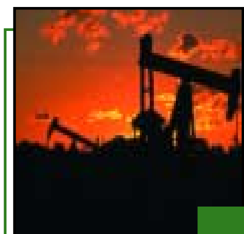
Esso Imperial Oil

- First-half results set record
- Petroleum-product margins improve
- Natural gas and bitumen volumes increase



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Quarterly report

for the six months ended June 30, 2001

Financial highlights

	Second quarter		Six months to June 30	
	2001	2000	**2001**	2000
Earnings (millions of dollars)				
Natural resources	**308**	224	**590**	446
Petroleum products	**116**	63	**236**	114
Chemicals	**6**	17	**7**	35
Corporate and other	**(16)**	(19)	**(37)**	(41)
Net earnings	**414**	285	**796**	554
Cash flow from earnings	**528**	408	**1,091**	761
Cash flow from operating activities	**917**	587	**1,410**	844
Capital and exploration expenditures	**211**	175	**375**	297
Per-share information (dollars)				
Net earnings	**1.04**	0.67	**2.00**	1.30
Cash flow from earnings	**1.33**	0.96	**2.74**	1.78
Cash flow from operating activities	**2.30**	1.39	**3.54**	1.98
Dividends	**0.210**	0.195	**0.405**	0.390
Price – close at June 30			**38.85**	36.15

Earnings news release

Toronto, July 25, 2001 – Imperial Oil Limited today announced second-quarter net earnings of $414 million or $1.04 a share, compared with $285 million or 67 cents a share during the second quarter of 2000.

Net earnings in the first half of 2001 were $796 million or $2.00 a share, compared with $554 million or $1.30 a share during the same period last year.

The main reasons for the increase in earnings were higher natural gas prices, increased production of natural gas and crude oil, and stronger industry petroleum-product margins. The company also benefited from a reduction in both Alberta and Ontario provincial tax rates enacted in the second quarter. These positive factors were partly offset by lower bitumen prices, higher costs of purchased fuel and electricity and increased planned maintenance.

Total revenues were $4,813 million in the second quarter and $9,535 million in the first six months of 2001, compared with $4,230 million and $8,296 million in the corresponding periods last year.

Cash and marketable securities were $1,878 million on June 30, 2001, compared with $787 million at the same time last year. The company repurchased 1.4 million shares at a total cost of $54 million during the second quarter, following approval of Imperial's seventh consecutive share purchase program on June 21, 2001.

Bob Peterson, chairman, president and chief executive officer, said: "These record first-half results reflect a continuation of very solid operating performance throughout the company, along with relatively strong market fundamentals. Recent declines in commodity prices and margins have reinforced the need to stay focused on those aspects of the business that are within our control."

Information on the Web

Imperial's Internet Web site (www.imperialoil.ca) contains a wide variety of information about the company, including a complete range of investor information:

Publications
Current and recent annual and interim reports, news releases, the latest management proxy circular, forms *10K* and *10Q*, and the *Information for Investors* fact book

Key dates
Dividend declaration and payment, earnings news releases, annual meeting

Other useful information
Share transfer and replacement information, historical share prices and dividends, earnings sensitivities, crude oil posted prices, dividend reinvestment and share purchase plan

Special items – gains/(losses), after tax

millions of dollars	**2001**				2000			
	Q4	**Q3**	**Q2**	**Q1**	Q4	Q3	Q2	Q1
Natural resources			**2**	**–**	25	61	–	–
Petroleum products			**(1)**	**1**	–	–	6	–
Chemicals			**–**	**–**	–	–	–	–
Corporate and other			**–**	**–**	(5)	–	–	–

	2001	2000	1999	1998	1997
Natural resources					
Asset sales	**2**	86	4	15	143
Tax refunds	**–**	–	–	133	–
Petroleum products					
Asset sales	**–**	6	12	7	–
Chemicals					
Asset sales	**–**	–	1	25	36
Corporate & other					
Asset sales	**–**	4	–	–	–
Expenses for redemption of U.S. debt	**–**	(9)	(18)	–	–

Management's discussion and analysis of financial condition and results of operations

Operating results

The company's net earnings for the second quarter of 2001 were $414 million or $1.04 a share, compared with $285 million or 67 cents a share for the second quarter of 2000. Net earnings for the first six months of 2001 were $796 million or $2 a share, compared with $554 million or $1.30 a share for the same period last year. The main reasons for the increase in earnings were higher natural gas prices, increased production of natural gas and crude oil, and stronger industry petroleum-product margins. The company also benefited from a reduction in both Alberta and Ontario provincial tax rates enacted in the second quarter. These positive factors were partly offset by lower bitumen prices, higher costs of purchased fuel and electricity, and increased planned maintenance.

Total revenues were $4,813 million in the second quarter and $9,535 million in the first six months of 2001, compared with $4,230 million and $8,296 million in the corresponding periods last year.

Natural resources

During the second quarter of 2001, net earnings from natural resources were $308 million compared with $224 million in the same period last year. Year-to-date net earnings from natural resources were $590 million in 2001, compared with $446 million during the same six-month period last year.

Prices for natural gas averaged $6.29 a thousand cubic feet in the second quarter and $8.14 a thousand cubic feet in the first half of 2001, compared with $4.07 a thousand cubic feet and $3.46 a thousand cubic feet in the corresponding periods last year. Average prices for bitumen were about half of what they were during the corresponding periods last year.

Total production of crude oil and natural gas liquids (NGLs) increased to 273 thousand barrels a day in the second quarter of 2001 from 262 thousand barrels a day in the same period last year. Six-month average production increased to 275 thousand barrels a day in 2001, from 258 thousand barrels a day in the same period last year.

Gross production of conventional crude oil declined to 55 thousand barrels a day in the second quarter 2001 from 60 thousand barrels a day during the same period in 2000. For the six-month period ended June 30, 2001, conventional crude oil production declined to 56 thousand barrels a day this year from 62 thousand barrels a day last year. Natural reservoir decline and sale of the company's share of the Mitsue field and a number of small oil-producing properties in the Pembina area of Alberta late last year were the main reasons for reduced production of conventional crude oil.

Production of NGLs available for sale was essentially unchanged from the previous year.

The company's share of Syncrude's gross production decreased to 53 thousand barrels a day in the second quarter of 2001 from 56 thousand barrels a day in the corresponding period last year. The decline resulted from planned maintenance activities in the second quarter of 2001. During the first half of 2001, the company's share was 56 thousand barrels a day, compared with 50 thousand barrels a day in the first half of 2000. Reduced scheduled maintenance this year and start-up of the Aurora project last year were the reasons for the increase.

Bitumen production at Cold Lake was 137 thousand barrels a day during the second quarter and 134 thousand barrels a day in the first six months of 2001, compared with 119 thousand barrels a day in the second quarter and 116 thousand barrels a day in the first half of 2000. Increased production was due to timing of the steaming cycle phase.

Gross production of natural gas during the second quarter of 2001 was 574 million cubic feet a day, compared with 504 million cubic feet a day during the same period in 2000. Production in the first six months of 2001 was 597 million cubic feet a day, compared with 505 million cubic feet a day during the same period last year. Increased production of natural gas included deliveries from the Sable Offshore Energy Project, which began production at the end of 1999, and production from gas caps overlaying former oil fields at Bonnie Glen and Golden Spike in Alberta.

Gross production of natural gas available for sale in the second quarter of 2001 was 402 million cubic feet a day, up from 332 million cubic feet a day during the same period last year. During the first six months, production available for sale was 424 million cubic feet a day in 2001, compared with 326 million cubic feet a day in 2000.

During the second quarter, sales of natural gas increased to 479 million cubic feet a day in 2001, from 392 million cubic feet a day last year. Sales volumes were 489 million cubic feet a day in the first half of 2001, compared with 422 million cubic feet a day during the same period last year.

Natural resources also benefited from a reduction in Alberta tax rates enacted in the second quarter.

During the second quarter, the Syncrude owners endorsed proceeding with a major expansion of the joint venture that will increase production by more than 100 thousand barrels a day. Imperial, which holds a 25 percent interest, expects its share of expenditures for the project to be about $1.1 billion over the next three years.

At Cold Lake, construction of phases 11 to 13 remains essentially on budget and on schedule for a start-up in late 2002.

Petroleum products

Net earnings from petroleum products were $116 million during the second quarter of 2001, compared with $63 million during the same period last year. During the first six months of the year, earnings were $236 million in 2001, up from $114 million in 2000. Stronger industry petroleum-product margins contributed to the increase. These were partly offset by increased costs for purchased fuel and electricity, planned higher maintenance activities, and the impact of tax rate changes.

Excluding sales under purchase and sale agreements, net sales of petroleum products were essentially unchanged from the previous year.

Chemicals

Net earnings in the second quarter of 2001 from chemical operations were $6 million, compared with $17 million during the same period last year. During the first six months of the year, net earnings were $7 million in 2001, versus $35 million in 2000. The main reason for the decline was reduced industry margins on sales of polyethylene. Also during the second quarter, a major planned maintenance program was completed.

Corporate and other

Net earnings from the corporate and other operations were negative $16 million in the second quarter of 2001, compared with negative $19 million in the same period last year. During the first half of 2001, net earnings were negative $37 million, compared with negative $41 million during the same period last year. Higher interest income on cash balances and lower interest expense on debt contributed to the improvement.

Liquidity and capital resources

Cash flow from operating activities was $917 million during the second quarter of 2001, compared with $587 million in the same period last year. During the first half of the year, cash flow from operating activities was $1,410 million in 2001, compared with $844 million in 2000. The increase was mainly due to improved cash flow from higher earnings.

During the three months ended June 30, 2001, total investing activities used $202 million of cash, up from $131 million in the same period last year. During the six-month period, investing activities used $342 million in 2001, compared with $243 million in 2000. Additions to property, plant and equipment were the main reason for the increase.

On June 21, 2001, a seventh 12-month normal course share purchase program was implemented to replace a previous program that expired on June 20, 2001. This latest share-purchase program has an allowable maximum purchase of 19.9 million shares. The company purchased 1.4 million shares at a cost of $54 million, all in the second quarter of 2001. This compares with the purchase of 13.9 million shares for $466 million throughout the first six months of 2000.

Cash dividends of $156 million were paid in the first six months of 2001. This compared with dividends of $168 million in the comparable period of 2000. On May 24, 2001, the company declared a quarterly dividend of 21 cents a share, up 1.5 cents a share from the previous quarter, payable on July 1, 2001.

The balance of cash and marketable securities on June 30, 2001, was $1,878 million, compared with $787 million at the same time last year.

Consolidated statement of earnings

(unaudited)

millions of dollars	Second quarter **2001**	Second quarter 2000	Six months to June 30 **2001**	Six months to June 30 2000
Revenues				
Operating revenues	**4,785**	4,202	**9,482**	8,251
Investment and other income (2)	**28**	28	**53**	45
Total revenues (7)	**4,813**	4,230	**9,535**	8,296
Expenses				
Exploration (7)	**1**	3	**11**	7
Purchases of crude oil and products	**2,959**	2,514	**5,735**	4,958
Operating	**773**	703	**1,543**	1,368
Federal excise tax	**297**	301	**576**	584
Depreciation and depletion	**185**	184	**371**	365
Financing costs (3)	**34**	37	**76**	69
Total expenses	**4,249**	3,742	**8,312**	7,351
Earnings before income taxes	**564**	488	**1,223**	945
Income taxes (4)	**150**	203	**427**	391
Net earnings (7)	**414**	285	**796**	554
Per-share information - dollars				
Net earnings	**1.04**	0.67	**2.00**	1.30
Dividends	**0.210**	0.195	**0.405**	0.390

Consolidated statement of retained earnings

(unaudited)

millions of dollars	Second quarter **2001**	Second quarter 2000	Six months to June 30 **2001**	Six months to June 30 2000
Retained earnings at beginning of period	**2,586**	2,311	**2,282**	2,225
Net earnings for the period	**414**	285	**796**	554
Share purchases (5)	**(47)**	(296)	**(47)**	(395)
Dividends	**(83)**	(82)	**(161)**	(166)
Retained earnings at end of period	**2,870**	2,218	**2,870**	2,218

Consolidated statement of cash flows

(unaudited)

inflow/(outflow) millions of dollars	Second quarter **2001**	 2000	Six months to June 30 **2001**	 2000
Operating activities				
Net earnings	**414**	285	**796**	554
Depreciation and depletion	**185**	184	**371**	365
(Gain)/loss on asset sales, after tax (2)	**(1)**	(6)	**(2)**	(6)
Future income taxes and other	**(70)**	(55)	**(74)**	(152)
Total cash flow from earnings (7)	**528**	408	**1,091**	761
Accounts receivable	**18**	(74)	**107**	(121)
Inventories and prepaid expenses	**150**	(35)	**(138)**	(227)
Income taxes payable	**31**	137	**(171)**	172
Accounts payable and other	**190**	151	**521**	259
Change in operating assets and liabilities	**389**	179	**319**	83
Cash from operating activities	**917**	587	**1,410**	844
Investing activities				
Additions to property, plant and equipment (7)	**(210)**	(172)	**(364)**	(290)
Proceeds from asset sales (2)	**8**	27	**22**	33
Proceeds from marketable securities	**–**	14	**–**	72
Additions to marketable securities	**–**	–	**–**	(58)
Cash from (used in) investing activities	**(202)**	(131)	**(342)**	(243)
Cash flow before financing activities	**715**	456	**1,068**	601
Financing activities				
Common shares purchased (5)	**(54)**	(346)	**(54)**	(466)
Dividends paid	**(78)**	(84)	**(156)**	(168)
Cash from (used in) financing activities	**(132)**	(430)	**(210)**	(634)
Increase (decrease) in cash	**583**	26	**858**	(33)
Cash at beginning of period	**1,295**	716	**1,020**	775
Cash at end of period	**1,878**	742	**1,878**	742

Consolidated balance sheet

(unaudited) millions of dollars	**As at June 30 2001**	As at Dec. 31 2000
Assets		
Current assets		
Cash	**1,878**	1,020
Accounts receivable	**1,389**	1,496
Inventories of crude oil and products	**572**	421
Materials, supplies and prepaid expenses	**150**	162
Future income tax assets	**318**	377
Total current assets	**4,307**	3,476
Investments and other long-term assets	**116**	127
Property, plant and equipment	**7,361**	7,369
Goodwill and other intangible assets	**241**	250
Total assets (a)	**12,025**	11,222
Liabilities		
Current liabilities		
Short-term debt	**75**	75
Accounts payable and accrued liabilities	**2,372**	1,868
Income taxes payable	**1,011**	1,182
Current portion of long-term debt	**303**	292
Total current liabilities	**3,761**	3,417
Long-term debt (6)	**944**	928
Other long-term obligations	**1,064**	1,044
Future income tax liabilities	**1,354**	1,512
Total liabilities	**7,123**	6,901
Shareholders' equity	**4,902**	4,321
Total liabilities and shareholders' equity	**12,025**	11,222

(a) Total assets by segment		
Natural resources	**5,229**	5,288
Petroleum products	**4,766**	4,812
Chemicals	**420**	379
Corporate and other	**1,880**	1,022
Intersegment receivables eliminated in consolidation	**(270)**	(279)
Total assets	**12,025**	11,222

Approved by the directors July 25, 2001

R B Peterson

Chairman, president and
chief executive officer

Controller and
senior vice-president,
finance and administration

Notes to consolidated financial statements

(unaudited)

1. Accounting principles

These consolidated financial statements follow the same accounting policies and methods of computation as, and should be read in conjunction with, the most recent annual consolidated financial statements.

2. Investment and other income

Investment and other income includes gains and losses on asset sales as follows:

millions of dollars	Second quarter 2001	2000	Six months to June 30 2001	2000
Proceeds from asset sales	**8**	27	**22**	33
Assets and liabilities disposed of (a)	**5**	20	**18**	26
Gain/(loss) on asset sales, before tax	**3**	7	**4**	7
Gain/(loss) on asset sales, after tax	**1**	6	**2**	6

(a) Assets sold did not include cash.

3. Financing costs

millions of dollars	Second quarter 2001	2000	Six months to June 30 2001	2000
Debt related interest	**22**	26	**47**	51
Other interest	**1**	1	**2**	2
Total interest expense	**23**	27	**49**	53
Foreign exchange expense on long-term debt	**11**	10	**27**	16
Total financing costs	**34**	37	**76**	69

4. Income taxes

The Alberta and Ontario provincial governments enacted tax rate reductions in the second quarter of 2001. Changes in the current and future tax liabilities to reflect these tax rate reductions impacted results by $74 million: natural resources $87 million, petroleum products negative $10 million and corporate and other negative $3 million.

5. Share purchase programs

Thousands of shares	As at June 30 2001	As at Dec. 31 2000
Authorized	**450,000**	450,000
Common shares outstanding	**396,911**	398,263

In 1995 through 2000, the company purchased shares under six 12-month normal course share-purchase programs. Also in 1996, the company undertook an auction tender in which 72 million shares were purchased at a total cost of $1,440 million. On June 21, 2001, another 12-month normal course program was implemented with an allowable purchase of 19.9 million shares (five percent of the total on June 19, 2001), less any shares purchased by the employee savings plan and company pension fund. The results of these activities are as shown below.

Year	millions of shares	millions of dollars
1995 - 1999	150.0	3,136
2000 - Second quarter	9.7	346
Full Year	33.2	1,208
2001 - Second quarter	**1.4**	**54**
Year to date	**1.4**	**54**
Cumulative purchases to date	184.6	4,398

Exxon Mobil Corporation's participation in the above maintained its ownership interest in Imperial at 69.6 percent.

The excess of the purchase cost over the stated value of shares purchased has been recorded as a distribution of retained earnings.

6. Long-term debt

millions of dollars	As at June 30 2001	As at Dec. 31 2000
Long-term debt (at period-end exchange rates)	**1,045**	1,035
Foreign-exchange loss on U.S.$ debt (a)	**(101)**	(107)
Long-term debt (b)	**944**	928

(a) The foreign-exchange loss on U.S.-dollar debt is being amortized to earnings over the remaining life of the debt.

(b) The company's 8.3% U.S.-dollar debt, which will mature on August 20, 2001, has been reclassified to the current portion of long-term debt in the balance sheet.

7. Business segments

millions of dollars	Second quarter 2001	2000	Six months to June 30 2001	2000
Revenues				
Natural resources				
External	**870**	665	**1,956**	1,400
Intersegment	**543**	661	**1,141**	1,297
Total	**1,413**	1,326	**3,097**	2,697
Petroleum products				
External (a)	**3,671**	3,316	**7,029**	6,420
Intersegment	**365**	302	**792**	619
Total	**4,036**	3,618	**7,821**	7,039
Chemicals				
External	**253**	238	**513**	454
Intersegment	**51**	51	**140**	100
Total	**304**	289	**653**	554
Corporate and other				
External	**19**	11	**37**	22
Total	**19**	11	**37**	22
Total external revenues (b)	**4,813**	4,230	**9,535**	8,296
Earnings				
Natural resources	**308**	224	**590**	446
Petroleum products	**116**	63	**236**	114
Chemicals	**6**	17	**7**	35
Corporate and other	**(16)**	(19)	**(37)**	(41)
Net earnings	**414**	285	**796**	554
Cash flow from earnings				
Natural resources	**336**	327	**701**	622
Petroleum products	**184**	76	**387**	123
Chemicals	**12**	20	**15**	42
Corporate and other	**(4)**	(15)	**(12)**	(26)
Total cash flow from earnings	**528**	408	**1,091**	761
Capital and exploration expenditures				
Additions to property, plant and equipment				
Natural resources	**147**	111	**260**	194
Petroleum products	**56**	58	**90**	91
Chemicals	**7**	3	**14**	5
Total additions to property, plant and equipment	**210**	172	**364**	290
Exploration expense, natural resources	**1**	3	**11**	7
Total capital and exploration expenditures	**211**	175	**375**	297
(a) Includes crude sales made in order to optimize refining operations.				
(b) Includes export sales to the United States.	**580**	584	**1,218**	1,146

Operating statistics

(unaudited)

	Second quarter		Six months to June 30	
	2001	2000	**2001**	2000
Gross crude oil and NGL production (thousands of barrels a day)				
Conventional	**55**	60	**56**	62
Cold Lake	**137**	119	**134**	116
Syncrude	**53**	56	**56**	50
Total crude oil production	**245**	235	**246**	228
Natural gas liquids (NGLs) available for sale	**28**	27	**29**	30
Total crude oil and NGL production	**273**	262	**275**	258
NGL sales (thousands of barrels a day)	**34**	31	**40**	43
Natural gas (millions of cubic feet a day)				
Production (gross)	**574**	504	**597**	505
Production available for sale (gross)	**402**	332	**424**	326
Sales	**479**	392	**489**	422
Average prices (dollars)				
Conventional crude oil sales (a barrel)	**38.55**	38.81	**38.98**	38.85
Par crude oil price at Edmonton (a barrel)	**42.62**	41.90	**42.94**	42.09
Heavy crude oil at Hardisty (Bow River, a barrel)	**26.60**	35.70	**26.38**	35.43
Natural gas sales (a thousand cubic feet)	**6.29**	4.07	**8.14**	3.46
Petroleum products sales (millions of litres a day)				
Gasolines	**33.0**	32.2	**31.4**	31.1
Heating, diesel and jet fuels	**24.0**	26.0	**26.8**	27.6
Heavy fuel oils	**5.4**	4.4	**5.2**	4.2
Lube oils and other products	**4.9**	5.7	**4.5**	4.9
Net petroleum products sales	**67.3**	68.3	**67.9**	67.8
Sales under purchase and sale agreements	**11.0**	10.6	**11.3**	10.9
Total petroleum products sales	**78.3**	78.9	**79.2**	78.7
Total refinery throughput (millions of litres a day)	**62.0**	70.7	**68.8**	71.7
Refinery capacity utilization (percent)	**79**	90	**88**	91
Petrochemical sales (thousands of tonnes a day)	**3.3**	3.1	**3.3**	3.1

Share ownership, trading and performance

(unaudited)

	Second quarter		Six months to June 30	
	2001	2000	**2001**	2000
Return on average capital employed (a)				
(rolling 4 quarters, percent)			**30.1**	18.0
Return on average shareholders' equity				
(rolling 4 quarters, percent)			**36.6**	21.6
Share ownership				
Outstanding shares (thousands)				
Monthly weighted average	**398,038**	422,923	**398,151**	426,508
At June 30			**396,911**	417,584
Number of shareholders				
At June 30			**16,790**	17,553
Share prices (dollars)				
High	**43.50**	39.55	**43.50**	39.55
Low	**37.50**	30.40	**36.67**	26.50
Close at June 30			**38.85**	36.15

(a) Capital employed is defined as short- and long-term debt and shareholders' equity.

Dividend and share-purchase information

	2001	**2001**	**2001**	**2002**
	2nd Qtr.	**3rd Qtr.**	**4th Qtr.**	**1st Qtr.**
Declaration date	May 24	Aug. 15	Nov. 21	Feb. 19
Dividend record date	June 5	Sept. 4	Dec. 3	March 4
Dividend payment date	July 1	Oct. 1	Jan. 1, 2002	April 1
Share purchase cutoff date (cheques for share purchase must be dated and received no later than)	June 15	Sept. 17	Dec. 13, 2001	March 15
Investment date (dividend-reinvestment and share-purchase funds are invested by the company on)	July 3	Oct. 2	Jan. 2, 2002	April 2

The declaration of dividends and the dates shown are subject to change by the board of directors.
The company reserves the right to amend, suspend or terminate the dividend-reinvestment and share-purchase plan at any time.
Share-purchase cheques should be made payable to Computershare Trust Company of Canada.
Dividend cheques are normally mailed three to five days prior to payment dates.
Quarterly statements for dividend-reinvestment and share-purchase plan participants are normally mailed two weeks after the investment dates.

Items of interest

Syncrude expansion approved

Imperial has approved the expenditure of about $1.1 billion over the next three years as its share of a major expansion of mining and upgrading capacity at Syncrude Canada.

The expansion will develop additional oil-sands production from the Aurora mine site and increase upgrading capacity for converting bitumen into light crude oil. Production is expected to grow by more than 100,000 barrels a day as a result of the expansion, bringing Syncrude's total output to more than 350,000 barrels a day.

The upgrader expansion will incorporate new technology to reduce emissions of sulphur dioxide and produce a better quality crude oil with a lower sulphur content.

Imperial is the largest owner of the Syncrude project, with a 25-percent share.

New Cold Lake phases progressing well

Construction of a $650 million expansion of Imperial's bitumen production operations at Cold Lake, Alta., is proceeding on schedule and on budget. More than 80 percent of the detailed engineering work and 20 percent of the field construction have been completed. One-third of total expenditures have been made.

The expansion entails adding three phases to the existing 10 phases of commercial operations at Cold Lake. The new phases will add about 30,000 barrels a day, on average, to bitumen production, and have increased net proved reserves of oil by 250 million barrels.

To improve overall energy efficiency, the project will include a 170-megawatt cogeneration plant that will provide steam for the new phases and generate enough electricity to supply all the company's other Cold Lake operations. Excess capacity will be available to the Alberta power grid.

Share buyback program renewed

In June, the company received approval from the Toronto Stock Exchange for its seventh normal-course issuer bid, (also known as a share buyback or repurchase program) that will be carried out under similar conditions to the previous programs.

Terms of the program allow Imperial to purchase up to five percent of the shares outstanding at the time of the approval, or 19.9 million shares, over a 12-month period. The allowable limit includes any shares purchased by the company for the employee savings plan and company pension funds. The actual number of shares purchased is at the company's discretion and will depend on a number of business variables.

The program will end on June 20, 2002, unless the maximum number of shares is purchased before then or Imperial provides earlier notice of termination.

Exxon Mobil Corporation has advised Imperial that it will participate in the new program, as it did in the previous ones, to maintain its ownership interest in Imperial at 69.6 percent. The maximum number of shares that can be purchased under the program includes any purchases from ExxonMobil.

Since the first buyback program began in June 1995, the company has purchased 184.6 million shares – more than 30 percent of the shares outstanding at the start of the program – for $4.4 billion. Purchases under the program that expired on June 20, 2001, totaled more than 20 million shares costing about $770 million.

Shareholders who wish to receive a copy of the company's "Notice of intention to make a normal course issuer bid," filed with the Toronto Stock Exchange, can obtain one without charge by contacting Imperial's shareholder services division at the address listed below.

For more information

If you have a question about dividend payments, dividend reinvestment, lost dividend cheques, settling an estate, or transferring or replacing share certificates, you can call our transfer agent at 1-800-332-0095. Employees with shares in the Imperial Oil savings plan should call 1-800-668-2648.

Esso

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