

Creating value through the business cycle
2010 Credit Suisse Energy Summit

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- Good morning. I want to thank Credit Suisse for the invitation to speak to those of you in the room and on the web. I'm George Bezaire with Imperial Oil Limited.

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.

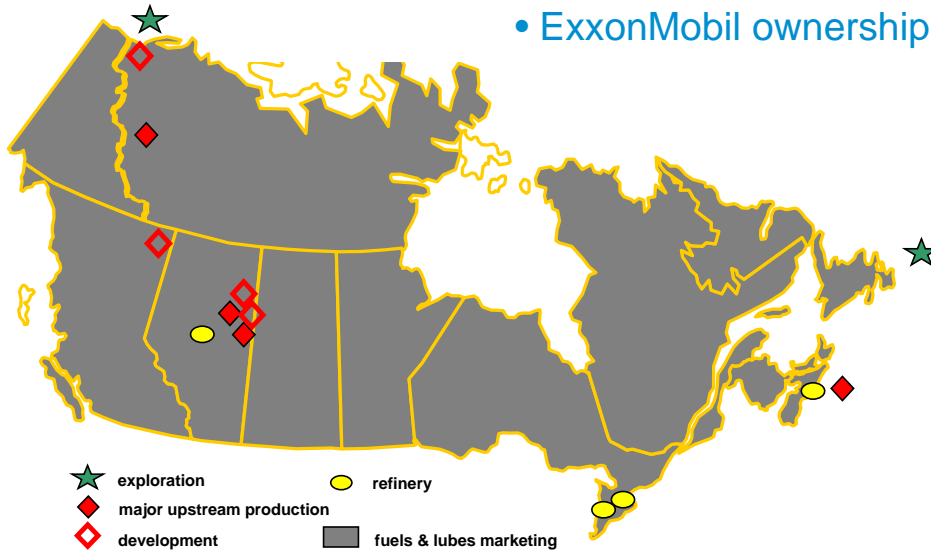
Pursuant to National Instrument 51-101 disclosure guidelines, and using Canadian Oil and Gas Evaluation Handbook definitions, Imperial's non-proved resources are classified as a "contingent resource." Such resources are a best estimate of the company's net interest after royalties at year-end 2008, as 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 13, 2009, and subsequent SEDAR filings.

Financials in Canadian dollars.

- The material in this presentation contains forward-looking information. Actual results could be different as a result of many factors, some of which are noted on this slide.
- Canadian reporting standards require that we provide clarity with respect to the non-proved resource base. The third paragraph provides for this requirement.

providing energy for 130 years

- large, integrated, Canadian
- ExxonMobil ownership – 69.6%



- Imperial Oil is an integrated energy company with operations across Canada. ExxonMobil is the majority shareholder with a 69.6% share.
- For more than 130 years, Imperial Oil has proven that it's a company designed to excel regardless of the business cycle.

2009 results

Imperial Oil



- industry leading safety performance
 - financial performance
 - earnings: \$1.6 billion, all divisions profitable
 - return on capital employed: 17%
 - financial position
 - no net debt, AAA credit
 - operating highlights
 - advanced Kearl phase 1
 - progressed additional upstream expansions
 - added acreage (shale gas, oil sands)
 - increased career staff by 180; 5015 total
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- This chart highlights some key results for 2009.
- Improving on industry leading safety, we delivered best ever results last year. Performance here is important in its own right and is a leading indicator of operational excellence.
- In a period of significant market challenges, our net income was **1.6 billion** Canadian dollars with positive earnings in the upstream, downstream and chemicals. Return on average capital employed, an important measure of capital efficiency was 17 percent.
- A strong balance sheet is one of our competitive advantages. Imperial is the only Canadian industrial with a AAA credit rating from Standard and Poors. We have no net debt and half a billion dollars in cash on hand.
- At Imperial, we invest wisely through business cycles to maximize shareholder value. Here are some examples.
- Kearl phase 1, a multibillion dollar project was advanced on plan and will reap the benefits of favourable market conditions.
- Design teams working on upstream expansions continued their work uninterrupted.
- We captured additional exploration and oil sands acreage through tender and purchase at favourable prices.
- And while most competitors were shrinking, we hired excellent talent to support upstream growth.

proven business model



- flawless execution
- grow profitable sales volumes
- best-in-class cost structures
- improve quality of asset mix

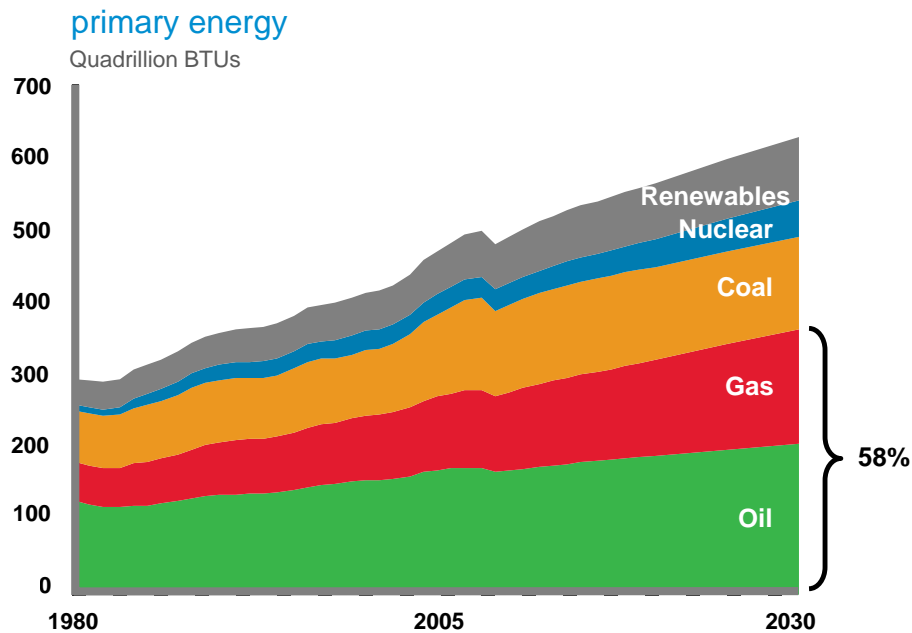
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- As times change, our business model does not. Our management approach sets us apart and provides a significant advantage to shareholders.
 - It begins with investment discipline - a focus on long term fundamentals, the identification of world class projects and the delivery of those projects on time and on budget.
 - We apply the same rigor and focus to our extensive operations.
 - Operating with excellence delivers industry-leading returns, superior cash flow and growth in shareholder value.
 - This transparent and straightforward approach works in all environments.

2009 business environment

- lower global demand for primary energy
 - volatile commodity prices and margins
 - significant financial market changes
 - adjustments by competitors to business plans
-

- And it was put to the test in the last 18 months. From a peak of \$140 per barrel, crude plunged to \$40, then rebounded somewhat. Natural gas prices were the lowest in many years.
- Reflecting the economic downturn and spike in unemployment, demand for petroleum products declined and margins shrunk. And financial markets, while improving, are still uncertain.
- In our industry, many companies dramatically adjusted their business plans.
- Now while these are challenging times, peaks and valleys are something any prudent long-term business should be prepared for. So that they can take advantage of long term growth in the demand for energy.

long term growth in energy demand



- Access to affordable and reliable energy is essential to economic growth in both developed and developing economies.
- We forecast that global energy demand will be almost 35% higher by the year 2030, even with substantial gains in energy efficiency. This increase is largely due to the population growth and rapid economic expansion in non-OECD countries.
- To meet this growing demand, the energy industry will need to develop all commercially viable energy sources.
- Oil and natural gas will continue to play a critical role. They are expected to supply the majority of the world's energy for the coming decades, about 60%. It is clear that significant new capacity will be needed.

keys to success

- business risk management
 - financial strength and flexibility
 - asset quality and diversity
 - disciplined and consistent business approach
 - long-term perspective
 - highly skilled and capable workforce
-

- So what are the keys to success in this changing landscape?
- From its inception, success in the energy industry has been determined by a company's ability to manage risk in all its combinations - geologic, execution, technical, fiscal, market, price or political risk.
- The second is a strong balance sheet. It gives the flexibility required to pursue high-quality opportunities in any business environment.
- Third, a high-quality diverse portfolio of assets is another key advantage. The highest quality assets and those developed most cost effectively will deliver the strongest returns.
- Fourth, a disciplined approach is required to stay the course in executing long-term strategies and avoid whipsawing in a new direction with every business cycle change.
- Finally, a long-term mindset is critical. It's fundamental to ongoing investments - in advantaged projects and in game changing technologies.
- As an affiliate of ExxonMobil, all these elements are fundamental to how we do business at Imperial. That's why we're well-positioned to continue to deliver superior value through the business cycle.

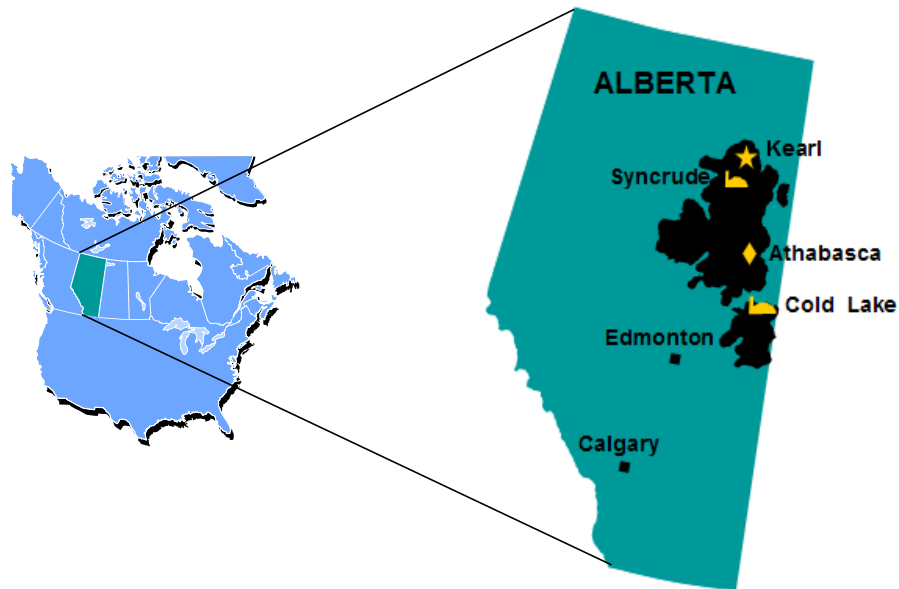
downstream and chemical



- 500 kbd refining capacity
 - market petroleum products and lubricants nationally
 - one of Canada's leading chemical producers
 - focus on operational excellence; cost and capital discipline
 - results underpinned by technology, efficiency, integration and margin enhancement
 - positive net income in a challenging business environment
 - downstream \$ 278 million
 - chemical \$ 46 million
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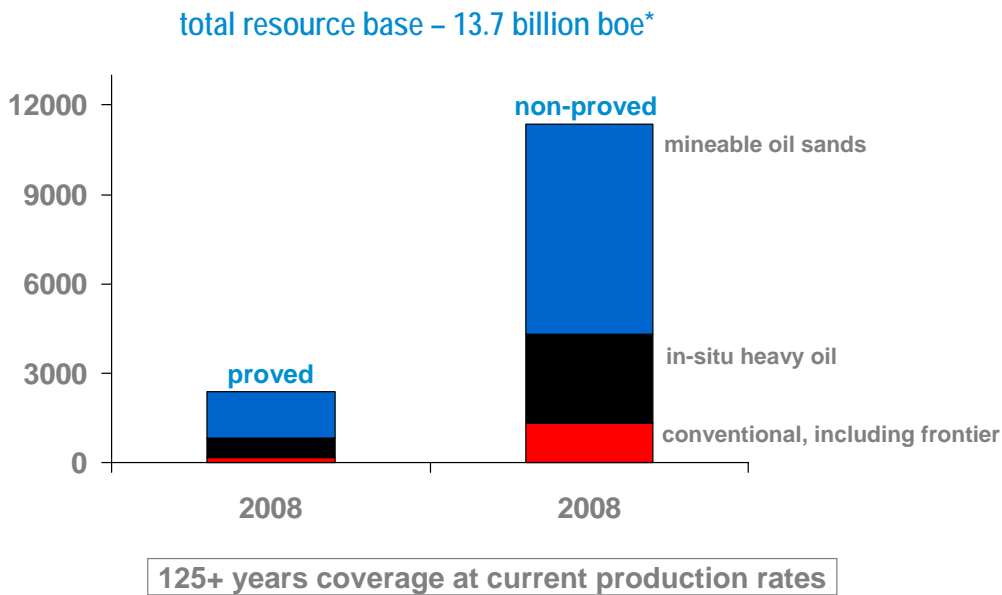
- Turning to the functional parts of the company. In the Downstream and Chemicals, we have strong positions in every business.
- About one out of every five Canadian motorists fills up at Esso. Our four refineries supply 25 percent of Canada's fuel products. Esso and Mobil products have a one third share of the finished lubes market. And have a leading position in asphalt.
- In polyethylene, we are number one and number two in North America for two sizeable markets,
- Volume growth in these businesses is limited. To grow earnings, requires being better than the competition. Our strategy is straightforward. A relentless focus on operations excellence. Discipline with all expenditures whether annual operating expense or capital. Supported by leading edge process and product technologies. And working collaboratively with our ExxonMobil counterparts to maximize the value of molecules fed to our four Imperial refineries and our chemical plant at Sarnia.
- In the challenging business environment of 2009, earnings were positive with \$278 million in the downstream. Chemical earnings were \$46 million.

half century of oil sands experience



- For significant top line and earnings growth we look to the upstream.
- And while we are pursuing opportunities in many areas, what really distinguishes the upstream in Canada is the size and quality of the oilsands -- highlighted in black. Alberta's regulatory body estimates that reserves here total 173 billion barrels with only 3 per cent produced to date. Imperial's major properties are shown on the map.
- With a half-century of oil sands experience our shareholders are well positioned here.

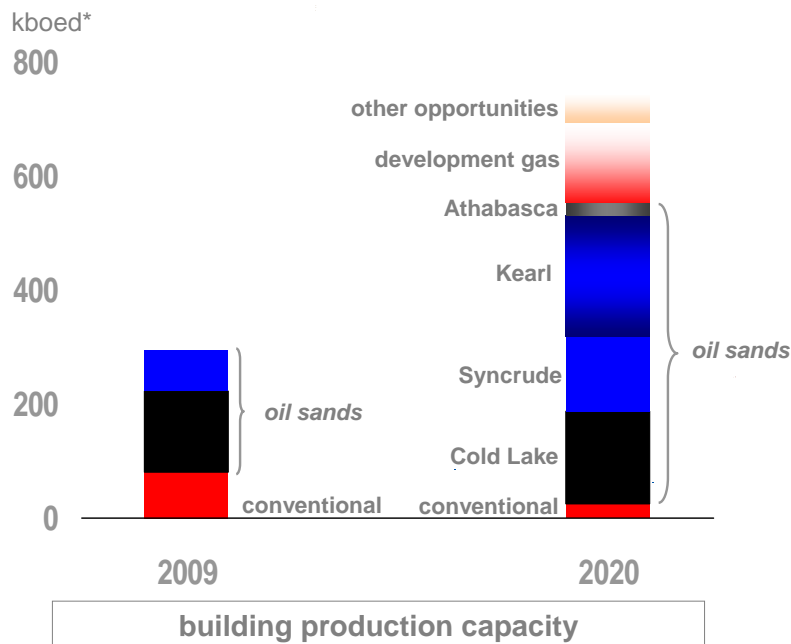
resource base enables growth



* After royalties and after price/cost revisions, 2008

- In the upstream, our total resource base, stands at about 13.7 oil equivalent barrels. This amounts to over 125 years of coverage at today's production rates. Drilling has delineated almost all these properties so there is little resource risk.
- In red are conventional reserves and resource. These provide important opportunities. But it is the oil sands, shown in black and blue that really stand out.
- Our objective is to move non-proved resources to the proved reserves side of the bar-chart and double the size of this business.
- Before leaving this slide, I'd point out that the potential of our extensive shale gas acreage has yet to be defined and is not included here.

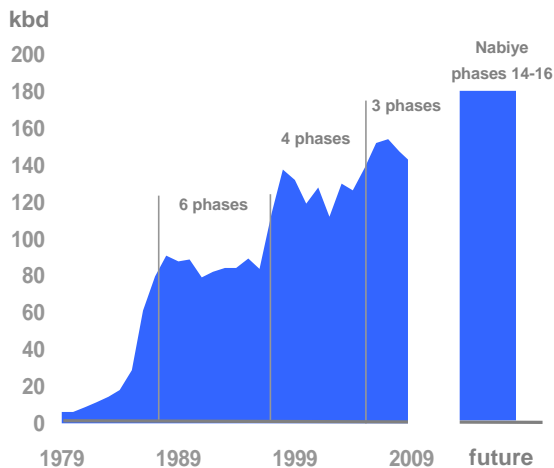
future upstream growth



* Imperial Oil interest before royalties

- Here on the left is current upstream production. It is comprised of conventional oil and gas, and the oil sands - Cold Lake and Syncrude.
- On the right is a projection of production by 2020. Conventional volumes are expected to decline. This will be more than offset by growth from the oil sands - most notably from Kearl - a new oil sands mining project. Overall, the resource base supports a doubling of volumes over the next 10 to 15 years.
- The value of this resource will be maximized by projects which take advantage of Imperial's integrated operations, best in class project execution and a focus on operations excellence.
- Turning to an oilsands asset currently producing ... Cold Lake.

Cold Lake – a premier in-situ asset



- produced one billion barrels
- off-setting volume decline through recovery enhancement and infill drilling
- grow to 180+ kbd bitumen production through on-going capital investment
 - *Nabiye* – 30 kbd, 250 MB reserves, cogeneration
 - production before 2015
- maximize return on capital through integration

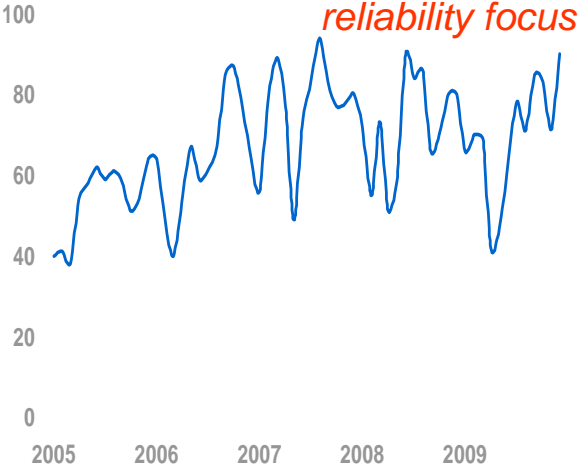
staged volume growth – ideal development model

- Cold Lake is 100% owned by Imperial. This is an in-situ operation. Steam is injected into the formation, the viscosity of the bitumen is lowered and bitumen is then pumped from the wells.
- Current production varies between 140 and 150 kbd. Despite cumulative production of over 1 billion barrels, we believe the best years for this field are still to come.
- The combination of recovery enhancements and an ongoing drilling program will maintain current production at about 150,000 barrels a day.
- We have steadily grown production at Cold Lake since start-up using a staged development model. This phased approach allows us to take advantage of efficient, template facility construction using our “design one, build many” strategy.
- This same strategy will be used for the next phases of Cold Lake, known as *Nabiye*, which will be on production before 2015.
- This staging allows us to not only realize efficiencies in execution, but also provides the opportunity to apply advances in technology to enhance recovery and take full advantage of the integration of existing facilities.

Syncrude – a premier oil sands asset

production (gross IOL)

kbd



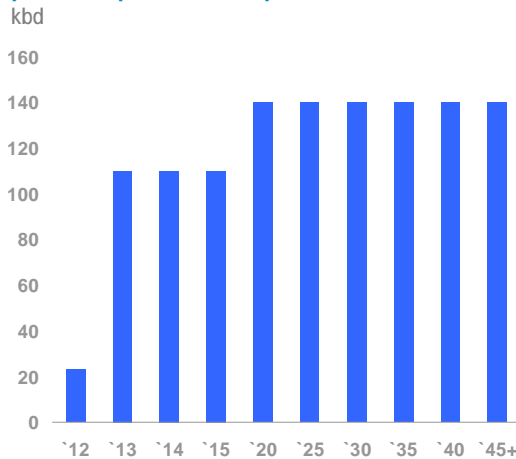
- largest oil sands facility in the world
 - produced 2 billion bbls to date
 - decades of remaining resource
- 25% Imperial ownership
 - management services by Imperial and ExxonMobil since May 2007
- continued focus on operations excellence
 - safety, environmental performance, reliability and cost management

40 years of operation; outstanding resource

- With capacity of 350,000 barrel per day, Syncrude is the world's largest oil sands mining and upgrading facility. Cumulative production exceeds 2 billion barrels with many decades remaining.
- Imperial was one of the founders of the Syncrude consortium and holds a 25% interest. In May 2007, the Syncrude owners authorized a management services agreement which places ExxonMobil and Imperial staff in key leadership positions.
- The graph showing production shows the volume uplift from the expansion. And the volume in some months is above nameplate capacity. But production is still too ragged. So, the top priority at Syncrude is operations excellence - consistent reliability and utilization, better safety and environmental performance. Success here leads to higher production, lower annual and unit cost and improved profitability.

Kearl – phase 1 construction underway

phase 1 production profile



- phase 1 investment - C\$7.9 billion

- Imperial - 71%, ExxonMobil - 29%
- start-up late 2012
- technology enables marketing diluted bitumen, no upgrader

- current status

- project management team established
- \$2 billion spent to date
- key contractors selected
- 2500 employees and contractors
- major equipment ordered
- pipeline arrangements finalized

laying the framework for future phases

- Kearl is a new oil-sands mining project. Imperial has a 71-percent interest; ExxonMobil holds the remainder.
- When fully developed, the phases of this 4 billion barrel resource will produce more than 300,000 barrels per day. Initially production from Phase 1 will exceed 100,000 barrels per day. A few years after start-up and more space is available, with a modest capital investment, phase 1 production will be increased further.
- Proprietary Froth Treatment technology will produce bitumen that is essentially free of solids and can be blended with diluent for shipment by pipeline to market. This removes the need for an upgrader.
- Construction on phase 1 is well underway with the status of key items listed here. The project management team is in place, over \$2 billion has been spent to date, key contractors have been selected, over 2500 personnel are active in the field and in engineering offices, major equipment has been ordered and pipeline contracts are in place.

Kearl advantages



- high quality resource (low TV:BIP) fully defined
- regulatory approvals granted for all phases
- focused development plan - bitumen only, no upgrader
- Imperial / ExxonMobil project experience
- financial strength to proceed in 2009
- price reductions captured
- high quality contractors selected
- strong demand for product
- design one – build many approach

conditions favourable for superior shareholder value

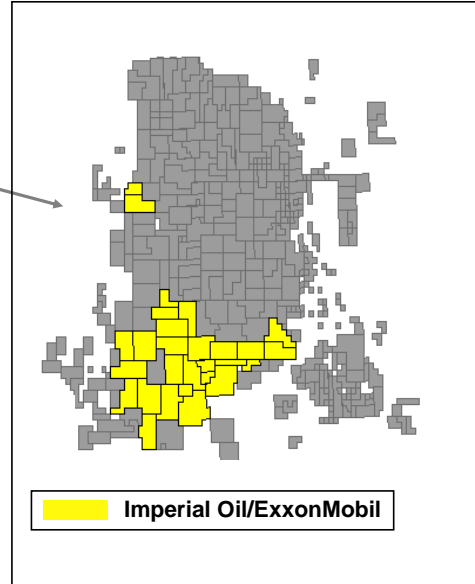
- Superior shareholder value will be derived from Kearl's many advantages.
- The high quality resource ensures that less material must be moved for each barrel of bitumen. Since the production plateau extends for decades, this provides an enduring benefit.
- Since regulatory approval for all phases is in hand, there is complete flexibility regarding future phases.
- Since no upgrader is associated with phase 1, the project uses capital efficiently.
- The project expertise that the Imperial and ExxonMobil team will apply is second to none globally.
- And the financial strength of both organizations enabled the project to proceed unabated in 2009 when almost all other competitive projects were put on the shelf.
- This advantage is reflected in both the quality of the contracts selected the pricing for key components.
- Additional coking and conversion capacity has been added to many North American refineries. Demand for Kearl bitumen is strong.
- And the design one - build many approach has been a proven success - both at Cold Lake and in ExxonMobil's global development portfolio.

unconventional shale gas

Horn River, British Columbia

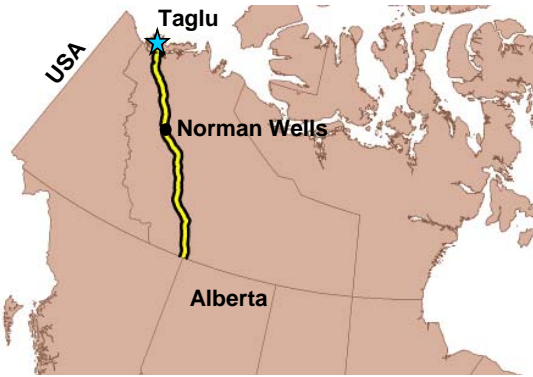


- 50:50 Imperial Oil and ExxonMobil
- largest net position in play
 - 309 000 acres
- four delineation wells in '08/'09, results as expected
- 11 additional wells underway '09/'10
- production pilot being developed



- Based on a global ranking of high quality unconventional gas plays, Imperial and ExxonMobil targeted acreage at Horn River. And since 2007, have acquired 309,000 acres.
- ExxonMobil drilling and tight gas recovery technology is a competitive advantage here.
- Four wells completed last year confirmed the quality of resource. Drilling and testing in an additional 11 wells is underway this season, to be followed by a production pilot.
- Our success in capturing a large contiguous acreage position will help to reduce long-term life-cycle development costs. The acreage holds potential for significant profitable natural gas.

Mackenzie gas project



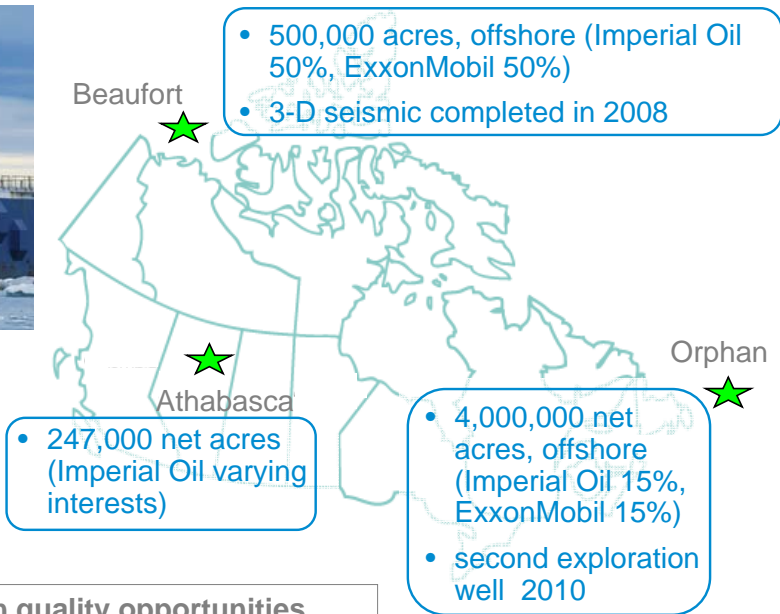
- forecast high demand growth for natural gas
- offset conventional decline (in addition to shale gas)
- National Energy Board license decision expected in 2010
- fiscal framework discussions underway with Canadian federal government

The Project:

- ***6 TCF natural gas, onshore from three fields (Imperial Oil 100% interest in Taglu; 3TCF)***
- ***Gathering system, processing plant, and natural gas liquids pipeline to Norman Wells***
- ***Natural gas pipeline to Alberta***

- With the likely imposition of costs on carbon, natural gas will be a preferred source of energy in North America. We forecast that both shale gas and Arctic gas will be needed to meet demand, with imported LNG making up the balance.
- We submitted regulatory applications in 2004 for Mackenzie Delta gas. The Imperial-owned Taglu field accounts for roughly half of the discovered gas resource behind the project.
- The recent release of the joint review panel recommendations will enable Canada's National Energy Board to grant a license for this project later this year.
- The commercial viability of this project is dependent on many factors including the conditions attached to the license. But a critical component is the financial framework which will apply and discussions on this matter continue with the Canadian federal government.

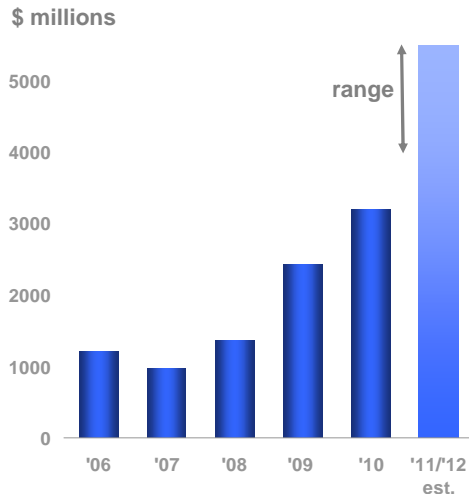
potential resource base additions



- A strength of the company is its ability to advance high-potential exploration in challenging areas. In 2008 exploration rights for such an opportunity were captured jointly with ExxonMobil in the Beaufort Sea. 3-D seismic has been acquired -- additional exploration activity is in the planning phase.
- On the right of the map, Imperial and ExxonMobil each have an equal interest in more than 4 million acres in the deepwater Orphan Basin. One well has been drilled with a second planned for this year.
- To the west, Imperial has a large land position in the Athabasca area of additional oil sands resource. Delineation of this resource is underway.

financial strength enables growth

capital and exploration expense

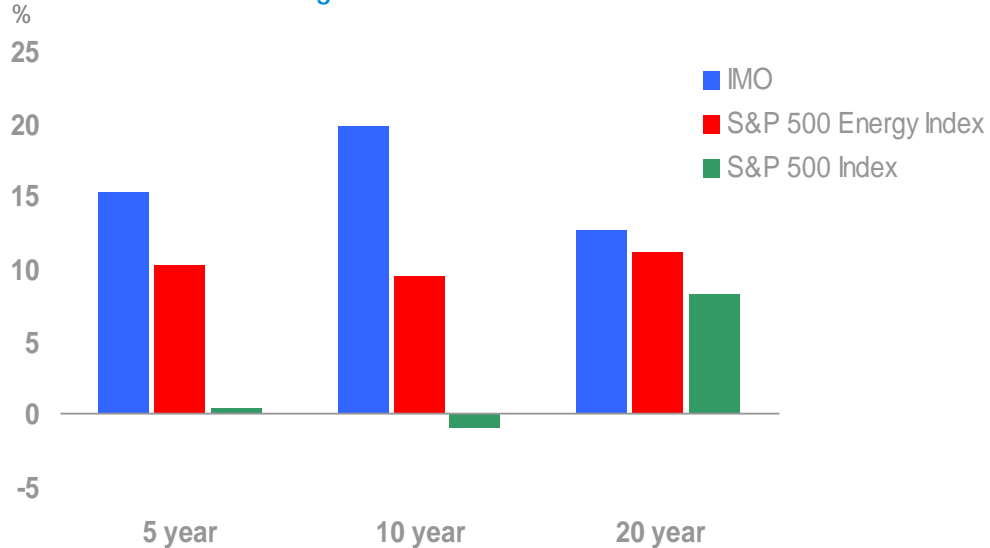


- best use of cash is quality growth
- disciplined investment strategy
- distributed \$0.8 billion in 2009 (dividends, share buybacks)
- halted share buybacks in 2009
- increasing capex
 - in upstream projects that are competitive world-wide

- This chart speaks to our investing approach.
- Once we have covered operating costs and have paid dividends, the first and best use of cash is funding high quality projects. This includes disciplined investments in new projects and the capture of land positions and advancement of technology that will generate opportunities for decades to come.
- In 2009, we distributed 800 million dollars to shareholders. But we halted share buybacks earlier this year and deployed additional funds for our quality growth projects in the upstream.

superior shareholder returns

New York Stock Exchange



source: Bloomberg, annualized returns to December 31, 2009

- We present a unique opportunity for investors - a Canadian company with a strong balance sheet and attractive growth combined with access to global best practices for all our businesses.
- And a strong track record. We have paid dividends for over a century and have increased regular annual dividends for 15 straight years. Our shareholder return was just slightly positive in 2009.
- While we're not happy about this level of return, a single year is not a good way to measure long term performance. And over the long term, we have sustained superior returns. With a proven strategy and superior growth opportunities we are well positioned to continue this performance.
- Thank you. I'll now entertain questions.

Imperial Oil





www.imperialoil.ca.

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