, FirstEnergy Capital Corp. is a Representative of Cenovus); and

- (g) **"Transaction"** means the evaluation and possible purchase by the Recipient in respect of the Properties.
2. The Confidential Information to be disclosed hereunder shall be determined by Cenovus. Cenovus will consider reasonable requests by the Recipient for any further information, data or documents, but will be under no obligation to provide such additional information, data, or documents. By signing this Agreement, the recipient acknowledges that Cenovus may revoke at any time and in any manner its consent to make available the Confidential Information. Further, Cenovus may also terminate at any time any discussions with the Recipient with respect to a Transaction, and Cenovus is under no obligation to enter into a Transaction with the Recipient.
 3. In consideration of the Confidential Information, the Recipient agrees that the Confidential Information shall be kept strictly confidential and shall not be sold, traded, published or otherwise disclosed to anyone in any manner whatsoever, including by means of photocopy or reproduction, without Cenovus's prior written consent, except as expressly provided for herein.
 4. The Recipient may disclose the Confidential Information without Cenovus's prior written consent:
 - (a) to the extent such information is required to be disclosed under applicable law or by a governmental order, decree, regulation or rule of any stock exchange, however, such disclosure shall be subject to the provisions of Clause 8 herein; and
 - (b) on a need-to-know basis, to those of its Representatives who require such information for the purpose of evaluating the Transaction, provided that prior to making any such disclosures to such Representatives, the Recipient shall obtain an undertaking of confidentiality, of substantially the same content as this Agreement, from each such Representative.
 5. The Recipient shall only use or permit the use of the Confidential Information to carry out the Transaction. The Recipient undertakes that neither it nor any of its Affiliates shall, without the written consent of Cenovus, prior to the completion of the Transaction enter into any discussion or agreement with any entity or Person to acquire any separate, joint or subdivided interest in any asset forming part of the Transaction.
 6. The Recipient shall be responsible for ensuring that all of its Representatives to whom the Confidential Information is disclosed under this Agreement shall keep such information confidential and shall not disclose or divulge the same to any unauthorized Person. In addition to any other rights Cenovus may have against the Recipient arising by reason of any breach of this Agreement, the Recipient will:
 - (a) be liable to Cenovus and its Representatives for all losses, costs, damages and expenses, whatsoever which Cenovus and its Representatives may suffer, sustain, pay or incur; and
 - (b) indemnify and hold harmless Cenovus and its Representatives from and against any and all actions, proceedings, claims, demands, losses, costs, damages and expenses, whatsoever which may be brought against or suffered by Cenovus or

its Representatives or which Cenovus or its Representatives may suffer, sustain, pay or incur;

as a result of any breach of this Agreement by the Recipient or arising out of or resulting from any unauthorized use or disclosure by the Recipient or any of its Representatives of the Confidential Information.

7. The Recipient agrees that Cenovus and its Representatives would be irreparably injured by a breach of this Agreement and that Cenovus and its Representatives shall be entitled to equitable relief, including injunctive relief and specific performance in the event of any breach of this Agreement. Such remedy shall not be deemed to be the exclusive remedy for a breach of this Agreement but shall be in addition to all other remedies available in law or in equity.
8. Should any Person seek to legally compel the Recipient or any of its Representatives to disclose any of the Confidential Information, the Recipient will provide Cenovus with prompt written notice thereof, so that Cenovus may seek a protective order or other appropriate remedy. In any event, the Recipient so compelled will only furnish that portion of the Confidential Information that is legally required to be disclosed.
9. Each Party agrees that it will initiate and cause to be initiated and maintained any communications with the other Party and requests for information relating to the Transaction only to those of its Representatives permitted to receive Confidential Information in accordance with the terms of this Agreement.
10. To the extent that the Recipient or any of its Representatives is given physical access to any of Cenovus's or its Representatives properties or premises, the Recipient hereby agrees to indemnify, defend and hold harmless Cenovus and its Representatives from and against any and all liabilities, claims and causes of action for personal injury, death or property damage occurring on such property as a result of the access to such properties by the Recipient, provided that such liabilities, claims and causes of action for personal injury, death or property damage were not the result of Cenovus's, or its Representatives' as the case may be, own negligence.
11. The Confidential Information shall remain the property of Cenovus, and Cenovus may demand the return or destruction thereof at any time upon giving written notice to the Recipient. Within 14 days of receipt of such notice, the Recipient shall return all of the original Confidential Information, shall destroy all copies and reproductions (both written and electronic) and notes derived therefrom in its possession. If so requested by Cenovus or its Representatives, the Recipient shall provide an officer's certificate to Cenovus that the terms and conditions of this paragraph have been complied with.
12. The obligations of the Parties herein shall remain in full force and effect for a period of twenty-four (24) months from the date hereof (notwithstanding that Confidential Information may have been returned or copies or other reproductions thereof destroyed prior to the expiration of such period) and thereupon shall terminate.
13. Cenovus and its Representatives make no representations or warranties, express or implied, as to the quality, accuracy and completeness of the Confidential Information disclosed hereunder. The Recipient hereby releases, indemnifies and holds Cenovus

and its Representatives harmless with respect to the use of or reliance upon the Confidential Information by the Recipient.

14. The Recipient understands and agrees that:
 - (a) Cenovus shall be free to conduct the process relating to the Transaction and Cenovus in its sole discretion shall determine including, without limitation, negotiating with any prospective buyer and accepting a definitive offer to purchase without prior notice to the Recipient or any other Person; and
 - (b) the Recipient shall not have any claims whatsoever against Cenovus or any of its Representatives, arising out of or relating to the Transaction (other than as a party to a definitive offer to purchase accepted in writing by Cenovus and then only against Cenovus in accordance with the terms thereof).
15. The Recipient hereby acknowledges that it is aware, and that it will advise its Representatives who are informed as to the matters which are the subject of this Agreement, that applicable securities laws prohibit any Person who has received from an issuer material, non-public information from communicating such information to any other Person before such information has been generally disclosed.
16. The Recipient shall not initiate or arrange, directly or indirectly, or maintain contact regarding Cenovus's business operations, prospects or finances (except as contemplated herein and for those contacts made in the ordinary course of business unrelated to the possible Transaction) with any officer, director, employee, consultant or any other representative of Cenovus, or with any customer, supplier, sales representative or competitor of Cenovus, except with the express written prior permission of Cenovus. Any such permission granted by Cenovus is revocable at any time.
17. Without the prior written consent of Cenovus, the Recipient agrees that neither it nor any of its Affiliates shall, until the earlier of: (a) closing of a Transaction resulting in the sale by Cenovus of any or all of the Properties; or (b) 24 months from the date hereof, solicit for employment any Person who is now employed by Cenovus or any of its Affiliates and who is identified by the Recipient as a result of the Recipient's investigation of the Business. For the purposes of this Paragraph 17, the term "solicitation" shall not include solicitation of any employee of Cenovus or any of its Affiliates who is solicited: (i) by advertising in a newspaper or periodical of general solicitation; or (ii) indirectly through a personnel search agency engaged by the Recipient generally (and not specifically in respect of Cenovus and its Affiliates).
18. All notices, consents and other instruments which are required or may be given pursuant to this Agreement must be given in writing and delivered personally or by facsimile as follows:

If to Cenovus:

To: Cenovus Energy Inc.
421 – 7th Avenue S.W.
PO Box 766
Calgary, Alberta
T2P 0M5

Attention: Associate General Counsel,
Canadian Plains Division
Facsimile: (403) 290-2332

If to Recipient:

Attention: _____
Facsimile: _____

or in accordance with the latest unrevoked instructions delivered by one Party to the other. All notices will be deemed to have been duly given at the time of delivery or, in the case of facsimile, on the first business day after faxing.

19. In addition to any other obligation of the Recipient with respect to Confidential Information, the Recipient shall be responsible for compliance with the applicable privacy laws which govern the collection, use and disclosure of Personal Information as defined in the *Personal Information and Privacy Act of Alberta* and all regulations and amendments thereto, if any, acquired by the Recipient in connection with this Agreement. The Recipient shall limit and shall cause its Affiliates and their respective employees, officers, directors and agents to limit the use, collection and disclosure of the Personal Information contained in the Confidential Information, if any, to those purposes that relate to this Agreement and shall otherwise limit disclosure of the Personal Information to disclosure required by applicable law. The Recipient shall employ security measures to protect the Personal Information against inadequate or accidental disclosure of a standard at least as high as that employed by the Recipient in its own business. The Recipient shall limit and cause its Representatives and their respective employees, officers, directors and agents to limit the use and disclosure of the Personal Information to those purposes for which the Personal Information was initially collected by Cenovus.
20. Recipient acknowledges and agrees that where it is subject to the jurisdiction of the United States or the U.S. Securities and Exchange Commission, or if the Properties are located in the United States or are subject to the jurisdiction of the United States or one of its political subdivisions, Recipient qualifies as an “accredited investor” as defined in Rule 501(a) of Regulation D (“Regulation D”) of the *Securities Act of 1933* as amended (“Act”) and can demonstrate that it has the capacity to protect its own interests in

evaluating the merits and risks or an investment in the Properties by reason of its business and financial experience.

21. Recipient represents, warrants and covenants to Cenovus and its Representatives that:
 - (a) it is an “accredited investor” within the meaning of the United States Securities and Exchange Commission’s Regulation D;
 - (b) in the event that it determines to purchase the Properties, it intends to purchase the Properties solely for its own account and not for the account of any other Person;
 - (c) it has such knowledge and financial experience in financial and business matters that it can evaluate the merits and risks or a purchase of the Properties. By reason of its knowledge and experience in financial and business matters and its experience and knowledge of the exploration for and production of oil and natural gas, it has the capacity to protect its own interest in the purchase and sale of the Properties and can evaluate the merits and risks of such a purchase or sale.
22. Recipient further acknowledges and understands that Cenovus and its Representatives are entitled to rely, and will rely, on Recipient’s representations and warranties contained herein to determine whether, under the United States Securities and Exchange Commission’s Regulation D, or Sections 4(1), 4(2), 3(a)(11) of the Act and the securities laws of any state of the United States or Canadian Province, Recipient meets the qualifications and suitability requirements for the purchase of the Properties (to the extent the Properties constitute securities) to be exempt from registration.
23. Neither Party shall assign this Agreement in whole or in part to any third party without the consent of the other Party. Notwithstanding the foregoing, Cenovus shall be permitted to transfer and assign its rights and obligations under this Agreement to an Affiliate by providing written notice to the Recipient. This Agreement shall enure to the benefit of the Parties and their lawful and permitted successors in interest.
24. This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Alberta.
25. The Parties irrevocably and unconditionally consent to and submit to the jurisdiction of the courts of the Province of Alberta, Canada for any actions, suits or proceedings arising out of or relating to this Agreement.
26. Nothing contained herein is intended to confer upon the Recipient any right whatsoever to require or force Cenovus to enter into or close the Transaction with the Recipient.
27. No amendments, changes or modifications to this Agreement shall be valid except if the same are in writing and signed by a duly authorized representative of each of the Parties hereto. No waiver of any provision of this Agreement shall be valid except if provided in writing by a duly authorized representative of the Party proposing to grant the same. Further, no failure or delay by the Disclosing Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof.

- 28. The Recipient agrees that Cenovus is trustee of the covenants of the Recipient in this Agreement that are for the benefit of Cenovus's Representatives, as applicable.
- 29. This Agreement may be executed in counterpart and by facsimile copies, each of which shall be deemed to be an original and all of which, when taken together, shall be deemed to constitute one and the same instrument.
- 30. This Agreement comprises the full and complete agreement of the Parties hereto with respect to the disclosure of the Confidential Information and supersedes and cancels all prior communications, understandings and agreements between the Parties hereto, whether written or oral, expressed or implied. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

IN WITNESS WHEREOF, the duly authorized representatives of the Parties have caused this Agreement to be executed on the date first written above.

CENOVUS ENERGY INC.

By: _____

Title:

(Print company name above)

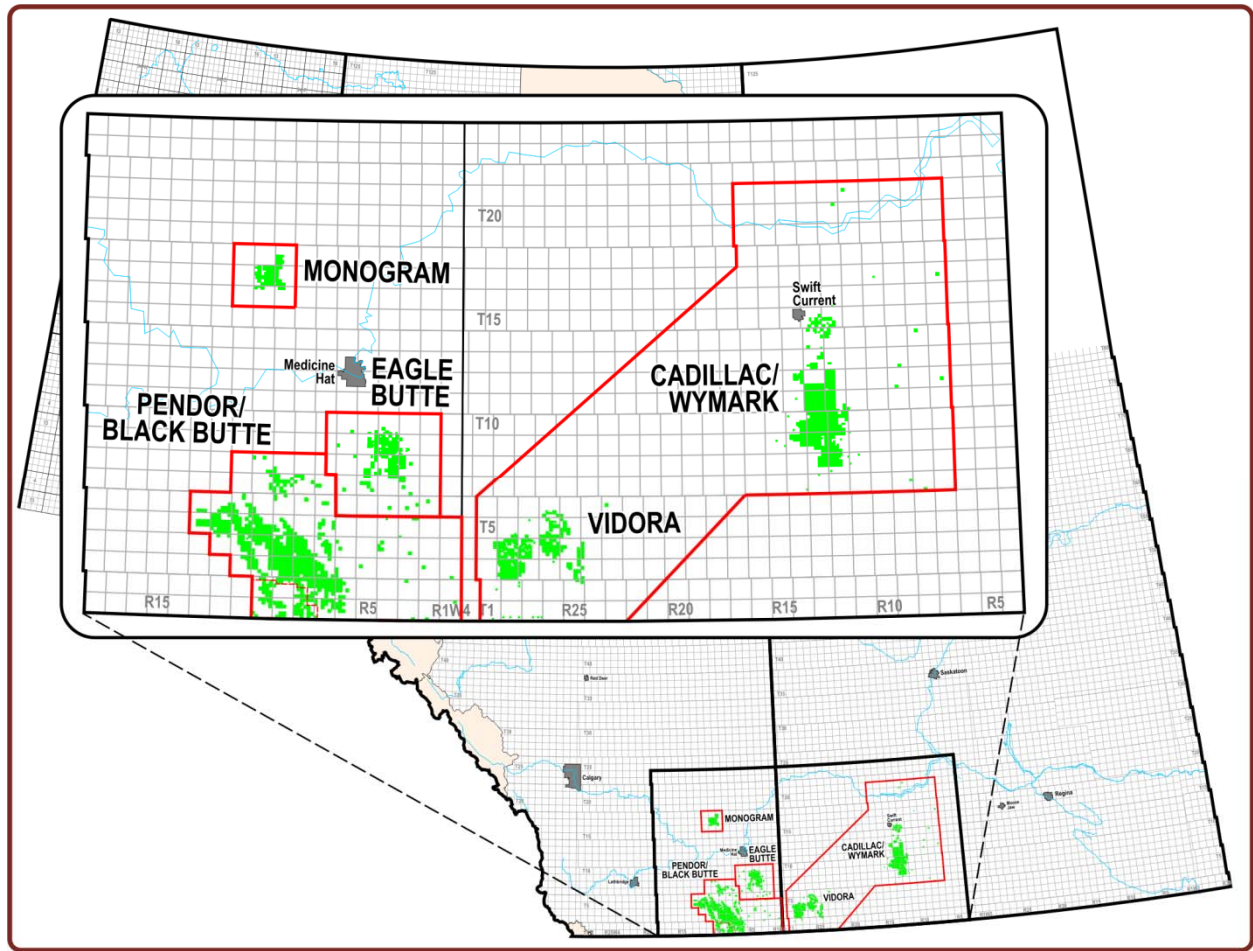
(Sign above)

By: _____

Title:

SCHEDULE "A" ATTACHED TO AND FORMING PART OF THE
CONFIDENTIALITY AGREEMENT BETWEEN CENOVUS ENERGY INC. AND

MADE THE _____ DAY OF _____, 2010.



Property Packages you wish to receive Confidential Information regarding:

- Pendor/Black Butte
- Monogram
- Eagle Butte
- Cadillac/Wymark – Vidora

Initial

SCHEDULE "B"

**CENOVUS ENERGY INC.
2010 SOUTHEAST ALBERTA AND SOUTHWEST SASKATCHEWAN DIVESTITURE**

Forward the access key for the Confidential Information to:
(Please fill in the following or attach a business card)

Name: _____
Title: _____
Company: _____
Address: _____

Telephone _____ **Fax:** _____
Email Address: _____

Please list all users requiring access to the online data room:
(Required for individual users)

Name: _____	Email: _____	Phone: _____
Name: _____	Email: _____	Phone: _____
Name: _____	Email: _____	Phone: _____
Name: _____	Email: _____	Phone: _____
Name: _____	Email: _____	Phone: _____
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Initial

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