



Imperial Oil: Energy Leadership

*CIBC World Markets
Institutional Investor
Conference*

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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.

Pursuant to National Instrument 51-101 disclosure guidelines, and using Canadian Oil and Gas Evaluation Handbook definitions, Imperial's non-proved resources are classified as a "contingent resource." Such resources are a best estimate of the company's net interest after royalties at year-end 2006, as determined by Imperial's internal qualified reserves evaluator. Contingent resources are considered to be potentially recoverable from known accumulations, using established technology or technology under development, but are currently not considered to be commercially recoverable due to one or more contingencies. There is no certainty that it will be economically viable or technically feasible to produce any portion of the resource. For a description of components of the non-proved resource base, including the factors that contribute to its classification, including the level of uncertainty associated with recovery of the resources, significant positive and negative factors relevant to the estimate and the specific contingencies which prevent the classification of the resources as reserves, and for constant cost and price used to evaluate proved reserves, see Imperial Oil's Annual Report filed on SEDAR on March 15, 2007, and subsequent SEDAR filings.

- First off, I'd like to say good morning and thank CIBC for the opportunity to speak to you today and to share with you an update on Imperial Oil.
- Following my remarks, I'd be pleased to address your questions.
- In opening, please be mindful that the presentation this morning contains forward-looking information. Actual results could be different as a result of many factors -- which are noted on this slide. In addition, Imperial's non-proved resources are defined in accordance with Canadian disclosure guidelines.

2007 – Record Results

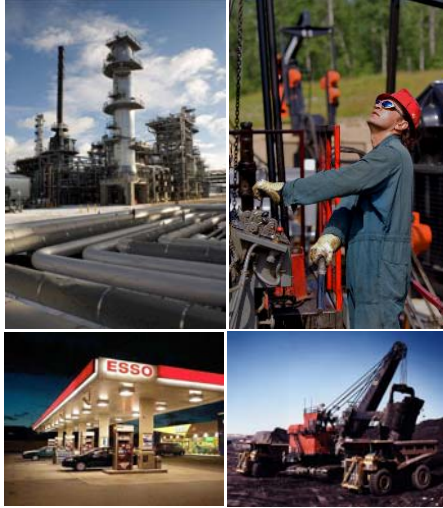


- Record oil sands and heavy oil production, 230 KBD
- Record financial performance
 - Net Income \$3.2 billion, \$3.41/share
 - ROCE 38%
- Distributed \$2.7 billion to shareholders
- Shareholder return
 - 1 year 28%
 - 10 years 20%

- Let me begin with a snap-shot of Imperial's performance. In many areas, 2007 was an outstanding year.
- Oil sands and heavy oil production was a record 230,000 barrels a day in 2007.
- Combined with record petroleum products earnings, we reported our highest ever net income of \$3.2 billion, or \$3.41 per share. And maintained an industry leading return on capital employed of 38 percent.
- Total distributions to shareholders totaled \$2.7 billion, in the form of dividends and share re-purchases.
- These factors contributed to a total one year return to shareholders of 28%. Our strategy of continually improving base operations and investing in profitable growth opportunities has rewarded long-term shareholders - with an average 20 percent return over the past decade.

Imperial Oil Limited

A leader for over 125 years, focused on the future



- Large, integrated, Canadian
- Net proved reserves* - 1.5 GBOE
- Net non-proved resource - 12 GBOE
- Upstream production - 343 KBOED
- Major oil sands producer - 230 KBD
- Leading refiner and marketer
- Integrated chemical business

* After royalties and before year-end price/cost revisions, 2006

- Taking an overall look at Imperial Oil.
- Imperial has been a leader in Canada's petroleum industry for over 125 years -- we remain one of Canada's largest producers of crude oil and natural gas.
- Net proved reserves totaled over 1.5 billion oil-equivalent barrels at the end of 2006. And our non-proved resource base is about 12 billion oil-equivalent barrels. Said another way -- our reserve and resource base represents over 100 years of production at current levels -- all in all a leading resource position in Canada.
- Heavy oil is a major growth area for the upstream in Canada and represented two thirds of our production in 2007. We are the leading refiner and marketer of petroleum products in Canada supplying about 25% of the country's demand
- And we operate an integrated chemical business.

The Imperial Oil Advantage

Consistent management approach



- Flawless execution
- Grow profitable sales volumes
- Best-in-class cost structures
- Improve quality of asset mix

- Our view of what it takes to be successful in our industry has not changed. 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 this consistent management approach and sustained emphasis on 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.
- The final priority 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.
- This proven approach, executed consistently year after year, delivers superior results and distinguishes Imperial Oil in the marketplace.
- I'd like to say a few words about our downstream operations before I focus on Imperial's upstream business...

Products and Chemicals Market Leader

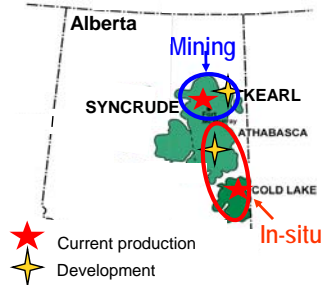


- Retail Market Share - #1
- Refining and Conversion Capacity - #1
- Finished Lube Oil Market Share - #1
- Solvents Market Share - #1
- Asphalt Market Share - #1
- Polyethylene North America Leadership
 - Rotational Molding share - #1
 - Injection Molding share - #2

- Imperial is the market leader in the downstream in Canada. Some of the components of that leadership position include:
 - The retail business
 - Refining and conversion
 - Finished lubricants
 - Domestic solvents
 - Asphalt production
- In chemicals too, we have the #1 and #2 share in the two key end -use polyethylene segments that we participate in. -- rotational molding and injection molding applications, respectively.
- Turning to the upstream....

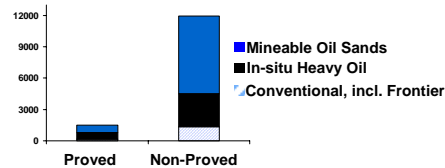
High Quality Resource

Significant oil sands/heavy oil position



- Premier lease position, quality resource base
- Selective additions to the resource base
- Active delineation program

Total Resource Base – 13.5 GBOE



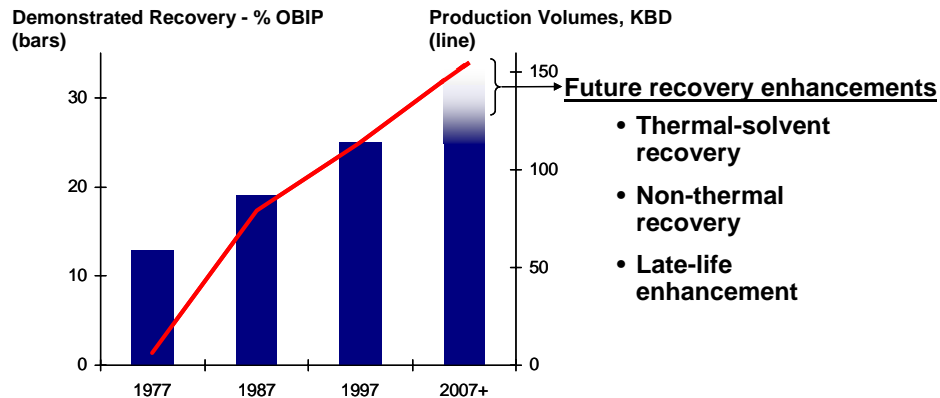
Oil Sands/Heavy Oil Land (K acres, net)

In-situ	360
Mining	163
Total	523

- Imperial Oil is developing one of Canada's leading resource bases -- a high- quality, diverse portfolio of opportunities which will enable us to sustain long-term volume growth.
- Imperial's lease position in the oil sands and heavy oil provides the foundation for our premier production operations and the platform for new developments projects as shown on the map.
- The chart shows proved reserves and non-proved resource. Over 85% of non-proved resource is heavy oil and oil sands. The conventional non-proved resource is in Canada's north, offshore the east coast and in the western Canadian basin.
- We look to enhance our acreage and selective additions have been made in recent years. Imperial has over half-a-million acres of in-situ and mining oil sands leases. An active delineation program determines the non-proved resource on new leases.

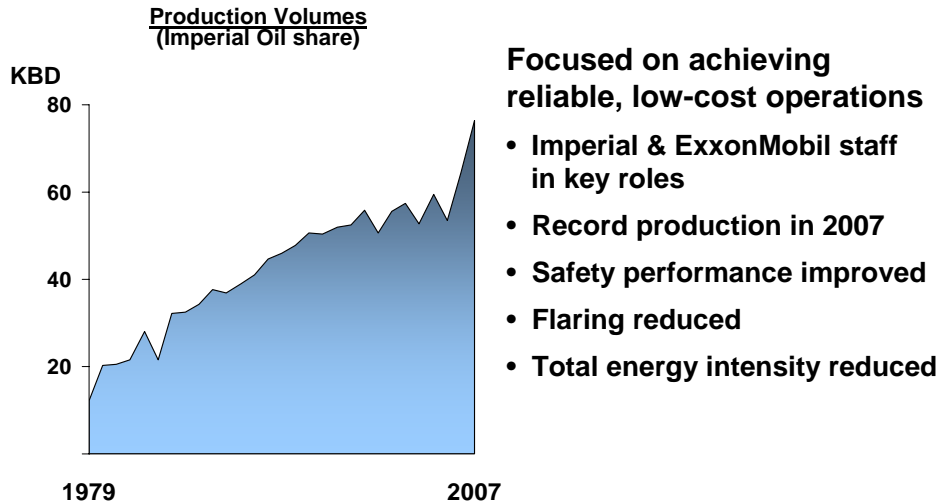
Cold Lake – A Premier In-Situ Asset

- Maximizing use of existing facilities
- Maintaining production through on-going capital investment
- Pursuing new projects to increase production ~2010



- Cold Lake is a premier in-situ heavy oil field owned 100% by Imperial. A thick capping shale enables the company to utilize high pressure cyclic steam stimulation - a technology invented in Imperial's research lab. A new production record was set in 2007 -- 154,000 barrels per day.
- We have taken a deliberate development approach here -- bringing on production in phases over the past 20 years.
- One current priority is to maintain production by developing new pads through ongoing investment in a manner which maximizes the use of existing plant facilities.
- A second priority is to pursue new projects that will continue to increase production in the 2010 timeframe.
- The chart at the bottom shows our success over time in increasing both production volumes, shown by the red line, and recovery levels, shown by the bars.
- Technology has been the critical ingredient in this success and we are not out of new ideas. Research is underway in areas with much future promise. The in-situ technology enhancements being pursued, listed on the right, include mixed thermal and solvent recovery, non-thermal, solvent recovery, and late life recovery enhancements.

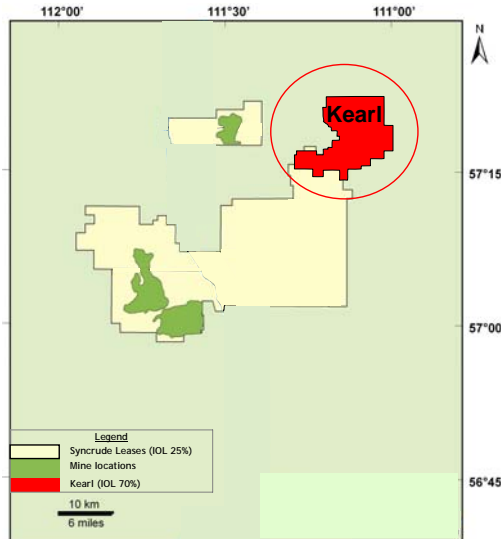
Syncrude: Encouraging Early Results



- Imperial is the second- largest owner of Syncrude, with a 25-percent interest in this 350,000 barrel per day oil sands mining and upgrading facility. The chart shows Imperial's share of production, which has steadily increased since start-up in 1979.
- With the recent expansion complete, Syncrude's focus is achieving reliable low-cost operations. The Syncrude owners entered into a management services agreement which places Imperial and ExxonMobil staff in key roles.
- Progress has been made as noted by some early encouraging results: New production records were achieved in 2007, safety performance has improved, and flaring and energy intensity has been reduced.
- This long life operation is an important component of Imperial's oil sands portfolio.

Kearl Oil Sands Project

A premier mining resource

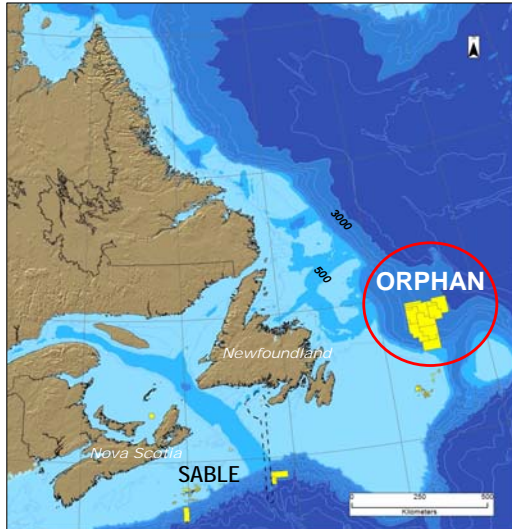


- **Ownership: Imperial Oil 70%, ExxonMobil 30%**
- **3.2 GBOE high quality non-proved resource, IOL share**
- **Mining Project: proposed 300+ KBD (210+ KBD IOL share) mining in 3 phases; phase 1 marketing bitumen**
- **Approved by Alberta Energy and Utilities Board**
- **Technology selection complete; preliminary engineering to be completed in 2008**

- Kearl is a proposed oil-sands mining project in Fort McMurray. Imperial has about a 70-percent interest in the project; ExxonMobil Canada holds the remainder.
- Imperial share of this premier, non-proved resource is 3.2 billion barrels.
- The project envisages a three phase development with a total capacity of 300,000 -barrels per day. This would nearly double Imperial's current oil sands and heavy oil production.
- For the first phase of Kearl, we plan to market our share of over 100,000 barrels per day of bitumen into expanding North American markets.
- Last year we received approvals from the Alberta Energy and Utilities Board to proceed.
- We have completed our technology selection and are proceeding with the disciplined project management system that both Imperial and ExxonMobil use for all major projects.
- I'd now like to update you on our opportunities outside of oil sands ...I'll start with the East coast

Orphan Basin

Favourable characteristics for hydrocarbons

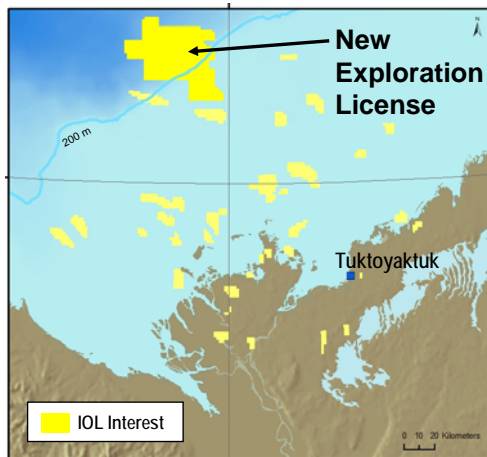


- 8 leases (15% IOL/15% XOM), >5 million acres, deep water, unexplored
- 3-D Seismic collected in 2004 and 2007
- Exploration well drilled 2006/07
- Second exploration well planned summer 2008

- Imperial and ExxonMobil each have a 15-percent interest in more than 5 million acres in the deepwater Orphan Basin near Newfoundland.
- This relatively unexplored basin has shown favourable characteristics for hydrocarbons.
- 3D seismic was first acquired in 2004 and again in 2007. The first exploration well was drilled over 2006 and 2007. As well, the co-venturers are applying an ExxonMobil developed technology called controlled source electromagnetic resistivity which has been used successfully in other deepwater plays.
- A second exploration well is planned for this summer.

Beaufort Exploration

Newly acquired acreage for exploration



- High-potential, technology-intensive frontier area
- 500,000 acres (Imperial Oil 50%, ExxonMobil Canada 50%) acquired in 2007
- ~120 km offshore in water depths 60-1200 m
- Seismic program planned for summer 2008

- An Imperial strength is its ability to target high-potential, technology intensive opportunities in frontier areas. Last year, the exploration rights for such an opportunity were captured offshore the Mackenzie delta in Canada's Far North.
- Imperial has a strong lease position in the region, as shown by the yellow patches on the map.
- This position was augmented by a 500,000 acre license, acquired 50:50 with ExxonMobil. It is located 120 kilometers offshore in water depths ranging from 60 to 1200 metres.
- This month, Imperial submitted applications to regulators to conduct a seismic program. With regulatory approval, this work will commence this summer.

Mackenzie Gas Project

Developing 6 TCF onshore natural gas



- **100% IOL-owned 3 TCF Taglu field, a premier non-proved resource**
- **Aboriginal and Northern support**
- **Regulatory hearings concluded; decision expected early 2009**
- **Working fiscal framework with the Canadian federal government**

- The Mackenzie Gas Project would develop six trillion cubic feet of onshore gas from three "anchor" fields in Canada's north.
- With three trillion cubic feet of natural gas in non-proved resource, the 100-percent Imperial-owned Taglu field accounts for roughly half of the discovered gas resource behind the Mackenzie Delta Project.
- Much progress has been made on this project. Aboriginal and northern support is a key element of the Project and this support was expressed during the public regulatory hearings that concluded in 2007.
- A decision from the regulator is expected in 2009.
- Current work efforts continue to focus on establishing an appropriate fiscal framework with the federal government.

Long-term Earnings Growth Potential

- Continually improving base business
- Outstanding resource & refining base
- Long-term volume growth
- Industry-leading technology
- Financially strong and disciplined
- 'AAA' rating
- Excellent earnings and ROCE
- Superior shareholder distributions



Focus on long-term quality earnings growth

- Let me close with a summary of the key points that I believe distinguish Imperial in the marketplace.
- Imperial is continually improving its substantial base business to grow earnings there.
- Our outstanding resource represents significant future development and growth. And our refining base enables synergies with heavy oil that are unavailable to most others.
- We have industry-leading technology and operating experience augmented by a long-term commitment to research and technology development.
- We are financially strong and follow a disciplined investment approach focused on growing shareholder value.
- Imperial has earned and sustained a triple-A rating from Standard & Poor's -- the only Canadian industrial with this rating.
- Earnings are excellent and our return on capital is the highest of the Canadian integrated group.
- Annual per share dividends have increased for thirteen years in a row -- and we have an ongoing share repurchase program. Thank you. I would be pleased to answer any questions that you may have.
- And the bottom line, for any investor, underpinning our strengths is the continued focus on long-term earnings growth.
- Thank you. I would be pleased to answer any questions that you may have.



For more information
www.imperialoil.ca.

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

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