

**Remarks by Sheelagh Whittaker  
Environment, Health and Safety Committee Chair  
to the Annual Meeting of Shareholders  
Calgary, Alberta  
May 1, 2008**

**Environment, Health and Safety**



**Sheelagh Whittaker**  
Committee Chair

Thank you Mr. Chairman, and good morning ladies and gentleman.

Imperial's commitment to sound safety, health and environmental practices today combined with a drive for greater improvement tomorrow are fundamental to operational excellence and to achievement of the company's goals of "Protect Tomorrow. Today" and "Nobody gets hurt."

And, as chair of the board's health, safety and environment committee, I am pleased to report on our efforts to ensure that Imperial continues to fulfil its obligations in these critically important areas.

In 2007, as in the past, the committee met at regular intervals specifically to review the company's environmental and safety performance, its approach to risk management, and its compliance with regulatory requirements.

As part of our role, we monitor emerging trends and issues in environment, health and safety as well as proposed legislation. We assess these against the company's position and performance, and provide feedback and ideas to management on the company's environment, health and safety strategies. Some of the particular topics we have focused attention on over the past few years include climate change, Alberta contractor safety, asbestos management practices and standards, and refinery process safety and reliability. Our engagement in these topics not only underlines their importance to management but also helps us meet our responsibility to help make certain that these areas of concern are being appropriately managed.

Now to our progress report on how Imperial has performed in the past year. I'll begin with safety because nothing is more important.



And I'm pleased to report that Imperial's employee safety performance remains strong as compared to the industry and has improved compared to last year. And while no injury should be minimized, looking more closely at the details, there are some notable trends.

- Half of the recordable injuries and illnesses in 2007 were either office-related, repetitive strain injuries or hearing loss cases.
- Most of the hearing losses reported in 2007 resulted from past practices where standards and equipment were not as rigorous or effective as they are today. And we can take some pride in the fact that hearing protection practices and equipment are now much more successful.

Overall, there remains a strong focus on preventing all injuries while noting a continuing trend of reduced severity.



Turning to contractor performance, I'm pleased to report that this is another area of improvement. Contractor safety remains a challenge across Canada for the entire industry; it has been particularly difficult in Alberta where demand for workers is creating skill shortages and high worker turnover.



Despite these difficulties, Imperial has achieved reductions in the frequency of contractor injuries in Alberta.

## Actions Improve Contractor Safety Performance

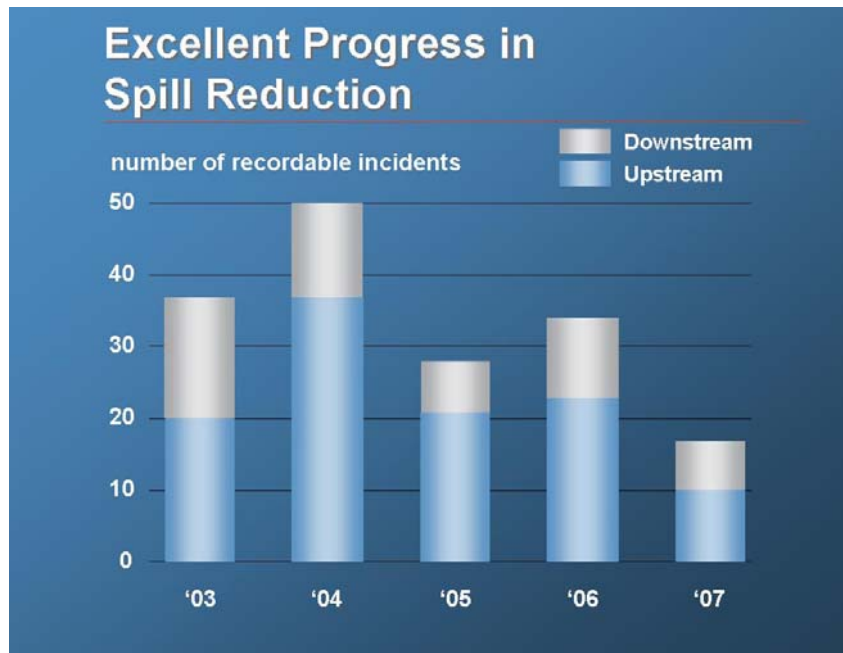
- Greater field presence
- Safety leadership training
- Behaviour-based tools and techniques
- Mentoring

Improved results for Imperial's contractors can be attributed to:

- A greater field presence of supervisors and more focused safety leadership training for them.
- Further deployment of the Loss Prevention System. This program uses behaviour-based tools and techniques to prevent incidents.
- Continuation of the short-service work program, in which inexperienced workers are mentored by more seasoned individuals.

One area that was less strong in 2007, however, was the reliability of the company's operations. In 2007, Imperial had two refinery fires: one at Nanticoke and the other at Strathcona. Both fires have been thoroughly investigated and corrective actions have been taken.

However, these incidents reinforce the need for the company to work even harder to implement the requirements set out in its reliability management system. It's a system that is focused on maintaining operations integrity through compliance with critical parameters in facility maintenance, inspection standards and personnel training in order to achieve flawless performance in the areas of safety, health and environment.



Now, I'd like to talk about the progress made in environmental performance. As you can see from the chart, the number of oil and chemical spills dropped from 23 in 2006 to 10 in 2007 for the upstream. The downstream had a best-ever year with seven spills in 2007, down from 11 in 2006. In fact, 2007 was the best year ever for Imperial for this performance metric.

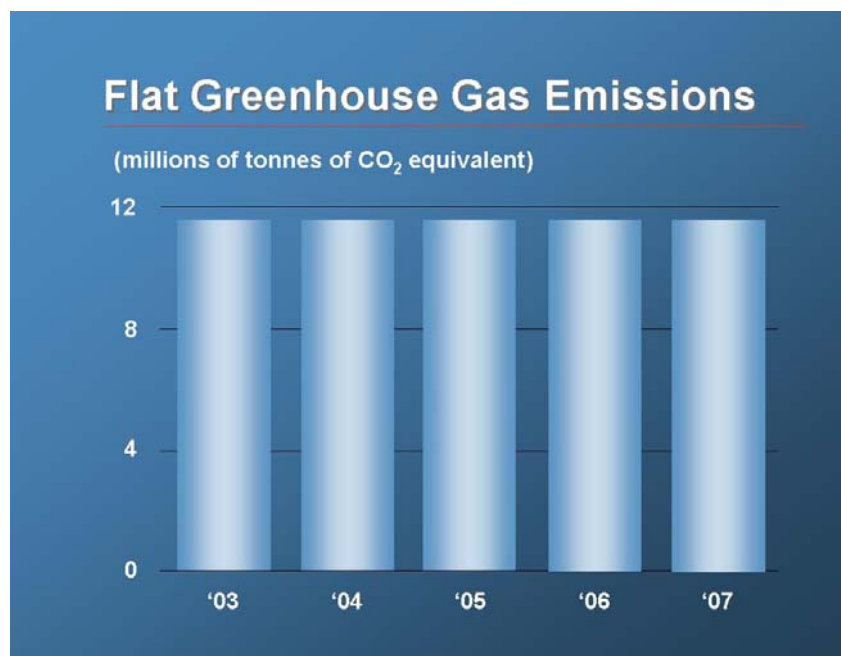


Compliance incidents, however, was not such a good story. In 2006, there were 22 incidents. In 2007, there were 37.

One particular contributor to this number was a flurry of incidents in short succession at the Quirk Creek gas plant in Alberta where eight incidents related to not meeting specific SO<sub>2</sub> limits were recorded; the majority due to problems with a new control system installed during planned maintenance in June. While none of the air excursions posed health or safety threats, Imperial took these deviations seriously. Management held an open house to inform area residents of the problems and met with Alberta Environment to obtain support for their action plan. The staff also completed a thorough review of all associated equipment to determine that no potential systemic factors were at play.

In 2007, environmental management and performance continued to be a major focus under the goal of "Protect Tomorrow. Today." Imperial has invested in facilities and training to prevent environmental incidents, and reduce emissions and wastes while providing its leaders and employees with the necessary knowledge and skills so that they focus on environmental excellence when planning and executing work in the same way as teams focus on safety and reliability.

For example, in the downstream, 300 leaders were trained in the company's Essentials of Environmental Excellence course, which was launched during 2007. And, in the upstream, over 200 people have been trained in a similar program called Fundamentals of Regulatory Compliance and Environment – which has been running since 2005.



Finally, greenhouse gas emissions. Imperial's GHG emissions have remained flat since 2002 even though production has steadily increased. In fact, Imperial has been acting simultaneously on several fronts to reduce these emissions and is actively working to improve the energy efficiency of its operations with over \$150 million of energy-related projects, which will also reduce greenhouse gas emissions.

**Remarks by Sheelagh Whittaker, Environment, Health and Safety Committee Chair**  
Imperial Oil Limited 2008 Annual Meeting of Shareholders

In the long term, the company has committed \$10 million to the Imperial Oil-Alberta Ingenuity Centre for Oil Sands Innovation at the University of Alberta. The goal is to further strengthen the work being done to develop Canada's oil sands resource in an efficient and environmentally responsible manner.

In closing, I and my committee are encouraged by Imperial's overall progress in 2007. As demand for energy grows in the coming years, the oil and gas industry will be challenged to produce more, while meeting even higher standards for health, safety and environmental protection. We believe Imperial has proven that it is and will continue to be up to that challenge.

Thank you.