# Investment for a Cleaner Fossil Fuel Future – The Role of Oil Sands

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Suncor's outlook includes a production range based on our current expectations, estimates, projections and assumptions.

Certain financial measures referred to in this presentation, namely cash flow from operations, free cash flow and return of capital employed (ROCE), are not prescribed by Canadian generally accepted accounting principles (GAAP). For a description of how Suncor uses these measures, see Non-GAAP Financial Measures starting on page 52 of our 2009 Annual Report Management's Discussion and Analysis. The non-GAAP measure free cash flow used by Suncor is calculated as cash flow from operating activities less capital and exploration expenditures less increase in investing working capital.

Disclosure in this presentation with respect to barrels of oil equivalent (boe) may be misleading particularly if used in isolation. A boe conversion ratio of six thousand cubic feet of natural gas: one barrel of crude oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

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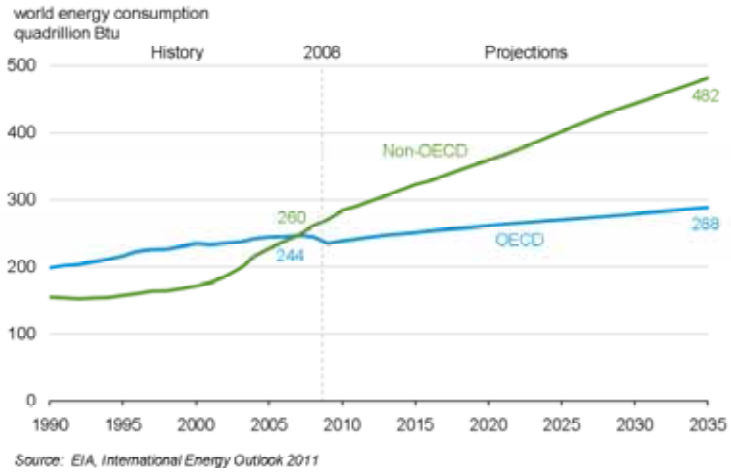
## Outline

- Energy Supply/Demand Outlook
- Oil Sands Industry – an Overview
- Suncor – Canada's Premier Integrated Energy Company
- Sustainability at Suncor
- Importance of Innovation and Technology
- Our "Energy Path" Forward

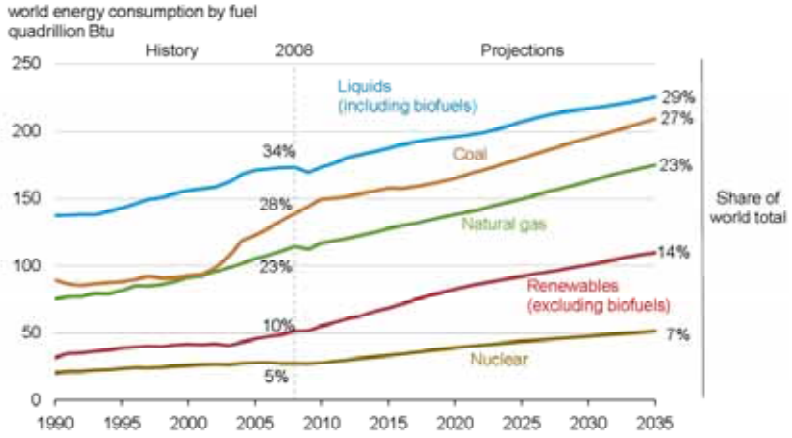


## Non-OECD nations drive 53% increase in energy demand between 2008 and 2035




Source: EIA, International Energy Outlook 2011

## Renewables are the fastest growing source of energy consumption




*Source: EIA, International Energy Outlook 2011*

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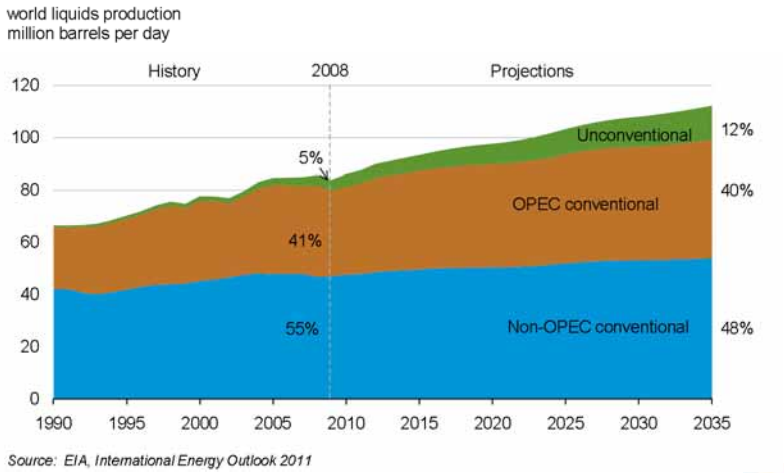
## Unconventional liquids become increasingly important in the total supply of liquid fuels




*Source: EIA, International Energy Outlook 2011*

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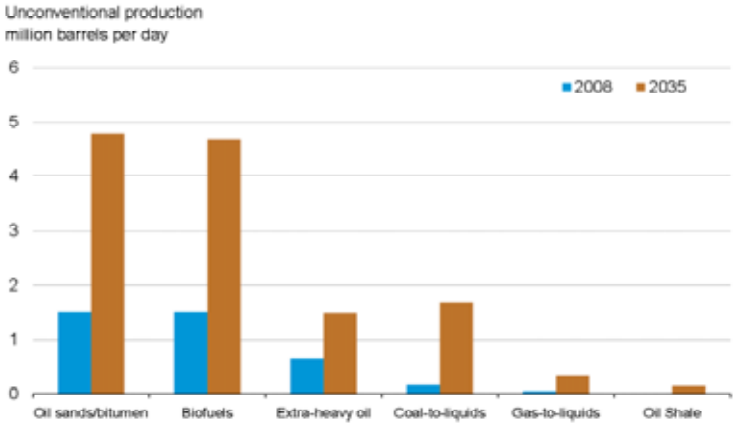
## Oil sands/bitumen, biofuels account for 70 % of the increase in unconventionals




*Source: EIA, International Energy Outlook 2011*

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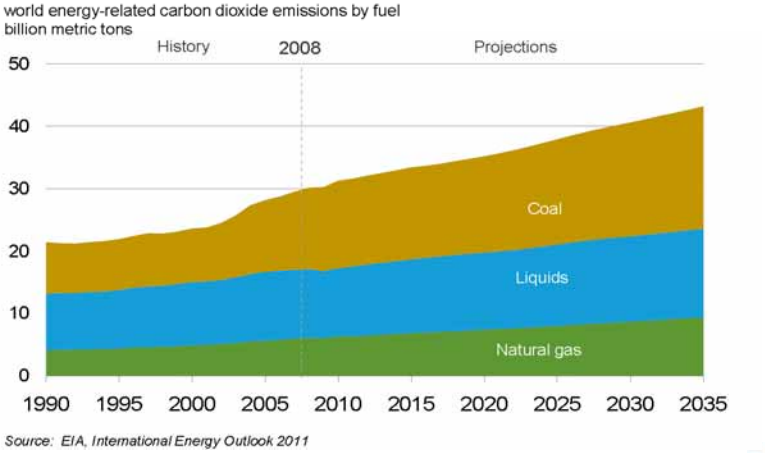
## Energy-related CO2 emissions rise 43 percent between 2008 and 2035




*Source: EIA, International Energy Outlook 2011*

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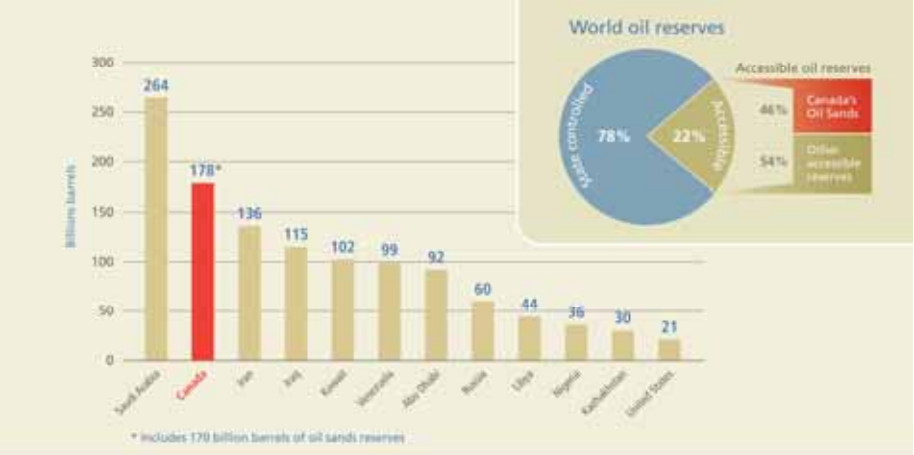
## Oil Sands: a significant resource




Source: Oil & Gas Journal, 2010

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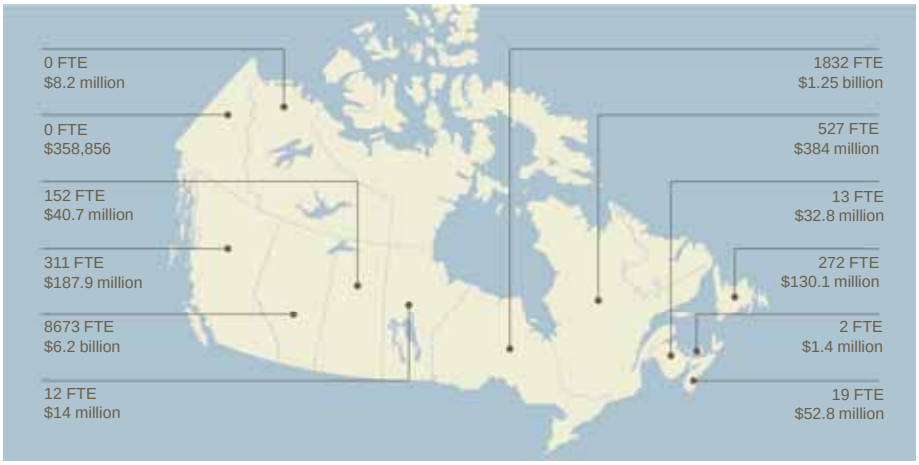
## Suncor employment and spend in Canada




FTE – Full Time Equivalent jobs

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## Oil Sands benefits: United States


Source: Canadian Energy Research Institute, 2011

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## Suncor: Definition of Sustainability

*"For Suncor, being a sustainable energy company means managing our business in a way that enhances social and economic impacts to society while striving to minimize and mitigate environmental effects associated with resource development."*

*Rick George, Suncor CEO*


- Sustainable development is at the core of our business strategy
- Creates a foundation for creating shareholder value and for meeting our stakeholders' expectations

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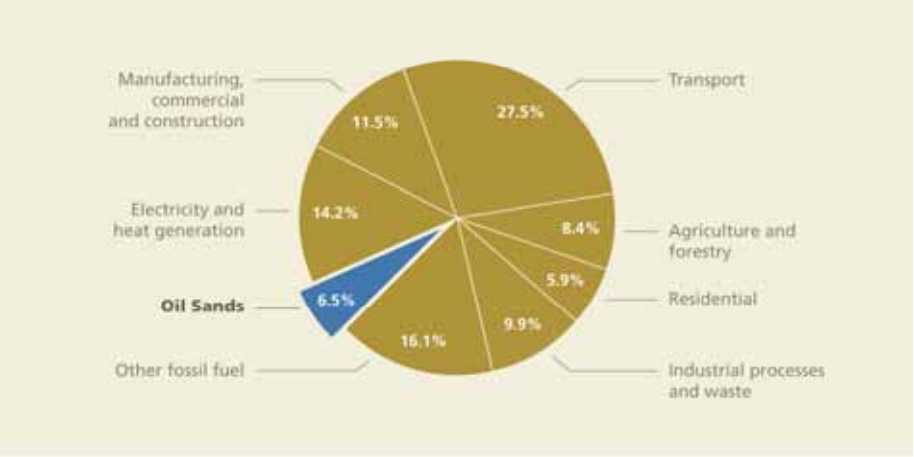
## Oil Sands vs. overall Canadian GHG emissions




Source: Environment Canada, 2011

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## Oil Sands vs. global GHG emissions


Source: Environment Canada, 2011

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## Technology and Innovation: Methods

***Status quo is not indicative of future performance…***

- Low pressure steam-assisted gravity drainage
- Liquid-assisted steam enhanced recovery
- Vapour recovery extraction
- Subsurface combustion (fire flood)
- Electric heating
- Edge wells
- Co-generation

And more …

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## The path forward

- Realistic dialogue
- The need for *Sustainable Energy Strategies*
- Bias towards action, realistic solutions
- Assessing our energy needs, well into the future
- Role of industry, government and environmental organizations

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## Conclusion

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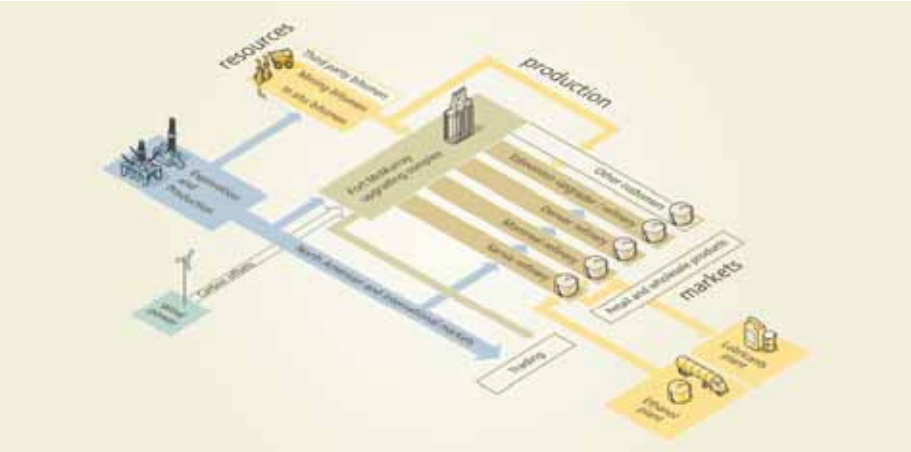
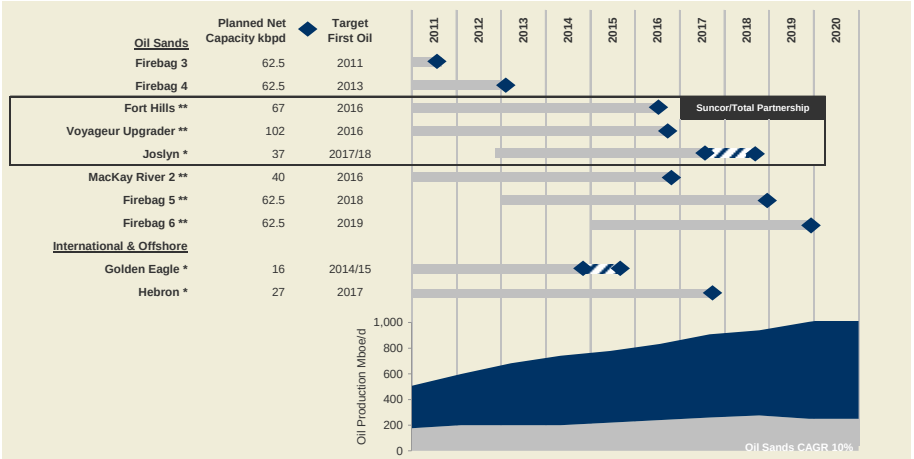
## Suncor at a glance



## Suncor Growth: 8% to 2020

| Oil Sands | Planned Net Capacity kbpd | Target First Oil |
|---|---|---|
| Firebag 3 | 62.5 | 2011 |
| Firebag 4 | 62.5 | 2013 |
| Fort Hills ** | 67 | 2016 |
| Voyageur Upgrader ** | 102 | 2016 |
| Joslyn * | 37 | 2017/18 |
| MacKay River 2 ** | 40 | 2016 |
| Firebag 5 ** | 62.5 | 2018 |
| Firebag 6 ** | 62.5 | 2019 |
| **International & Offshore** | | |
| Golden Eagle * | 16 | 2014/15 |
| Hebron * | 27 | 2017 |




International & Offshore CAGR 4%

* Subject to regulatory approval

** Subject to project sanction and Board of Directors approval

In-situ projects, including Firebag 3 – 6 and MacKay River 2, are subject to a ramp up period from first oil to full capacity over a period of approximately 24 months

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## Suncor environmental performance goals

2010 summary report on sustainability

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# The Oil Sands and the Boreal Forest


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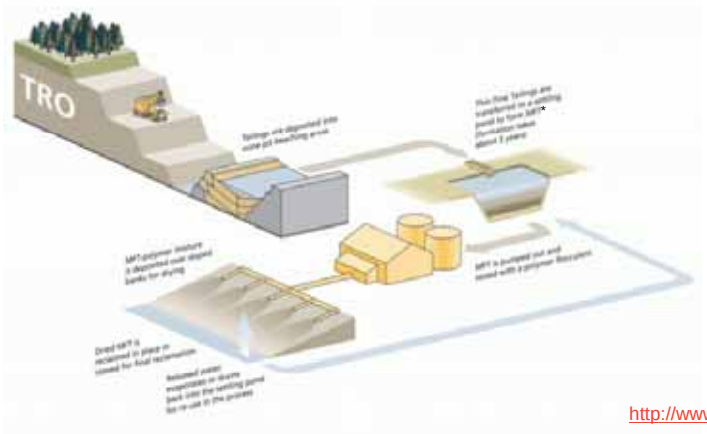
## Technology and Innovation: Suncor's Tailings Reduction Operations (TRO)




http://www.suncor.com/tailings

- Reduces need to build more tailings ponds as MFT* will be consumed more quickly than it is generated
- Anticipate shorter time to reclamation – reclaimable surface 10 years after initial disturbance as compared to 30 years with Consolidated Tailings (CT)

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* Mature Fine Tails (MFT)

## Technology and Innovation: Suncor's Pond 1





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## Oil Sands Leadership Initiative (OSLI)

- 5 like-minded companies
- **Mandate -** Improve oil sands reputation by demonstrating and communicating improvements
- **Vision –**Achieve world class environmental, social and economic performance
- **Mission –** Lead the oil sands industry in responsible development of oil sands

ConocoPhillips Canada nexen Statoil SUNCOR TOTAL

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