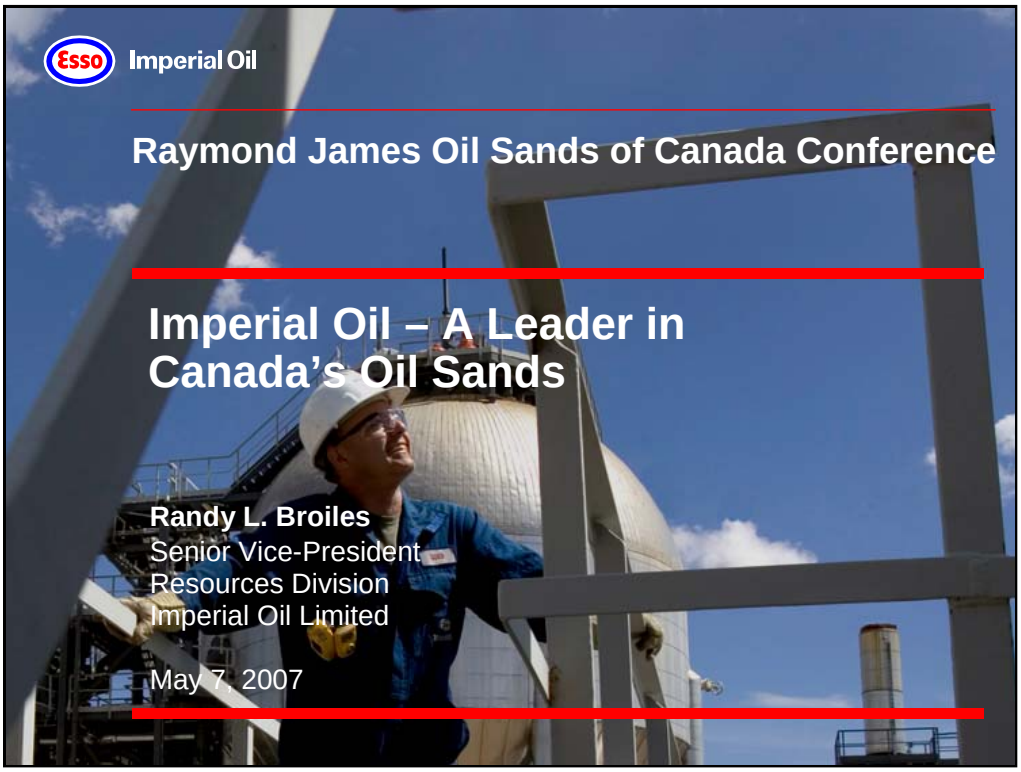


- Good afternoon. I'd like to thank Raymond James for the opportunity to speak today and to share Imperial Oil's opportunities in the oil sands.
- Following my remarks, I'd be pleased to address your questions.

Imperial Oil

Cautionary Statement

This presentation contains forward-looking information on future production, project start-ups and future capital spending. Actual results could differ materially due to changes in project schedules, operating performance, demand for oil and gas, commercial negotiations or other technical and economic factors.

Oil-equivalent barrels (OEB) may be misleading, particularly if used in isolation. An OEB conversion ratio of 6,000 cubic feet to one barrel is based on an energy-equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the well head.

Slide 2

- However, like others, I want to remind you that the presentation this afternoon contains forward-looking information and actual results could be different as a result of many factors -- which are noted on this slide.

Imperial Oil

Imperial Oil Limited – 'IMO'

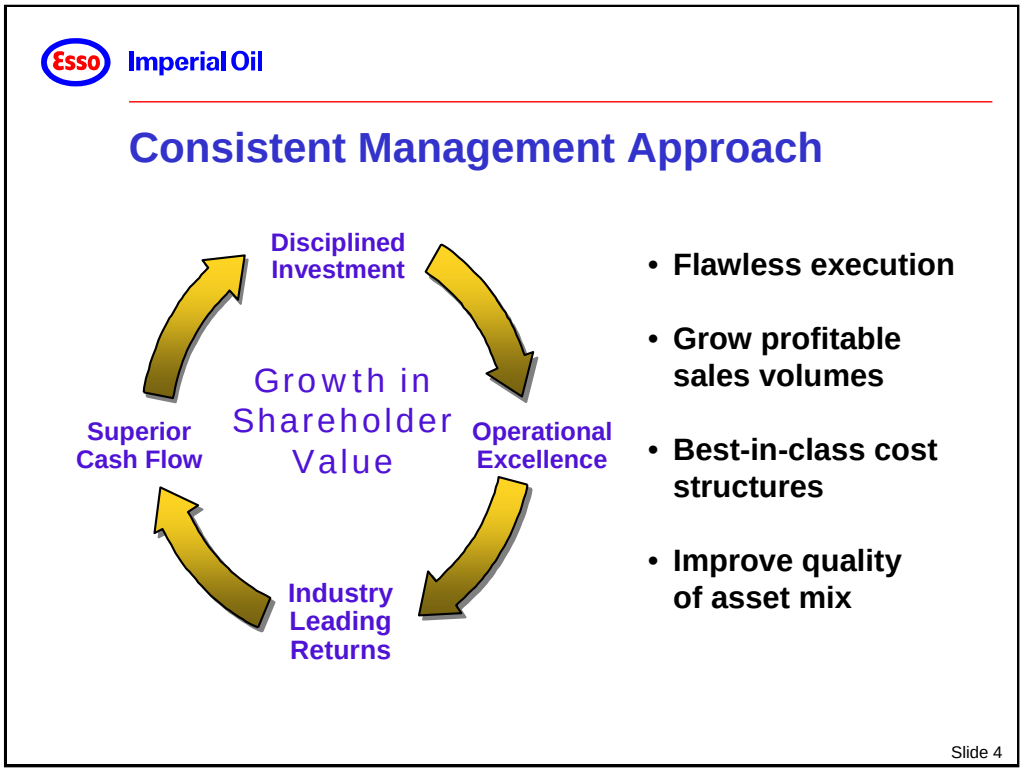
A leader in Canada's petroleum industry for over 125 years

- **Net proved reserves* – 1.5 GBOE**
  * After royalties and before year-end price/cost revisions
- **Net non-proved resource – ~12 GBOE**
- **Upstream production – 364 KBOED**
  - **Major oil sands producer – 217 KBD**
- **Leading refiner and marketer**
- **Chemical sales ~1.1 MT/year**
- **Leading Return on Capital Employed (**ROCE**)**

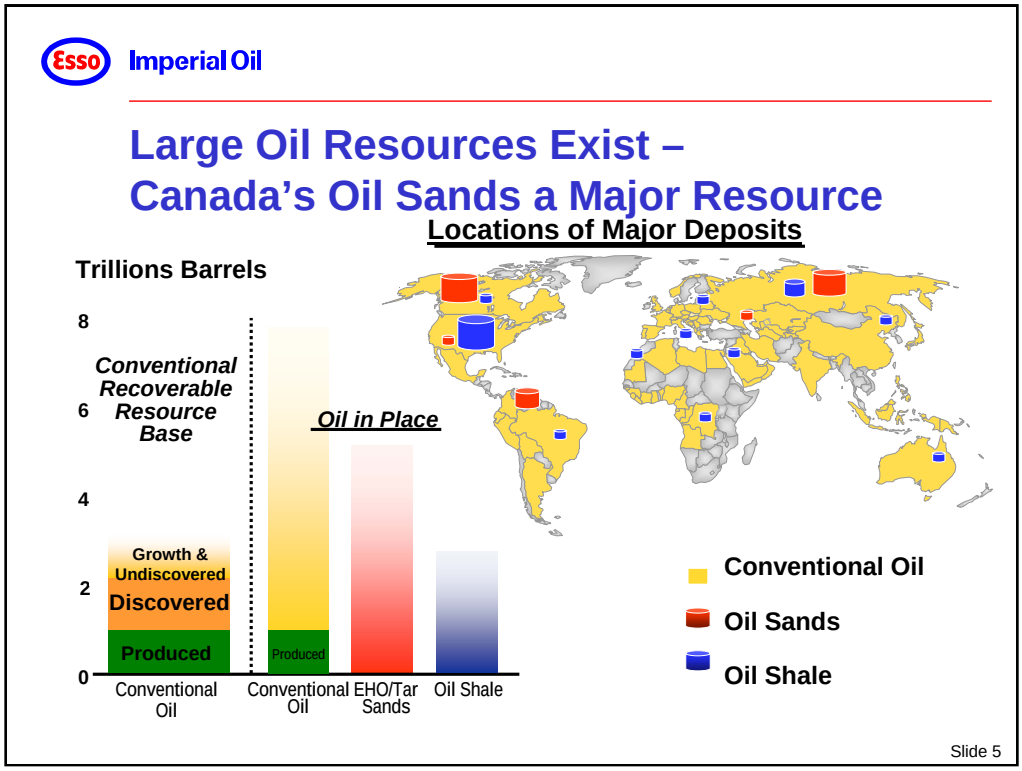


Slide 3

- Let me begin with an overall look at Imperial Oil...
- Imperial has been a leader in Canada's petroleum industry for over 125 years -- we remain one of the largest producers of crude oil and a major producer of natural gas.
- Net proved reserves, after royalties and before year-end price adjustments totaled over 1.5 billion oil-equivalent barrels at the end of 2006, equivalent to a reserve-life index of nearly 12 years. However, this is just a portion of our potential. Our non-proved resource base was approximately 12 billion oil-equivalent barrels -- said another way -- our resource base represents nearly 100 years of production at current levels -- and is a leading resource position in Canada.
- We are a major oil sands producer with nearly 220,000 barrels a day produced last year from our wholly owned Cold Lake operation and our 25 percent working interest in Syncrude Canada. We achieved record production from our Cold Lake operations in 2006.
- We are a leading refiner and marketer of petroleum products in the country and supply about 25 percent of total demand.
- The company's total chemical sales were over 1.1 million tonnes and our polyethylene operations remain among the most cost-competitive in North America.
- We achieved record earnings in 2006 of over $3 billion dollars, in Canadian currency.
- And -- a fundamental competitive advantage for Imperial -- we remain the leader among our competitors in Canada with the highest return on capital employed at over 35 percent.



- As you can see, Imperial is distinguished in the market in many ways. But fundamentally it is our disciplined management approach that sets us apart and provides a significant advantage to our shareholders.
- The company has a solid track record of enhancing shareholder value through four corporate priorities.
- The first priority is to achieve operational excellence and strive for flawless execution in all we do.
- A second priority is to grow profitable sales volumes.
- The third is to achieve and maintain a best-in-class cost structure in every part of the business.
- And finally, the fourth is to improve the productivity of our asset mix. This includes further investments in high-performing assets, divestment of non-core assets and acquisition of new opportunities.
- It is this commitment and approach over many years that distinguishes Imperial Oil in the marketplace.

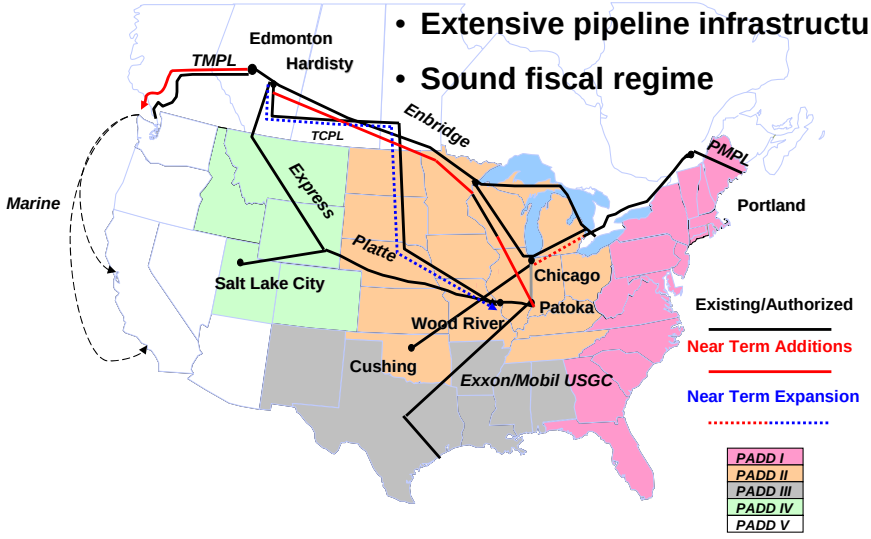


- This chart shows a global view on the locations of major oil deposits. Areas of recoverable resources for oil sands are indicated with red storage containers and oil shale resources are indicated with blue containers.
- The bar chart in the bottom left illustrates these resources on the basis of their estimated oil in place volumes. Together, the total volume of oil sands and oil shale exceed today's estimated volumes of conventional oil. The more significant of these are the oil sands, with nearly 6 trillion barrels of oil in place. One of the largest single deposits is in Canada. This resource is largely untapped compared to its ultimate potential.
- Unlike much of the potential conventional resources to be produced, we know exactly where the oil sands resources are -- there is no exploration risk. And we already have the technologies needed to develop them. In fact, Imperial Oil has been at the forefront in developing these technologies to support over 40 years experience in producing bitumen. However, we will continue to refine and improve these technologies, to squeeze the most out of these resources competitively.
- Oil sands are making a contribution to world supply today and one that will become increasingly important as demand grows.

Imperial Oil

Canada's Distinct and Advantaged Role

- **Extensive pipeline infrastructure**
- **Sound fiscal regime**



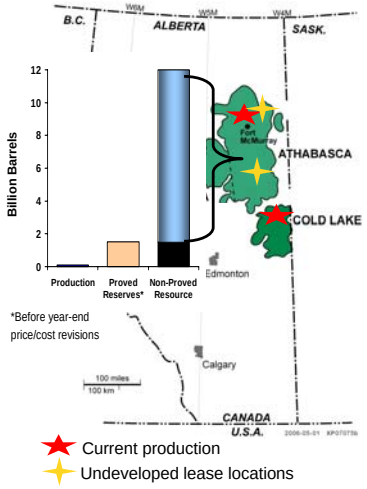
Slide 6

- An efficient, reliable pipeline infrastructure already connects the Canadian and US markets for oil and natural gas, providing producers with access to customers continent-wide. This infrastructure now connects oil sands resources to all of the major refining centers in North America.
- And, notably important in a world of continuing geopolitical uncertainty and instability, Canada represents a uniquely secure source of future energy supply -- in both a physical and political sense.

- Let's get back to Imperial and where our future plans will take us.

Imperial Oil

Significant Oil Sands/Heavy Oil Position

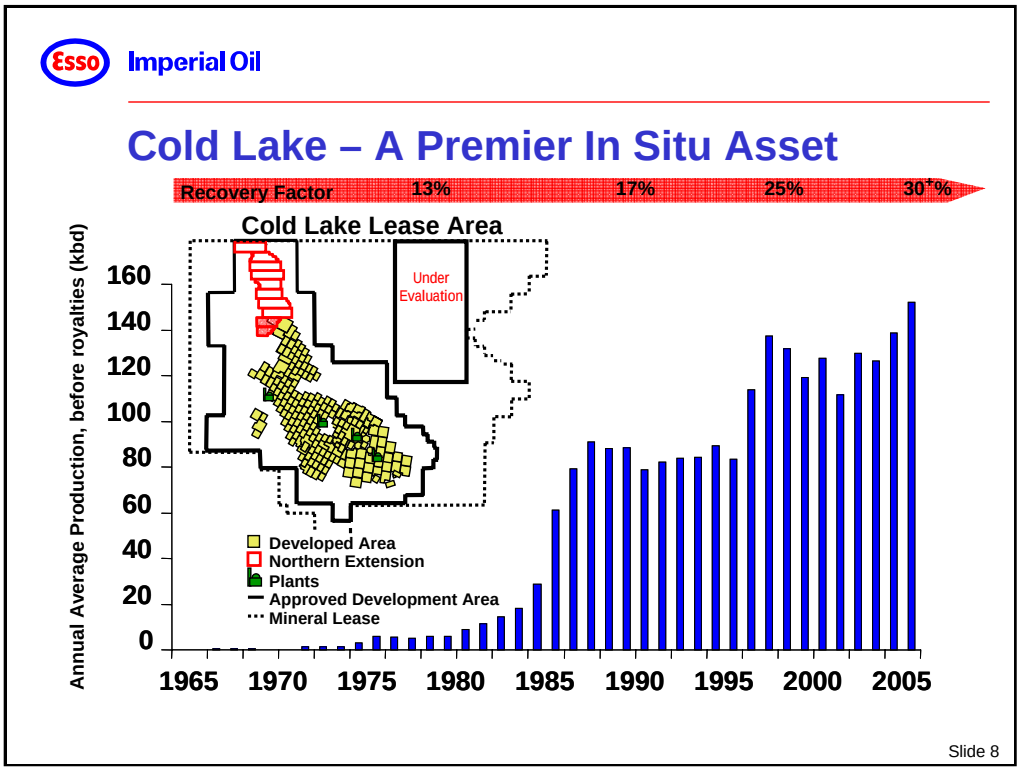


- **Active in the oil sands since 1960s**
- **Premier lease position and quality resource**

	Oil Sands/Heavy Oil Land (K acres, net)	Oil Sands/Heavy Oil Non-proved Resource (GB)
In situ	361	3
Mining	163	7
Total	524	10

Slide 7

- Imperial's oil sands assets are enormous in size and scope, and offer strategic long-term growth opportunities for the company. The blue portion of the bar chart represents our non-proved resource base in the Athabasca and Cold Lake oil sands deposits.
- We have been a pioneer in the development of Alberta's vast oil sands resources for many decades -- in both in-situ and mining projects. In fact we were active in some of the first oil sands developments in the early 1960s.
- Imperial holds over 500,000 acres of oil sands leases including Cold Lake -- the largest in-situ oil sands operation in the world and the premier in-situ project in Canada. This asset is wholly owned and operated by Imperial.
- Imperial also has extensive oil-sands interests which are currently undeveloped -- mostly in the Athabasca area of Alberta.

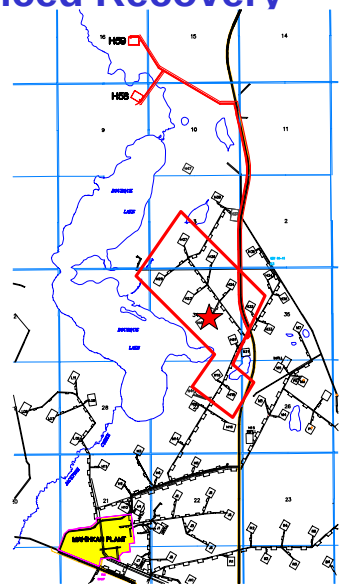


- Record volumes were produced at our Cold Lake field in 2006 -- more than 150,000 barrels per day, before royalties.
- Net proved reserves of over 600 million barrels remain enough for over a decade of production at today's rates.
- We have taken a deliberate, phased approach to developing this high-quality asset -- bringing on production in stages over the past 20 years. This has allowed for advances in technology -- many of them developed and patented by Imperial.
- You can see changes in production on this graph as we brought on more phases since commercialization in the mid-1980's.
- Volume has come on in measured, staged additions and has been absorbed into the North American refining markets. Currently we are producing from 13 commercial phases, with Cold Lake blend being marketed to refineries in Canada -- including our own Sarnia, Nanticoke and Strathcona refineries -- as well as refineries in Chicago, the Gulf Coast and the Rocky Mountains.
- As you can also see from the chart, Cyclic Steam Stimulation generates fluctuations over a given period based on steaming and production schedules. We will continue to increase volumes through the disciplined addition of new pads and application of new technology to increase recovery rates.
- Shown across the top of this graph are the changes in bitumen recovery factor over the last 20 years. The increase from 13 percent to over 30 percent is a direct result of our continued focus on research and technology development and our industry-leading expertise in thermal operations.
- Near term development at Cold Lake is focused on developing the "northern extension" of our approved development area.
- The Cold Lake lease area (shown as the dashed black line on the map) is about 300 square miles. The approved development area shown as the solid black line is about 140 square miles and we are currently active in about half of that.
- Our efforts from now to the end of the decade are to develop the area shown in red, one of the new areas which we received regulatory approval for in 2004. In addition we will continue to evaluate development strategies for the rectangular area in the upper right, with an eye to use existing facilities. This development area also received regulatory approval in 2004.
- Aside from developing new production, we are now commercializing a new technology for enhanced recovery from mature producing wells. Let's talk about it...

Esso Imperial Oil

Commercializing an Enhanced Recovery Method at Cold Lake

- **LASER (Liquid assisted steam enhanced recovery) patented 2005 and tested since 2002**
- **A low concentration of diluent added to steam enhances recovery**
- **Applied to mid-late life in CSS**
- **Successful pilot leading to phased comm-ercialization starting in 2007 on 10 pads**



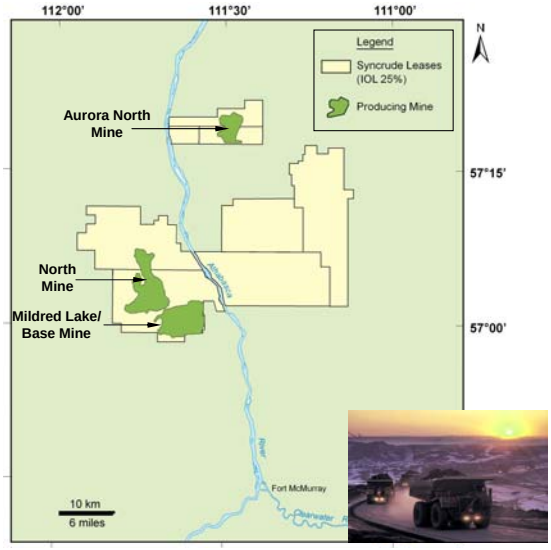
Slide 9

- For a couple of years we have reported to you about the progress of piloting our proprietary recovery method, named LASER (Liquid Assisted Steam Enhanced Recovery). With the experience of two production cycles, we are now ready to commercially phase-in this promising technology.
- Fundamentally, a low concentration of diluent is added to the steam in mid-life steaming cycles resulting in recovery uplift.
- Illustrated on the right are our plans for commercializing. The red star indicates where the pilot activity is ongoing and the red boxed area illustrates the pads that will be first commercialized, starting in 2007.
- We will continue to broaden the use of this technology, building on our learnings from the on-going pilot and optimizing recovery performance.

- Turning now to mining.

Imperial Oil

Syncrude : A long-life high-quality resource



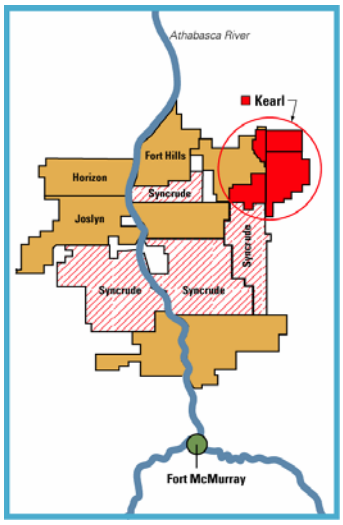
- **Expansion completed**
- **1.7 GB produced; remaining resource base 5-8 times larger**
- **Imperial and Syncrude entered into long-term Management Services Agreement**
- **Focus on achieving reliable, low cost operations**

Slide 10

- Imperial is a founding member of the Syncrude consortium established in 1964, holding a 25 percent interest.
- Syncrude is the largest oil sands operation in the world, with a prominent lease position. Syncrude holds eight leases covering an area of about 252,000 acres. The map shown here illustrates the leases and their proximity to the existing mines sites, in dark green. These mines are well connected with existing infrastructure, including a slurry pipeline accessing the Aurora North Mine.
- Annual production from Syncrude has steadily increased since its start-up 25 years ago.
- Stage 3 expansion included the addition of a third, 100,000-barrel a day coker which increased the site capacity by 40 percent to 350,000 barrels a day.
- The expansion project was completed and started up in 2006. Volumes ramped-up in the fourth quarter and continue to increase towards achieving full capacity.
- In late 2006, Imperial announced plans to enter into a management services agreement with Syncrude. Our near-term focus will be to implement this agreement with focus on achieving reliable, low cost operations.

Imperial Oil

Kearl Oil Sands Project – Approved by Regulators



- **Proposed 300 KBD mining project NE of Fort McMurray**
- **4.6 GBOE Resources**
- **Imperial Oil (70%) and ExxonMobil Canada (30%)**
- **Imperial is project operator**
- **Progress to date:**
  - **regulatory approval with conditions issued February '07**
  - **preliminary engineering underway**

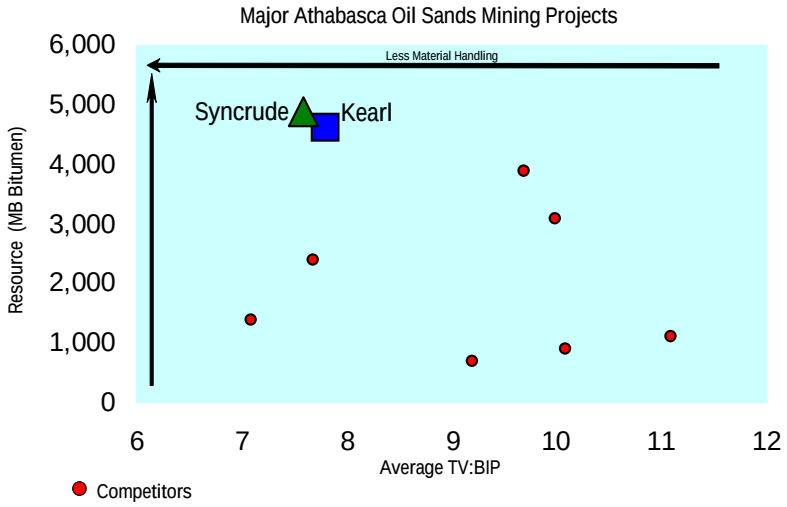
Slide 11

- Kearl is a proposed bitumen mining project north of Fort McMurray, near Syncrude's north mine.
- The Kearl leases hold sufficient bitumen to support a 300 thousand barrel a day mine. We plan to develop Kearl in phases with the initial phase sized at 100 thousand barrels per day with two subsequent phases to follow.
- This 4.6 billion barrel resource is 70 percent owned by Imperial who is the operator of this project with the balance owned by ExxonMobil.
- Kearl would employ proven technology already up and running in the Athabasca using truck and shovel mining, hydrotransport and paraffinic froth treatment technology.
- The regulatory application was approved in February of this year and our current activities surround evaluating the conditions associated with this approval and conducting our preliminary engineering. We are targeting 2008 for a decision to construct with first oil production in 2011.

Imperial Oil

Kearl: Best Undeveloped Mining Resource

Imperial participates in top-tier mining projects



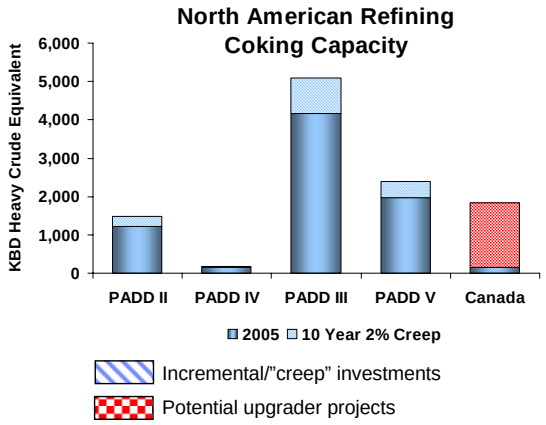
Slide 12

- Kearl is arguably one of the best undeveloped resources in the Athabasca region.
- This chart plots projects based on the relative size and quality of the bitumen resource.
- The "x" axis plots total volume to bitumen in place (TV to BIP) -- a key quality metric for mineable oil sands. This measures the total volume that has to be mined -- overburden plus ore -- relative to the amount of bitumen-in-place. Low numbers are better. Less material is handled for each barrel of bitumen produced, so there is a natural operating expense advantage for a mine.
- The "y" axis plots recoverable resource. The "sweet spot" on this graph is the upper left hand corner indicating high quality and large recoverable resource.
- The red circles represent industry projects -- both producing and proposed. The blue and green symbols represent the projects that Imperial is participating in -- you can see that Syncrude and Kearl are both high quality projects and the best of the bunch.
- For the entire Kearl resource -- the average TV to BIP is 7.8. using current regulatory cutoffs.
- For the first phase of Kearl, we plan to market the bitumen as a blended heavy or sour crude, selling into the increasingly expanding North American markets for Canadian heavies. Development plans for volumes from additional phases are being assessed.

Imperial Oil

Kearl – Designed to Market Bitumen

Capacity expansions in key markets



- **>7.5 MBD coking capacity in target markets**
- **Additional incremental coking expected; +1.7 MBD by 2015 in US markets**
- **Potential for +~2 MBD for proposed Canadian upgrading projects**

Source: Actual Oil and Gas Journal; Projections IOL

Slide 13

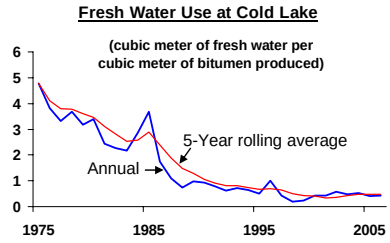
- Our assessment is that the most economic approach for the first 100,000 barrel per day phase of Kearl bitumen is to market to existing upgrading facilities.
- Imperial refineries already process a significant amount of heavy crude oil and we will advance low-cost expansions. But, we expect that there will be additional heavy crude capacity in the markets we currently sell into.
- For capital-intensive industries, the most attractive investment is incremental expansion, or "creep" -- and this is especially true for the refining business.
- The blue bars on this chart illustrate current coking capacity, expressed in thousands of barrels of heavy crude equivalent -- over 7.5 million barrels per day in the North American market.
- Modest creep shown in the blue hatched bar of only two percent a year will yield an additional 1.7 million barrels per day of capacity by 2015. In addition, there are proposed upgrading projects in Canada, shown in the red checkered bar -- either stand-alone or with dedicated bitumen supply -- that could deliver an additional two million barrels per day by 2015.
- We'll continue to evaluate upgrading facilities at our Edmonton refinery. But a decision to do so will not be made until we're convinced that this capital investment will be profitable, competitive and yield attractive returns for our shareholders.

Imperial Oil

Taking Care of the Environment

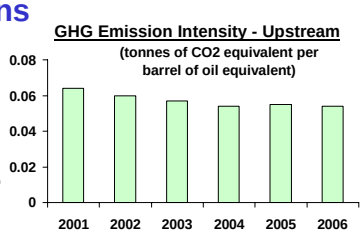
Water Use

- **Greater than 99% water used in Cold Lake production is recycled**
- **Kearl Project will incorporate water storage for low-flow periods**



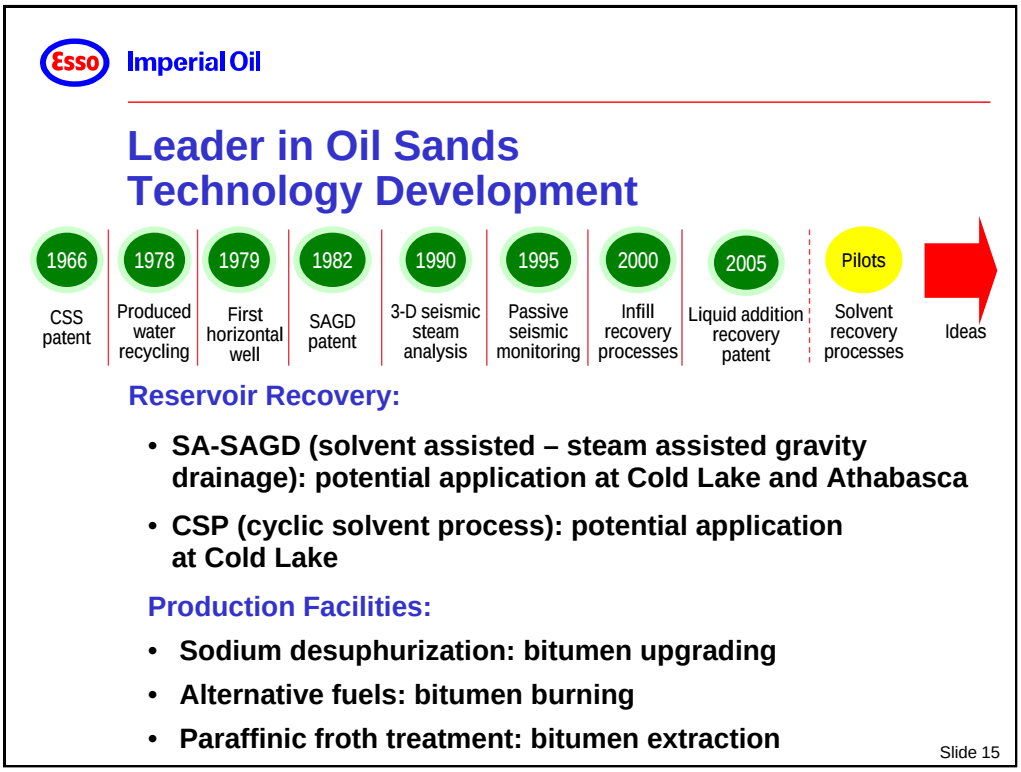
Energy efficiency and Emissions

- **Cogeneration and sulphur recovery employed at Cold Lake**
- **GHG emissions flat, despite production growth**



Slide 14

- There has been increased public attention to environmental matters, especially as it relates to development of the oil sands. Our attention to such matters started many years ago and have been integrated into our operations over time.
- This chart highlights a few of these initiatives and the results that we have achieved.
- At Cold Lake, we supplement our freshwater intake with brackish water from deep aquifers. In 2006, we achieved one of our best years for recycling, with 99.7 percent of water produced during recovery recycled. Today the operation uses 0.5 barrels of water for every barrel of oil produced, compared to 4.5 barrels when the operation was commercialized in 1985.
- At Kearl, our plan is to incorporate water storage. This mitigation measure allows for periodic reduced water withdrawal from the Athabasca river during any low-flow periods.
- With respect to emissions, we continue to look for ways to improve energy efficiency and reduce unwanted byproducts from industrial operations. Towards this we have invested in cogeneration and sulphur recovery at Cold Lake. These and other initiatives, such as Global Energy Management System, have kept our green house gas emissions flat, despite production growth.

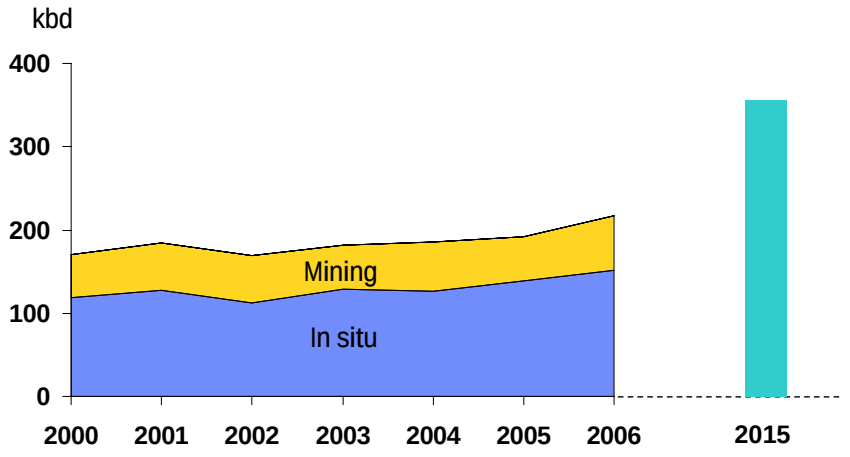


- Over to technology development...
- The circles at the top of this chart highlight the numerous technology advances that we have made at Cold Lake alone.
- Imperial invested $250 million on research and technology development before the start-up of the commercial project in 1985. Since then, expenditures have averaged more than $25 million per year at our research centre in Calgary and in field pilots. This sustained commitment to development of technology is a unique competitive advantage for Imperial Oil.
- Our commitment to technology is unwavering. Improved reservoir recovery, and ongoing LASER research, which we discussed earlier, are being explored as well as other recovery processes including steam assisted gravity drainage technologies and cyclic solvent processes. In addition, we are pursuing low-cost, efficient processing facilities, including sodium desulphurization for bitumen upgrading, bitumen burning as an alternative to natural gas, and paraffinic froth treatment for extraction of bitumen from mined oil sands.
- In addition to our in-house research, we also have access to global research through our relationship with ExxonMobil, our major shareholder and the arguable leader in energy development worldwide.

Imperial Oil

Imperial's Oil Sands Production Outlook

Significant increase in production by 2015



Slide 16

- How does this all come together?
- This chart illustrates the potential impact of Imperial's oil sands resource portfolio on future production. The successful development of the Kearl resource along with continued selective investments at Syncrude and Cold Lake, could lead to Imperial, producing over 350 thousand barrels a day from the oil sands by 2015.

- Let me close with a summary of the key points that I feel distinguish Imperial Oil from the competition.
- We have been a pioneer in the development of oil sands -- with extensive operating experience and knowledge. Our commitment to research and technology development will provide us with the key to continued economic and responsible development of oil sands resources.
- We hold a significant position in the oil sands resource, and are well positioned for disciplined investment and continued future growth.
- And the bottom line, for any investor, underpinning our strengths is the continued focus on long-term quality earnings growth.

- Thank you. I would be pleased to answer any questions that you have.

Imperial Oil

For more information
Imperial Oil Limited's site on the World Wide Web contains a variety of corporate and investor information. It can be accessed at http://www.imperialoil.ca.

For more detailed investor information, or to receive annual and interim reports, please contact:

Investor Relations
Imperial Oil Limited
237 Fourth Avenue SW
Calgary, Alberta T2P 3M9
E-mail: investor.relations@esso.ca
Phone: (403) 237-4538