

**Notes for remarks by Sheelagh Whittaker
Environment, Health and Safety Committee Chair
to the annual meeting of shareholders
Calgary, Alberta, May 2, 2006**



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

We all are especially conscious right now of how extremely well Imperial's leadership has done in managing resources and providing shareholders with attractive returns and long-term growth.

But it is important to keep in mind that, while achieving this remarkable success, Imperial also remains constantly mindful of its long-standing commitment to safety, health and environmental excellence.

Today, in my role as Chair of the Board's Environment, Health and Safety Committee, I'd like to remind you about the company's approach to these critical areas and offer a progress report on how Imperial has been performing in them.

Commitment to Safety, Health and Environmental Excellence

- “Nobody gets hurt”
- “Protect tomorrow, today”

Everyone who works for or with Imperial quickly learns that the company and its people have a passion for health and safety. No aspect of the operation receives more attention.

Simply, and we hope memorably put, the goal is "nobody gets hurt." And all of us -- the Board, management and staff -- are focused together on ensuring that occupational injuries and illnesses are not merely reduced, but reduced to zero.

The company's goal for environmental performance is similarly simple and challenging-- "protect tomorrow, today" -- which means conducting business in an environmentally responsible way today for the benefit of everyone's future.

Success in meeting these commitments depends not only on leadership and individual determination but also on a formal, systematic approach.

In prior annual meetings, I have spoken about Imperial's rigorous Operations Integrity Management System (OIMS for short), which focuses on identifying, controlling and managing risks. This system applies to every facility, everywhere in Canada. And OIMS works so well because it makes business management directly responsible for safety, health and environmental performance.

The OIMS system is tightly and rigorously managed to ensure that all facilities meet the standards through an annual assessment and stewardship process. It also meets key international standards such as the ISO 14001 requirements for environmental management.

So, you'll be wondering how exactly did the company perform against our highly demanding goals in the past year?

Well, I am pleased to report that 2005 was yet another year of strong safety, health and environment performance.

In fact, the company's safety performance was its best ever, and once again the best among Canada's integrated oil and gas companies.



This slide on the screen shows you performance in terms of the total recordable incident rate, the broad measure which includes all lost-time incidents, as well as injuries or illnesses that result in restricted duty or medical treatment.

The 2005 total recordable incident rate for employees was down 33 per cent from 2004 and is now one-third of the 2001 rate. During the year, there was one lost-time injury for employees out of 12.7 million hours worked. All the company's employees should take real pride in this quite remarkable safety performance.



Contractor safety also improved with a total recordable incident rate that was 24 percent lower than 2004 levels and 37 percent lower than the 2001 rate. As well, there was one lost-time injury for contractor employees out of 14 million hours worked.

So, 2005 was a year of further important safety gains. And my committee and I are truly impressed and gratified at what everyone at Imperial has achieved.

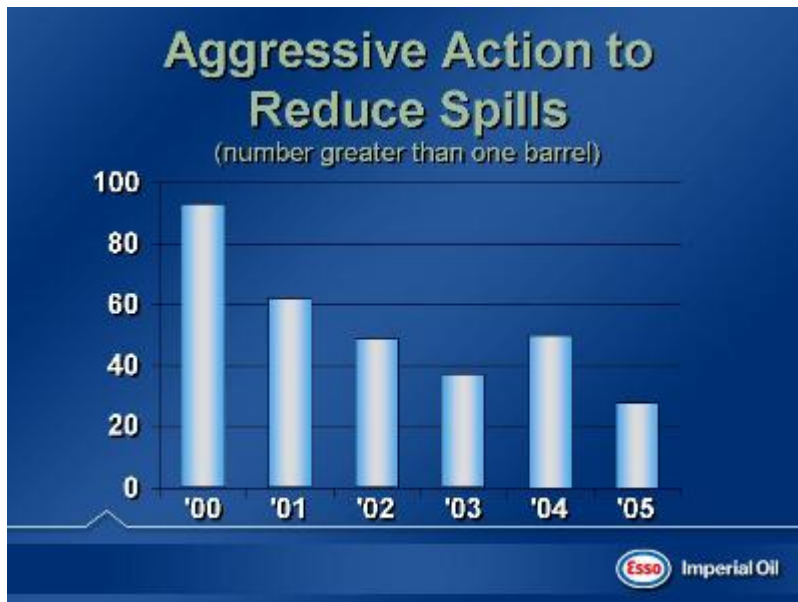
But, while there were so few lost-time incidents, there were still 63 employee and contractor injuries, and we will keep working at it until the great day when we can finally tell you, "nobody got hurt!"

Turning now to the environment, you may remember that we reported a disappointing spill performance in 2004, coming after a number of years of steady improvement.



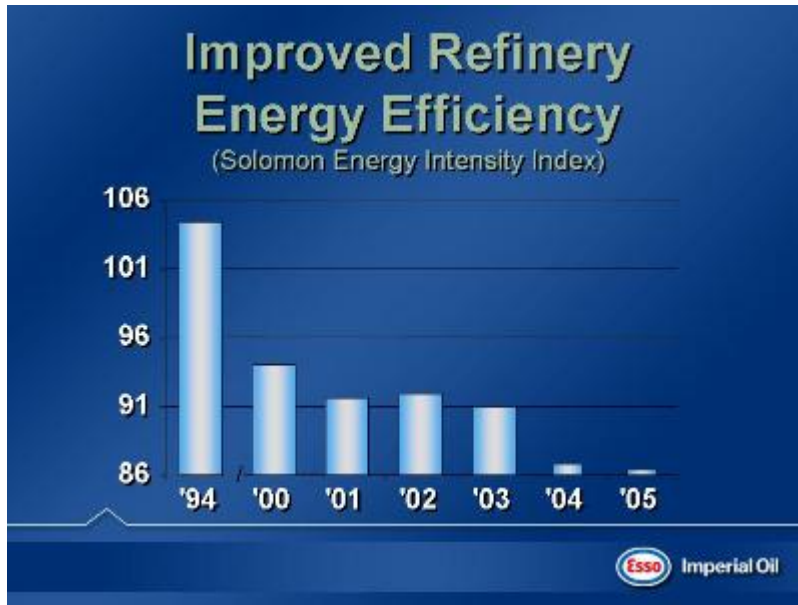
Today, therefore, I'm especially pleased to report that excellent overall progress was made in 2005.

Aggressive action was taken last year to strengthen spill prevention by increasing surveillance of pipelines, upgrading underground storage tanks and providing more training for workers.

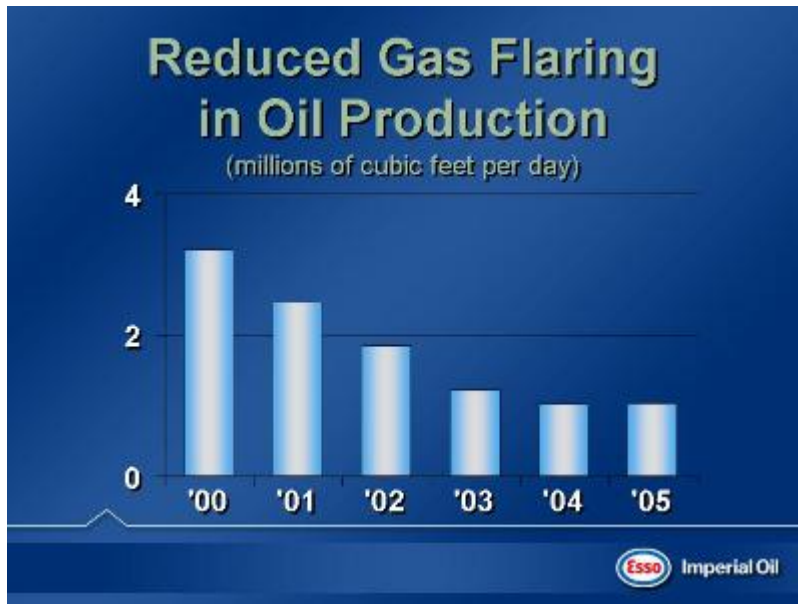


And these efforts seem to be paying off. The number of spills greater than one barrel dropped from 50 in 2004 to 28 in 2005, the lowest level on record. Meanwhile, the number of environmental regulatory incidents has been reduced by more than a third from 37 to 21.

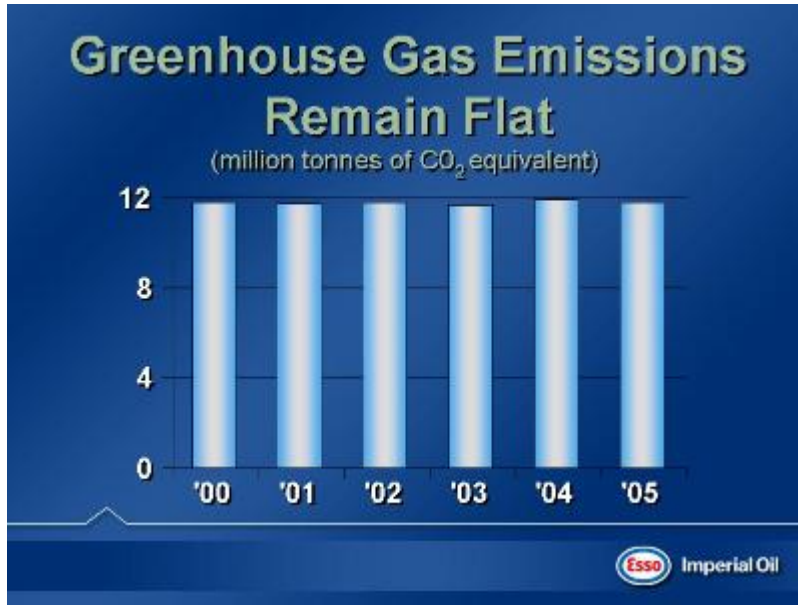
These are very encouraging results. Still, the company will continue with its determined efforts until operational incidents with environmental impact have been reduced to zero.



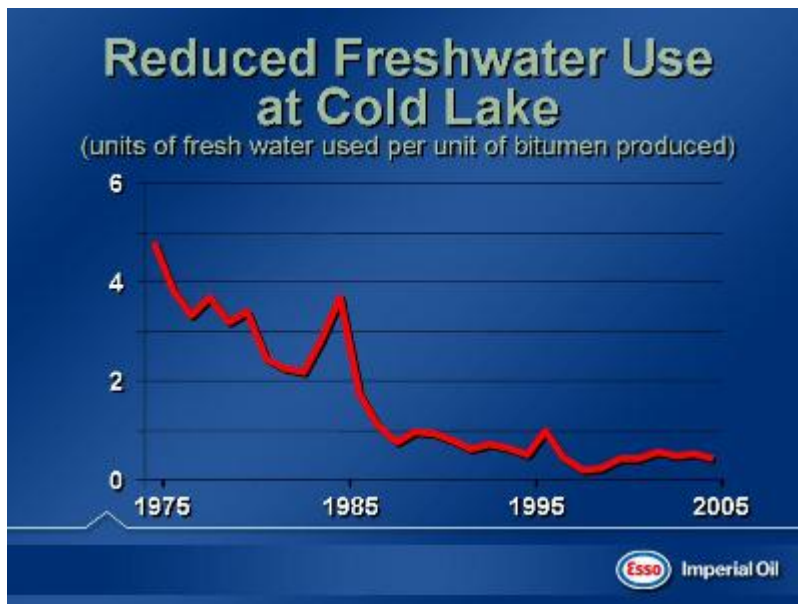
In other aspects of environmental performance, Imperial's refineries have improved energy efficiency 16 per cent since 1994. This represents an energy saving that's the equivalent of heating approximately 80,000 Canadian homes per year.



The company has substantially reduced the flaring of natural gas associated with crude oil production. This translates into a recovery rate of 99.9 per cent -- among the very best in the industry.



And Imperial's overall greenhouse gas emissions from operations still remain close to 2000 levels, despite the increases in volume throughput.



It is also gratifying to see that the company's environmental efforts are being recognized by others. For example, the innovative water recycling methods Imperial has developed at its Cold Lake operation, reducing local freshwater use, were recognized for environmental excellence by the Alberta government's EnviroVista Program.

All in all, 2005 was an extremely good year for environment, health and safety. Still, the company does not intend to relax its vigilance. You can expect Imperial to strive not just to preserve those advances but also to achieve further excellence in the future, particularly through:

- its commitment to technology investment, and
- its strong emphasis on leadership training.

On the technology front, over the last five years, more than \$1 billion has been invested in improvements aimed at protecting the environment.



In the Upstream, expansion plans at Cold Lake call for the innovative use of "megapad" technology. This advanced technology uses different drilling techniques to gain greater access to underground reserves from one site, not just improving the economics of the project but also reducing its overall environmental "footprint."



In the Downstream, researchers are advancing technology aimed at helping motorists to reduce fuel consumption and emissions, through such products as synthetic lubricants, while in the refineries investments have been made in equipment to lower the sulphur content of gasoline and diesel. These initiatives will result in reducing smog-forming emissions from new vehicles by 90 percent.

But technology is only part of the approach to maintaining continuous improvement. Ensuring managers and leaders throughout the organization have the knowledge and skills they require is another important component.

It is a business truism that improvement starts with leadership, right from the top and driving down throughout the whole organization. Certainly, in recent years, Imperial's greatest successes in safety can be directly attributed to strong leadership, supported by dedicated people and the effective execution of systems.



Clearly, Imperial wants to build on this record of success. That's why the company is continuously increasing its focus on providing world class training to key leaders in the organization that support safety, health and environment excellence.

Principal areas of focus are the use of analytical tools, the latest in behavioral science, including how people learn and process information, and different approaches to promoting continuous improvement in the workplace.

As the 2005 results show, these initiatives are already contributing to Imperial's growing leadership position on safety. Those same approaches are also being applied to achieving continuing improvement of the company's environmental performance, with the launch of new leadership training initiatives.

Achieving excellence in these areas is of course a great thing in its own right. It also directly contributes to the future strength of the whole business. It helps the company to manage change most effectively. It helps the company to meet the energy needs of Canadians both responsibly and profitably. And it ensures that Imperial continues to meet the expectations not just of its customers and shareholders but also of the wider society that it serves.

Thank you.