

# Ovintiv Restructures Crude Oil Derivatives to Provide Additional Downside Protection

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## Company Now Plans to Reduce Second Quarter 2020 Investments by \$500 Million

DENVER, April 2, 2020 - [Ovintiv Inc.](#) (NYSE, TSX: OVV) restructured its crude oil derivatives positions to provide additional downside protection for the balance of 2020. In addition, the Company now plans to further reduce its second quarter investments by an additional \$200 million, bringing total capital reductions in the second quarter to \$500 million. Updated hedge and sensitivity tables are included within this release.

"We have built our Company with tremendous flexibility and optionality for volatile and uncertain times like we are currently experiencing," said Ovintiv CEO Doug Suttles. "We are using and expect to continue to use this flexibility as market conditions evolve. We have created more certainty in our cash flow by restructuring oil hedges and further reducing second quarter capital spending. We will have additional details when we report our first quarter earnings and operating results."

### Strong Hedging Position Protects Cash Flow:

- Ovintiv is now substantially hedged on benchmark oil risk for the near term. For the second quarter of 2020, 206 Mbbls/d is hedged at an average price of \$42.09 per barrel. Of these positions 191 Mbbls/d is in a fixed price swap at \$41.47 per barrel and 15 Mbbls/d is covered by costless collars between \$50.00 and \$68.71 per barrel. The term "benchmark" above refers to NYMEX WTI and NYMEX Henry Hub.
- With these updated positions, downside oil price risk is further reduced. A balance of year \$20.00 NYMEX WTI price would generate oil hedge revenues of more than \$1.1 billion. This amount excludes oil hedge settlements in the first quarter of 2020. Settlements for natural gas and various other oil differential and natural gas basis positions in 2020 are expected to further add to oil hedge revenues.

For additional information, please refer to the Company's April investor presentation at [www.ovintiv.com](http://www.ovintiv.com).

Hedge Volumes as of April 1, 2020 for the balance of the year:

Natural Gas Hedges		2020	Oil & Condensate Hedges 2020	
Total Hedges		1,196 MMcf/d	Total Hedges	183 Mbbls/d
Hedges (\$/Mcf)			Hedges (\$/bbl)	
NYMEX Swaps	811 MMcf/d		WTI Swaps	141 Mbbls/d
Swap Price	\$2.65		Swap Price	\$45.30
NYMEX 3-Way Options	330 MMcf/d		WTI 3-Way Options	27 Mbbls/d
Short Call	\$2.72		Short Call	\$61.68
Long Put	\$2.60		Long Put	\$53.44
Short Put	\$2.25		Short Put	\$43.44
NYMEX Costless Collars	55 MMcf/d		WTI Costless Collars	15 Mbbls/d
Short Call			Short Call	
	\$2.88		Long Put	\$68.71
Long Put				
	\$2.50			\$50.00
Basis Hedges (\$/Mcf)			Basis Hedges (\$/bbl)	
AECO Basis Swaps	305 MMcfd		WTI / Midland Swaps	7 Mbbls/d
Swap Price	(\$0.88)		Swap Price	(\$1.20)
WAHA Basis Swaps	105 MMcf/d			
Swap Price	(\$0.91)			

"Updated" Price Sensitivities for WTI Oil Hedge Gains/Losses by Quarter for 2020 (\$ MM):

Period	\$10	\$20	\$30	\$40	\$50
2Q 2020	602	414	227	39	(148)
3Q 2020	565	404	243	82	(79)
4Q 2020	440	360	280	200	71
Q2-Q4 Total	1,607	1,178	750	321	(156)

Price Sensitivities for NYMEX Natural Gas Hedge Gains/Losses by Quarter for 2020 (\$ MM)

Period	\$1.00	\$1.25	\$1.50	\$1.75	\$2.00	\$2.25
2Q 2020	143	123	103	83	63	44
3Q 2020	145	125	104	84	64	44
4Q 2020	141	121	102	82	63	43
Q2-Q4 Total	429	369	309	249	190	131

Note: Sensitivities do not include gains or losses related to differential hedges.

Note: Company has additional hedges on Butane and Propane not included.

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Further information on [Ovintiv Inc.](http://www.ovintiv.com) is available on the Company's website, [www.ovintiv.com](http://www.ovintiv.com), or by contacting:

Investor contact: (888) 525-0304

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