An Introduction to the Alberta Oil Sands

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Legal notice

This investor presentation contains certain forward-looking statements, including statements about Suncor’s growth strategy and expected future production, operating and financial results that are based on Suncor’s current expectations, estimates, projections and assumptions that were made by Suncor in light of its experience and its perception of historical trends. Some of the forward-looking statements may be identified by words such as “objective”, “targets”, “estimates”, “anticipated”, “plans”, “vision”, “strategy”, “expects”, “proposed”, “intention”, “continue”, “may”, “outlook”, “opportunity” and “projected” and similar expressions. These statements are not guarantees of future performance and involve a number of risks and uncertainties, some that are similar to other oil and gas companies and some that are unique to Suncor. Users of this information are cautioned that actual results may differ materially as a result of, among other things, assumptions regarding expected synergies and reduced operating expenditures; volatility of and assumptions regarding to oil and gas prices; assumptions contained in or relevant to Suncor’s current corporate guidance; fluctuations in currency and interest rates; product supply and demand; market competition; risks inherent in marketing operations (including credit risks); imprecision of reserves and resources estimates and estimates of recoverable quantities of oil, natural gas and liquids from Suncor’s properties; the ability to access external sources of debt and equity capital; the timing and the costs of well and pipeline construction; assumptions regarding the timely receipt of regulatory and other approvals; the ability to secure adequate product transportation; changes in royalty, tax, environmental and other laws or regulations or the interpretations of such laws or regulations; applicable political and economic conditions; the risk of war, hostilities, civil insurrection, political instability and terrorist threats; assumptions regarding OPEC production quotas; risks associated with existing and potential future lawsuits and regulatory actions; and other risks and uncertainties described from time to time in the reports and filings made by Suncor with securities regulatory authorities in Canada and the United States.

Although Suncor believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned that the foregoing list of important factors and assumptions is not exhaustive and actual results could differ materially from those expressed or implied as a result of changes to Suncor's plans and the impact of events, risks and uncertainties discussed in Suncor's current annual information form/form 40-F, annual and quarterly reports to shareholders and other documents filed with Canadian securities commissions at www.sedar.com and the United States Securities and Exchange Commission (SEC) at www.sec.gov. The forward-looking statements speak only as of the date hereof and Suncor undertakes no duty to update these statements to reflect subsequent changes in assumptions (or the trends or factors underlying them) or actual events or experience.

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.
To provide greater reliability and flexibility to our feedstock supplies, we produce bitumen through mining and in-situ recovery technologies and supplement that supply through third party agreements. A staged approach to increasing crude oil production capacity allows Suncor to better manage capital costs and incorporate new ideas and new technologies into our facilities.

We produce natural gas as a natural price hedge against the cost of energy consumption at Suncor’s oil sands operation. Suncor takes an active role in connecting supply to consumer demand with a diverse portfolio of products, downstream assets and markets.

Our investments in renewable wind energy and biofuels are a key part of Suncor’s climate change action plan. International and offshore assets are a source of steady cashflow to fund our oil sands growth.
Canada’s Oil Sands

Mineable area of Oil Sands (2.5 %)

One-hundredth of one percent of Canada’s boreal forest has been mined
Globally significant reserves

Includes 170 billion barrels of oil sands reserves

World Oil Reserves

Accessible Oil Reserves

State owned or controlled

Canada's Oil Sands 46%
Other Accessible Reserves 54%

Source: Oil & Gas Journal Dec. 2008
### Oil sands economic implications

<table>
<thead>
<tr>
<th>Location</th>
<th>$ million GDP</th>
<th>Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Canada</td>
<td>1,738,253</td>
<td>456,000</td>
</tr>
<tr>
<td>Alberta</td>
<td>1,574,530</td>
<td>352,600</td>
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<tr>
<td>BC</td>
<td>45,474</td>
<td>28,500</td>
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<td>Ontario</td>
<td>54,850</td>
<td>32,000</td>
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<td>Quebec</td>
<td>23,172</td>
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<td>Saskatchewan</td>
<td>18,694</td>
<td>12,000</td>
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<tr>
<td>Manitoba</td>
<td>11,548</td>
<td>8,500</td>
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<tr>
<td>Maritimes</td>
<td>4,775</td>
<td>3,800</td>
</tr>
<tr>
<td>Northern Canada</td>
<td>1,591</td>
<td>800</td>
</tr>
</tbody>
</table>

Projected oil sands economic and employment contributions for the next 25 years extend across Canada

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Canada’s energy exports to the US: $122 billion
Total US demand satisfied by Canadian exports: 9%
Cross-border direct investment in energy: $90 billion

Electricity
1%
$3.8 Billion
Source: Government of Canada

Crude Oil
13%
$61 Billion

Natural Gas
15%
$33 Billion
% of US Consumption

Source: Government of Canada
Energy, environment, and the economy
Oil sands production technologies

**Mining**

Mining shovels dig into sand and load it into huge trucks. Trucks take oilsands to crushers, where it is prepared for extraction. Hot water is added to the oilsands and then fed via hydrotransport to the extraction plant. Bitumen is extracted from the oilsands during hydrotransport and in the separation vessels. The tailings are pumped to the settling basin, where the water is recycled.

*Source: Canadian Centre for Energy Information*

**In-Situ**

**Steam Assisted Gravity Drainage (SAGD)**

*Source: Oil Sands Developers’ Group*

**Cyclic Steam Process**

*Source: Oil Sands Developers’ Group*
Renewable technologies
Comparing fuels on a wells-to-wheels basis

"This places them within the general range of crude oils consumed in the United States…"

Source: Cambridge Energy Research Associates Inc. Growth in the Canadian Oil Sands Report 2009
Water use at Suncor

- Reduced absolute water use by more than one-third since 2004
- 2009: reduced freshwater withdrawal from Athabasca River by 11%
- Approximately 75% of water recycled at mining operations
- Approximately 90% of water recycled at in-situ operations
Suncor’s Wapisiw Lookout (formerly Pond 1)

Summer 2007

Summer 2008

Fall 2008

Summer 2010
• Reduces need to build more tailings ponds as Mature Fine Tailings 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
Questions:
• Will energy supply keep up with energy demand?
• Will there be an instant transformation of the energy sector?
• How long will it take to “green” our economy?

Certainties:
• Energy demand will rise
• Concern for environment will drive improvement
• Energy commitment and innovation will be required
• Healthy perspective and realistic solutions will be required