

MEG Energy Corp. Provides Additional Information Related to the Improved Cenovus Transaction

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[MEG Energy Corp.](#) (TSX: MEG) ("MEG", or the "Company") is providing additional disclosure regarding the previously announced asset transaction between [Strathcona Resources Ltd.](#) (TSX: SCR) ("Strathcona") and [Cenovus Energy Inc.](#) (TSX: CVE) (NYSE: CVE) ("Cenovus"), as initially disclosed in its press release of October 27, 2025.

As previously announced, MEG entered into a second amending agreement (the "Second Amending Agreement") with Cenovus to amend the arrangement agreement between MEG and Cenovus dated August 21, 2025, as amended on October 7, 2025 (the "First Amending Agreement"), to increase the consideration payable to holders ("MEG Shareholders") of common shares of MEG ("MEG Shares") to \$30.00 per MEG Share (the "Improved Consideration"), based on Cenovus's closing share price on October 24, 2025. Concurrent with the execution of the Second Amending Agreement, Cenovus entered into an agreement with Strathcona (the "SCR Support Agreement") pursuant to which Strathcona, holding 36.1 million MEG Shares representing 14.2% of the outstanding MEG Shares, agreed to vote all of such MEG Shares for the acquisition of MEG by Cenovus (the "Cenovus Transaction"). Concurrent with and as a condition of entering into the SCR Support Agreement, Cenovus entered into an agreement (the "Divestiture Agreement") with Strathcona to sell certain assets, including the Vawn thermal heavy oil asset in Saskatchewan and certain undeveloped lands in western Saskatchewan and Alberta (collectively, the "Divested Assets"), for aggregate consideration of \$150 million (the "CVE Divestiture").

This press release provides additional information regarding the SCR Support Agreement, the CVE Divestiture and MEG's consideration of it as part of its evaluation of the Improved Consideration.

MEG Special Committee and Board Process

During the morning of Sunday, October 26, 2025, the President and Chief Executive Officer of MEG was presented with the terms of the proposed Second Amending Agreement and concurrently informed by Cenovus of an agreement in principle between Cenovus and Strathcona in respect of the commercial terms of the SCR Support Agreement and the Divestiture Agreement. A meeting of the special committee ("Special Committee") of the MEG board of directors (the "MEG Board") and a meeting of the MEG Board were called for the evening of Sunday, October 26, 2025 to consider the proposed increase in the purchase price from Cenovus and related agreements between Cenovus and Strathcona.

The primary consideration before the Special Committee on the evening of Sunday, October 26, 2025 was whether or not to approve the Second Amending Agreement to reflect the increased purchase price offered by Cenovus of \$0.50 per MEG Share. In considering the Second Amending Agreement, the Special Committee was advised that the Improved Consideration was contingent on Cenovus and Strathcona entering into the SCR Support Agreement and the Divestiture Agreement.

In determining whether to recommend approval of the Second Amending Agreement to the MEG Board, the Special Committee considered the advice of its financial and legal advisors and available information about the Divested Assets, including their location relative to Strathcona's existing assets, available production history, and the relative size of the assets, which produced an average of approximately 5,000 barrels of oil equivalent per day (boe/d) to date in 2025, in the context of the size of Cenovus, where Cenovus generated production of approximately 832,000 boe/d in the third quarter of 2025 and had a market capitalization in excess of \$40 billion as of October 24, 2025.

Pursuant to the terms of the Divestiture Agreement, the Divested Assets are being sold to Strathcona for aggregate consideration of \$150 million, comprised of \$75 million in cash paid on closing and up to \$75

million in contingent consideration dependent on future commodity prices.

As MEG was not a party to either of the SCR Support Agreement and the Divestiture Agreement and was not involved in any negotiations related to those agreements, the information that it had was necessarily limited to the foregoing material terms. While MEG received copies of the SCR Support Agreement and the Divestiture Agreement, they were presented to MEG in near final form and MEG did not comment on the agreements.

BMO Capital Markets and RBC Capital Markets, the financial advisors to the MEG Board and the Special Committee, respectively, provided financial advice to the Special Committee in respect of the materiality of the Divested Assets to Cenovus and the impact of the CVE Divestiture on the consideration to be received by MEG Shareholders at closing of the Cenovus Transaction. Based on the information available to it, each financial advisor advised the MEG Board and Special Committee that the Divested Assets were immaterial to Cenovus (and by implication to a combined Cenovus and MEG) and that the CVE Divestiture would not materially impact the consideration to be received by MEG Shareholders under the Cenovus Transaction.

After considering advice from its external financial and legal advisors, the Special Committee determined to recommend that the MEG Board approve the entering into of the Second Amending Agreement. The MEG Board, informed in part by the recommendation of the Special Committee and after considering advice from the external financial and legal advisors, determined that the entering into of the Second Amending Agreement was in the best interests of MEG, and unanimously approved the Second Amending Agreement and the transactions contemplated thereby.

In considering the approval of the Second Amending Agreement, although MEG is of the view that the Cenovus Transaction is not subject to the requirements of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions, the MEG Board has as matter of fairness, determined that the Cenovus Transaction should be considered a "business combination" for purposes of MI 61-101 and thereby subject to a Minority Approval Vote (as defined below) in addition to the approval of the Cenovus Transaction by at least 66 $\frac{2}{3}$ % of the MEG Shareholders represented in person or by proxy at the special meeting of the MEG Shareholders to approve the Cenovus Transaction (the "Meeting").

MI 61-101 requires that, in addition to any other required security holder approval, a business combination must be subject to "minority approval" (as defined in MI 61-101), which is a simple majority of the votes cast thereon by MEG Shareholders present in person or represented by proxy at the Meeting, after excluding the votes cast by those persons whose votes are required to be excluded in accordance with MI 61-101 (the "Minority Approval Vote"). Pursuant to MI 61-101, MEG Shares held by a MEG Shareholder who is a "related party" may in certain circumstances, including where such party receives a collateral benefit, be excluded from voting in the Minority Approval Vote. Strathcona is a "related party" of MEG pursuant to MI 61-101 by virtue of its ownership of greater than 10% of the issued and outstanding MEG Shares. As a result, the 36.1 million MEG Shares held, directly or indirectly by Strathcona, and its respective related parties or joint actors, will be excluded for the purpose of tabulating the Minority Approval Vote.

Divested Assets

Following the announcement of the Second Amending Agreement, the SCR Support Agreement and the CVE Divestiture, MEG has, with the cooperation of Cenovus, conducted a further review of the Divested Assets. Based upon information provided by Cenovus on October 30, 2025, the Vawn thermal heavy oil asset in Saskatchewan and the 46 sections of undeveloped lands in Western Saskatchewan and Alberta forming part of the Divested Assets had total proved reserves of 25.2 million barrels as at year-end 2024. MEG was informed that Cenovus agreed to a contingent payment because production from the Divested Assets had been inconsistent through the past year. The contingent consideration was set at \$1.0 million for each dollar per barrel the Western Canada Select (WCS) index averages above C\$70 per barrel in a given quarter, payable quarterly over the 14 quarters following closing, up to a maximum of \$75 million. The subsequent information provided reaffirmed the Special Committee and the MEG Board's previous understanding of the Divested Assets and did not alter the Special Committee and the MEG Board's previous view that the CVE Divestiture is immaterial to Cenovus and would not have a material impact on the consideration to be received by MEG Shareholders pursuant to the Cenovus Transaction.

Information Circular

MEG filed an information circular ("Circular") on September 12, 2025, as updated by MEG's press releases dated October 10, 2025, October 27, 2025 and October 30, 2025 in accordance with the interim order of the Court of King's Bench of Alberta (the "Court") dated September 9, 2025 (the "Interim Order"), which provides further details on the Cenovus Transaction, election process and the Meeting. In accordance with the terms of the Interim Order, this news release updates the information presented in the Circular, as amended.

Copies of the Circular, the Letter of Transmittal and Election Form, the First Amending Agreement, the Second Amending Agreement and additional information on the Meeting can be found at:
<https://www.megenergy.com/investors/shareholder-information/special-meeting-of-meg-shareholders/>.

Advisors

BMO Capital Markets and Burnet, Duckworth & Palmer LLP are acting as financial advisor and legal counsel, respectively, to the Company. RBC Capital Markets and Norton Rose Fulbright Canada LLP are acting as financial advisor and legal counsel, respectively, to the Special Committee.

Forward-Looking Information

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws ("forward-looking statements"). Words such as "expect", "continue", "may", "will", "maintain", "obtain", "after", "promptly" and similar expressions suggesting future events or future performance are intended to identify forward-looking statements. More particularly and without limitation, this press release contains forward-looking statements and information relating to: the expectation that the MEG Shares held by Strathcona, directly and indirectly, will be excluded for the purpose of tabulating the Minority Approval Vote and other similar statements.

Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent known and unknown risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of assumptions, risks and uncertainties including, without limitation: completion of the Cenovus Transaction on the anticipated terms and timing, or at all, including obtaining the requisite Court and MEG Shareholder approvals and the satisfaction of the conditions to closing the Cenovus Transaction; the contingent consideration payable in connection with the CVE Divestiture, including the amount and timing thereof; the effect or outcome of litigation and/or regulatory challenges that may arise in relation to the Cenovus Transaction or otherwise; the existence of any laws or material changes thereto that may adversely affect Cenovus or MEG or impact the completion of the Cenovus Transaction; potential adverse changes to business prospects and opportunities resulting from the announcement or completion of the Cenovus Transaction; and general business, market and economic conditions.

These forward-looking statements and information are based on certain key expectations and assumptions made by MEG. Completion of the Cenovus Transaction is subject to a number of conditions which are typical for transactions of this nature. Assumptions have been made with respect to the satisfaction of all conditions precedent in respect of the Cenovus Transaction. Although MEG believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information as MEG cannot give any assurance that they will prove to be correct. Accordingly, readers are cautioned that the actual results achieved may vary from the forward-looking information provided herein and that the variations may be material. Readers are also cautioned that the foregoing list of assumptions, risks and factors is not exhaustive.

Further information regarding the assumptions and risks inherent in the making of forward-looking statements and in respect of the Cenovus Transaction can be found in MEG's other public disclosure documents which are available through the Company's website at <http://www.megenergy.com/investors> and through the SEDAR+ website at www.sedarplus.ca.

The forward-looking information included in this news release is expressly qualified in its entirety by the foregoing cautionary statements. Unless otherwise stated, the forward-looking information included in this news release is made as of the date of this news release and MEG assumes no obligation to update or

revise any forward-looking information to reflect new events or circumstances, except as required by law.

Oil and Gas Advisories

The estimates of reserves for the Divested Assets may not reflect the same confidence level as estimates of reserves for all properties, due to effects of aggregation. Based on the information provided in Cenovus's annual information form for the year ended December 31, 2024 dated February 19, 2025 (the "Cenovus AIF"), as at December 31, 2024, Cenovus's total proved reserves in Canada were 5,587 MMboe.

Based on the information provided in the Cenovus AIF, Cenovus's proved reserves are evaluated each year by independent qualified reserves evaluators. The reserves estimates provided herein are estimates only, and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater than, or less than, the estimates disclosed. Please see the Cenovus AIF (available on SEDAR+ at sedarplus.ca and Cenovus's website at cenovus.com), including the risk factors and advisories set out therein, for additional information in respect of Cenovus's reserves estimates.

Barrel of Oil Equivalent

"Boe" means barrel of oil equivalent. In this presentation, certain gas volumes have been converted to boe at the ratio of six thousand cubic feet ("Mcf") of natural gas to one barrel ("bbl") of crude oil. The usage of boe may be misleading, particularly if used in isolation. A boe conversion ratio of six Mcf to one bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent value equivalency at the wellhead. Given that the value ratio based on the current price of natural gas as compared to crude oil is significantly different from the energy equivalency conversion ratio of six to one, utilizing a boe conversion ratio of six Mcf to one bbl may be misleading as an indication of value.

Abbreviations

boe barrels of oil equivalent

MMboe Million barrels of oil equivalent

Information Regarding Cenovus

This press release includes certain information relating to Cenovus. Unless otherwise indicated, such information was derived from the Cenovus AIF and other publicly available documents of Cenovus, as well as certain other third-party sources. Information regarding Cenovus's production was provided by Cenovus.

Although MEG has no knowledge that would indicate that any information provided by Cenovus or in any documents filed by Cenovus is untrue or incomplete, MEG does not assume any responsibility for the accuracy or completeness of the information contained in such documents, or for any failure by Cenovus to disclose events that may have occurred or that may affect the significance or accuracy of any such information, which are unknown to MEG.

For further information:

Shareholder Questions:

MEG Investor Relations, 403.767.0515, invest@megenergy.com

Sodali & Co., 1.888.999.2785 or 1.289.695.3075 for banks, brokers, and callers outside North America, assistance@investor.sodali.com

Media Questions:

MEG Media Relations, 403.775.1131, media@megenergy.com

All amounts in Canadian dollars unless specified.

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