cenovus ENERGY

September 17, 2021

The Secretary
Ontario Securities Commission
20 Queen Street West
19th Floor, Box 55
Toronto, ON M5H 3S8

Me Philippe Lebel
Corporate Secretary and Executive Director, Legal Affairs
Autorité des marchés financiers
Place de la Cité, tour Cominar
2640, boulevard Laurier, bureau 400
Québec (Québec)
G1V 5C1

Re: Proposed Amendments to National Instrument 51-102 Continuous Disclosure Obligations and Other Amendments and Changes Relating to Annual and Interim Filings of Non-Investment Fund Reporting Issuers

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Financial and Consumer Services Commission, New Brunswick
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island
Nova Scotia Securities Commission
Office of the Superintendent of Securities, Service NL
Northwest Territories Office of the Superintendent of Securities
Office of the Yukon Superintendent of Securities
Superintendent of Securities, Nunavut

Dear Sirs/Mesdames:

Cenovus Energy Inc. ("Cenovus" or "we") appreciates the opportunity to provide comments on the *Proposed Amendments to National Instrument 51-102 Continuous Disclosure Obligations and Other Amendments and Changes Relating to Annual and Interim Filings of Non-Investment Fund Reporting Issuers* (the "Proposed Amendments").

Cenovus is listed on both the Toronto and New York stock exchanges. We are the third largest Canadian-based oil and natural gas producer and the second largest Canadian refiner and upgrader. Our upstream operations include conventional crude oil, natural gas and natural gas liquids projects across Western Canada and offshore Newfoundland and Labrador, as well as international operations in offshore China and Indonesia. Our downstream operations include upgrading, refining and retail operations across Canada and the United States.

Disclosure Burden

We appreciate the ongoing efforts of the Canadian Securities Administrators (the "CSA") to reduce disclosure burden experienced by issuers. We are strongly supportive of the Proposed Amendments to eliminate duplicative or overlapping disclosure requirements between an issuer's financial statements, management's discussion and analysis ("MD&A") and annual information form ("AIF").

The proposed General Instruction (8) and General Instructions Annotation Note #3 indicate that issuers are not required to repeat information disclosed elsewhere in the annual disclosure statement; however, it is important to repeat information from the financial statements in the MD&A if it assists with understanding the MD&A. The Proposed Amendments are intended to foster streamlined reporting and increasing reporting efficiency for issuers. The requirement to repeat identical information from the financial statements in the MD&A would appear to contradict these efforts, when both the financial statements and MD&A are

included in the annual disclosure statement. The MD&A is a supporting document to the financial statements and is to be read in conjunction with the financial statements. Including a cross reference to other disclosure within the annual disclosure statement should be sufficient to allow a reader to understand the MD&A and more closely aligns with the goal of streamlining disclosure. Accordingly, we are of the view that the Proposed Amendments should permit issuers to include, where applicable to assist with the understanding of the MD&A, clear cross references to information contained in the financial statements and the requirement to duplicate information in the MD&A should be removed. If issuers are required to repeat information in both the financial statements and MD&A, we see no benefit to, or efficiencies from, creating an annual disclosure statement.

We strongly support an "access equals delivery" model whereby alerting investors that a document is publicly available on the System for Electronic Document Analysis and Retrieval (SEDAR) and the issuer's website would constitute delivery. This initiative is environmentally friendly and a reasonable modernization given widespread access to the internet.

Risk Factor Disclosure

We strongly disagree with the possibility of including a two-page summary of risk factors when an issuer's risk discussion exceeds 15 pages. A summary of risk factors would provide little benefit to investors and increase the disclosure burden for reporting issuers, contradicting efforts to reduce duplicate disclosure requirements. A summary would, by its very nature, be incomplete and may expose issuers to legal liability if investors relied solely on the summary disclosure. The preparation of risk factor disclosure is a meticulous, time consuming process, often involving the assistance of external legal counsel. A two-page summary would increase the preparation time and cost for issuers. If risk factors continue to be disclosed from most serious to least serious, investors would benefit more from reading the first two pages of risk disclosures as they are currently drafted than from reading a summary. Summary form disclosure of such risks could be misleading to readers and encourage readers not to read the more fulsome and complete disclosure relating to an issuer's risks contained elsewhere in the document, which is more decision-useful information for investors.

We would welcome clarification regarding the definition of "seriousness" as well as how to determine the "seriousness" of a risk. It would also be helpful to provide guidance on the circumstances in which an impact/probability assessment would be required to be disclosed by an issuer and the detail required to be included in such disclosure. Although we generally support the use of an impact/probability assessment to assist with ranking risk factors in order of seriousness, we would not be in favor of disclosing a detailed impact/probability assessment for each risk. The impact/probability assessment for each risk factor is determined through the eyes of Management based on, among other things, information available, and circumstances reasonably foreseeable, at the applicable time. By its nature, such an assessment involves an evaluation of potential future outcomes, which are uncertain and subject to change. Detailed disclosure of each impact/probability assessment would require additional lengthy disclosure to be added in order to fulsomely explain, and provide the necessary context, assumptions and qualifications in each instance. Requiring such disclosure would contradict the CSA's goals of reducing regulatory burden, fostering streamlined reporting and increasing reporting efficiency. We believe this additional disclosure would be of little value to readers since, not only may readers assign a different impact/probability assessment based on their individual priorities, or focus on the assessment rating rather than the description of risk factors and mitigating actions taken by Management, the potential impact/probability of an issuer's risks can be inferred from the ordering of the risk factors by "seriousness" and general disclosure of potential impacts that issuers typically currently include in their risk factors.

The proposal to group similar risks appears to contradict the requirement to rank risks from the most serious to least serious. Risks may be ranked by seriousness or grouped together by nature; however, it's unlikely that these two approaches will result in the same order of risks for disclosure purposes. We recommend retaining the current approach of disclosing risks in order of seriousness as this will best meet investor's needs.

Audit Services

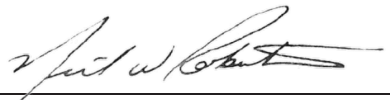
Under current legislation, the financial statements are audited, with the MD&A and AIF requiring only a 'consistency' check by the auditors to ensure the information disclosed conforms with the financial statements. While section 4(1)(revised) indicates the financial statements are audited, the MD&A and AIF sections are silent regarding auditing. Clarification that the final instrument will be consistent with current legislation with respect to audited and non-audited financial information would be welcomed. We also suggest adding clarity to readers on the level of assurance provided for each section within the annual disclosure statement.

Thank you for the opportunity to provide commentary on this important area of Canadian securities regulations.

Yours truly,

Cenovus Energy Inc.

Gary F. Molnar
Senior Vice-President, Legal, General Counsel & Corporate Secretary



Neil W. Robertson
Senior Vice-President & Comptroller