



$$v^2 + 2vb + b^2$$



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$$dE = \dot{Q}_{in} - \dot{Q}_{out} + \dot{Q}_{gen}$$

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About us

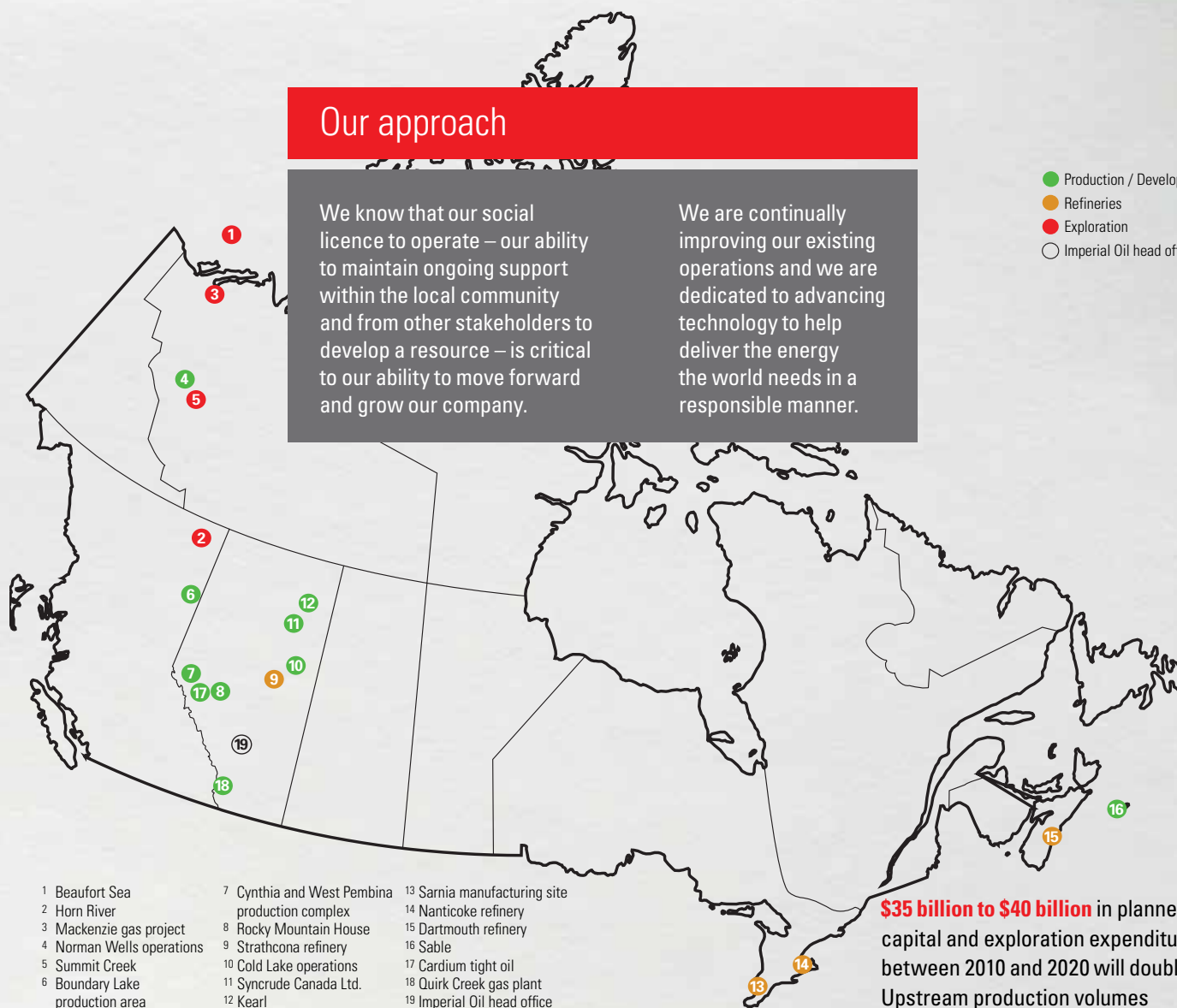
After more than 130 years in business, Imperial Oil has become one of Canada's largest corporations and a leading member of the country's petroleum industry. We supply reliable and affordable energy to millions of people, delivering fuels that generate heat, light and transportation. We also manufacture the building blocks for many products Canadians use every day.

Our approach

We know that our social licence to operate – our ability to maintain ongoing support within the local community and from other stakeholders to develop a resource – is critical to our ability to move forward and grow our company.

We are continually improving our existing operations and we are dedicated to advancing technology to help deliver the energy the world needs in a responsible manner.

- Production / Development
- Refineries
- Exploration
- Imperial Oil head office



\$35 billion to \$40 billion in planned capital and exploration expenditures between 2010 and 2020 will double Upstream production volumes

Business segments

Resources (Upstream business) explores for and produces oil and natural gas. This division is a major producer of oil sands crudes through the Cold Lake operation and holds a 25 percent interest in Syncrude. Development opportunities are being pursued through the Kearn and Athabasca oil sands projects in Alberta and in the Horn River Basin of northeastern British Columbia.

Refining and marketing (Downstream business) manufactures, distributes and markets petroleum products. This division operates refineries in Dartmouth, Nova Scotia; Sarnia and Nanticoke, Ontario; and Strathcona County, near Edmonton, Alberta. These refineries convert crude oil into more than 700 petroleum products, including transportation fuels and lubricants. Our fuels marketing business provides essential fuels to industrial, wholesale and retail customers through more than 110 distribution terminals and about 1,850 retail service stations.

Chemical business produces a range of petrochemical products, including polyethylene aromatics and specialty solvents, at manufacturing facilities in Sarnia and Dartmouth.

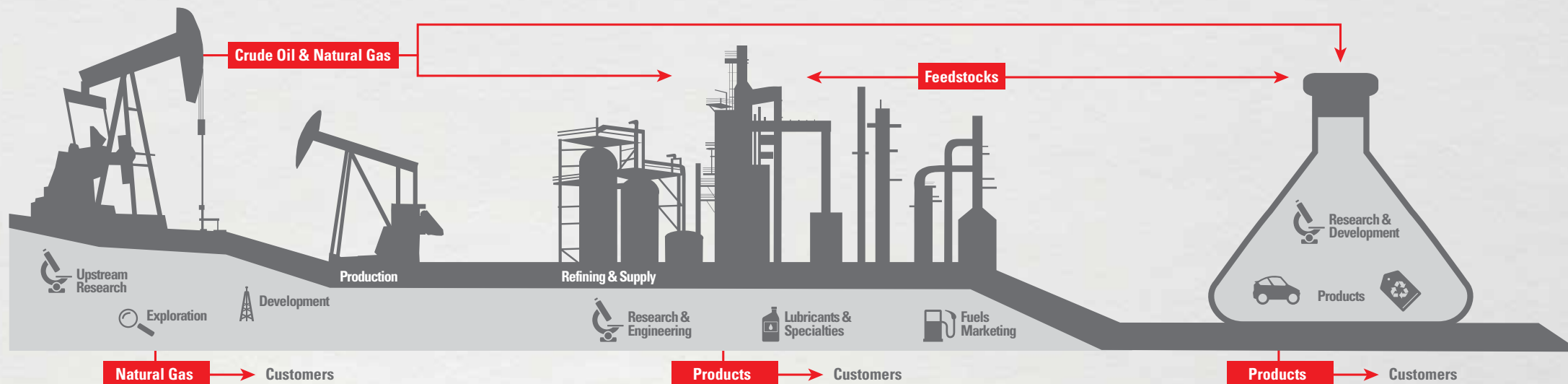
247,000 barrels per day gross crude oil and natural gas liquids production

280 million cubic feet per day gross natural gas production

444,000 barrels per day refinery throughput

One in five vehicles fill up at an Esso-branded service station

2,700 tonnes per day in chemical sales volumes





We are working to meet a growing global demand for energy in a responsible manner. Looking ahead to 2030, we see future population and economic growth fuelling that higher demand, especially in developing countries. And even as renewable forms of energy become more affordable and accessible, oil and natural gas will continue to meet the bulk of the world's energy needs.

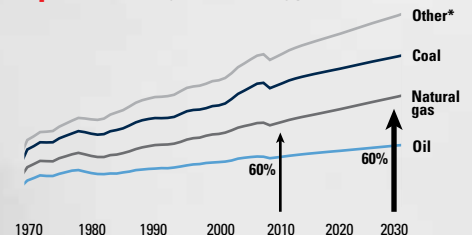


Energy efficiency is one of the most effective and least costly ways to curb energy demand growth and emissions.

Global energy demand will be **35 percent** higher than in 2005

Energy demand in developing countries will grow by more than **70 percent**

Oil and natural gas will continue to represent **60 percent** of global energy





We conduct our business in a manner that protects the safety and health of our employees and those involved with our operations, as well as the public and the ecosystems in which we explore and operate. We are relentless in our focus on safety. At Imperial, nothing is more important.

We manage risks associated with safety, health and the environment through our Operations Integrity Management System, a framework that measures progress and accountability in these areas. It also ensures we appropriately engage with the communities in which we operate. We also adhere to rigorous process safety standards and procedures that are followed throughout the life of a project.

Industry leading employee safety and spills performance

More than **100 digs** each year, on average, to inspect and maintain pipelines

Number of spills reduced by **38 percent** in past five years



Our safety, health and environmental protection framework is recognized as an industry leader

In 2010, employee total recordable incident rate has improved by 76 percent from five years ago

challenge:
Although we have had some of our best safety records in the last few years, we will not become complacent

We look to technology to address challenges inherent in the production of energy. We are one of a small number of oil and gas companies in Canada with dedicated research facilities. Scientists at our Calgary and Sarnia centres conduct their own research as well as partner with academic experts and scientists at ExxonMobil.

challenge:

Developing game-changing technologies that will help produce energy with a smaller environmental footprint

$$\mu_8 \exp[D/\{(T/T_0) - 1\}]$$
$$T_0 = \sum WFi / Toi$$



Over 900 patents since 1924, including the two primary in situ technologies used today to develop the oil sands

Investment in R&D over the past five years of more than **\$440 million**

First Canadian company to open a research division. Today, **more than 150** scientists, engineers and technologists work in our research centres

Greenhouse gas emissions



Managing greenhouse gas emissions and meeting growing energy demand requires action by individuals, companies and governments. This will require an integrated set of solutions. For Imperial, this includes increasing efficiency, advancing research of alternative energy technologies, and supporting effective policies. Our efforts aim not only to reduce emissions from our operations, but also to reduce emissions by end-users of energy.

Over **535 megawatts** of existing and planned cogeneration capacity will save energy and cut emissions by generating steam and electricity at the same time

Our annual greenhouse gas emissions continue to be **below** our 2005 benchmark level

Our target is to improve energy efficiency at our manufacturing sites by **one percent each year** (18 percent reduction since 1990)



challenge:
Reducing greenhouse gas emissions through best practices and technology

An oil sands project like Kearl, which will use advanced mining techniques and energy-saving cogeneration and produce diluted bitumen without an upgrader, will result in a life cycle greenhouse gas footprint no greater than the average barrel of oil refined in the United States. (IHS CERA 2010)

challenge:

Protecting the quality, quantity and availability of fresh water

Access to clean water is essential to life and is critical to Imperial's operations. We require water at every stage of our business, from exploration and production to refining. We focus on freshwater conservation opportunities, efficient use of water through the design and operation of our facilities, as well as recycling and reuse. Company-wide, we are exploring opportunities to further reduce freshwater use and preserve water quality. With other industry players, Imperial is working with government and stakeholders to ensure hydraulic fracturing processes protect drinking water and are environmentally sound.

We use about **90 percent less** fresh water per barrel at Cold Lake than we did in the mid-1970s

Conservation initiatives at our Cold Lake Nabije expansion will reduce freshwater use by up to **30 percent** from current levels

We are **collaborating** with industry on water storage and sharing agreements in Athabasca



Since 2005, we have spent about \$30 million at our Sarnia refinery on spill detection and diversion technology to further protect the St. Clair River

Air quality monitoring **around the clock** in the regions where we operate

\$500 million invested in emissions controls and fuel reformulation in the past two years

34 percent decrease in combined air emissions from our facilities since 2006



We contribute to maintaining air quality by producing cleaner fuels, adding emission controls, and reducing energy use.

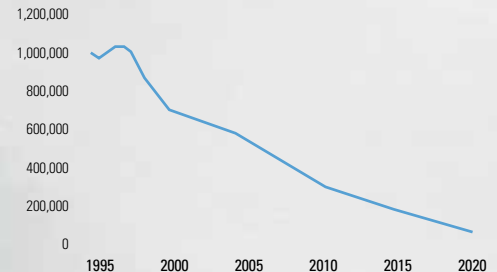
challenge:
Protecting the air quality of the communities where we operate

New vehicle engine technology along with reformulated fuels will contribute to an additional 80 to 90 percent reduction in smog-producing emissions by 2020



Emissions of nitrogen oxides (NO_x) from vehicles

NO_x tonnes per year



Source: Environment Canada

As part of our environmental commitment, we manage land use from design stage and construction through to operation and decommissioning. We work closely with governments, communities, Aboriginal people and other stakeholders to protect wildlife and minimize impacts on land. There is also a great deal of effort focused on responsible maintenance and reclamation of former industrial sites, including oil and natural gas facilities, refineries and gas stations.

More than **one million** trees and shrubs planted at Cold Lake since 1998

More than **\$600 million** spent on remediation and reclamation activities since 2007

Over 260 industrial sites sold or reverted to leaseholders since 2007 in order to help **return land** to productive use and/or address community concerns

Imperial joined a number of leading industry players to **share tailings research** and speed reclamation efforts at our oil sands mining operations

Cold Lake is the first Upstream operation in Canada recognized by the Wildlife Habitat Council for its wildlife monitoring programs



challenge:

After development is complete, we want no evidence we were ever there



Economic development

We pay annual taxes and royalties of about **\$5 billion**



We continue our annual community investment. In 2010, we invested about **\$15 million**

Imperial's employees, annuitants and contractors have helped raise **\$17 million** for the United Way-Centraide in the past five years

One of the ways we measure success is how well we contribute to the economic well-being of Canadians. We provide financial support and incentive programs to our local communities, including workforce and supplier development and strategic community investments, as well as revenue for governments.

One of our corporate citizenship goals is to create long-term economic and social benefits for our communities. Our community investment is primarily targeted toward science, technology and Aboriginal education to help Canada's workforce be competitive in a global market.

\$8 billion in spending on goods and services in 2010

challenge:
Enhancing education, developing a skilled workforce, creating jobs and supporting reliable local supply networks that will drive both economic growth and a higher standard of living



Many of Imperial's operations and development opportunities are located on the traditional lands of Aboriginal people. We strive to develop and maintain lasting relationships with Aboriginal communities built on mutual trust and respect. A priority is to conduct our business in a manner that shows regard for the land, environment, rights and culture of Aboriginal communities.

We are continuing our efforts to increase Aboriginal employment in our company. By developing targeted recruitment strategies and networks and investing in scholarships, work placement and training programs, we hope to attract more Aboriginal employees.

Imperial and ExxonMobil are investing \$4 million over five years in the Indigenous Women in Community Leadership program, a national program for First Nation, Metis and Inuit women in Canada

challenge:

Developing new initiatives to support local Aboriginal business development

More than **\$180 million** in contracts awarded directly to Aboriginal businesses or through contractors in 2010

Established a centre of expertise in Community and Aboriginal Affairs and an Aboriginal Relations Network within the company

Over the last five years our Aboriginal workforce has increased by about **30 percent**



Our people

We employ over 5,000 people across Canada. Our goal is to have a workforce that is representative of the available workforce across the country.



We are investing in skills training programs and support networks to increase the number of Aboriginal people, women and disabled in our workforce

We're hiring (more than ever)

Women make up **one-third of our** managerial, professional and technical workforce – an increase from less than 20 percent in 1990

More than **\$4 million** per year in scholarships has been awarded to employee dependents since 2006



challenge:

More than 40 percent of our managerial, professional and technical workforce are eligible to retire in the next 15 years. We will ensure that their knowledge is being transferred

For more information

Our Corporate Citizenship Report is available on our website (imperialoil.ca/citizenship).

For additional information and to provide comments, please contact:

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Cover: Progressive reclamation of the Kearl oil sands project began in 2010 with the planting of green alder saplings that were grown in a northern Alberta greenhouse from seeds harvested locally.
