

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 10, 2022

IMPERIAL OIL LIMITED

(Exact name of registrant as specified in its charter)

<u>Canada</u> (State or other jurisdiction of incorporation)	<u>0-12014</u> (Commission File Number)	<u>98-0017682</u> (IRS Employer Identification No.)
<u>505 Quarry Park Boulevard S.E., Calgary, Alberta</u> (Address of principal executive offices)		<u>T2C 5N1</u> (Zip Code)

Registrant's telephone number, including area code: 1-800-567-3776

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- [] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- [] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- [] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- [] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol	Name of each exchange on which registered
None		None

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 7.01 Regulation FD Disclosure

At 10:00 a.m. ET on March 10, 2022, Brad Corson, Imperial Oil Limited (the “company”) chairman, president and chief executive officer, and Dave Hughes, the company’s vice president, investor relations, will host the company’s 2022 Investor Day by webcast to update investors on the company’s business strategy, operations and major projects (the “presentation”). The presentation includes information related to the company’s strategic plans, goals, growth initiatives and outlook, and forecasts for future performance.

A broadcast of the presentation will be available online on the company’s website at <https://www.imperialoil.ca/en-ca/company/investors/speeches-and-presentations> for a period of one year. The slides used in the presentation are attached as Exhibit 99.1 to this Current Report and are incorporated herein by reference.

The presentation contains forward-looking statements about the company’s relative business outlook. These forward-looking statements and all other statements contained in or made during the presentation are subject to risks and uncertainties that may materially affect actual results. A more thorough discussion of certain risks, uncertainties and other factors that may affect the company is included in the presentation, the company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2021 and subsequent interim reports on Form 10-Q. The company’s Form 10-K is available on its website at www.imperialoil.ca. You can also obtain this form from the SEC by calling 1-800-SEC-0330 or by logging on to their website at www.sec.gov.

The presentation may contain references to non-proved resources and production outlooks based on non-proved resources that the SEC’s rules prohibit the company from including in its filings with the SEC. U.S. investors are urged to consider closely the disclosures in the company’s Form 10-K.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

The following exhibit is furnished as part of this Current Report on Form 8-K:

99.1 A copy of the slides presented during the presentation.

104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

IMPERIAL OIL LIMITED

Date: March 10, 2022

By: */s/ Ian Laing*

Name: Ian Laing
Title: Vice-president, general counsel and
corporate secretary

By: */s/ Cathryn Walker*

Name: Cathryn Walker
Title: Assistant corporate secretary



Exhibit 99.1



Investor Day

March 10, 2022

Agenda

Topic	Speaker	Time
Opening remarks	Brad Corson Chairman, President and CEO	8:00
Environmental/Social/Governance	Sherri Evers VP, Commercial and Corporate Development	8:20
Upstream outlook	Simon Younger SVP, Upstream	8:50
<i>Break</i>		9:30
Downstream & Chemical outlook	Jon Wetmore VP, Downstream	9:40
Financial outlook	Dan Lyons CFO	10:00
Closing remarks	Brad Corson Chairman, President and CEO	10:20
Q&A		10:30

Opening remarks

Brad Corson

Chairman, President and Chief Executive Officer

Reflections on the past year

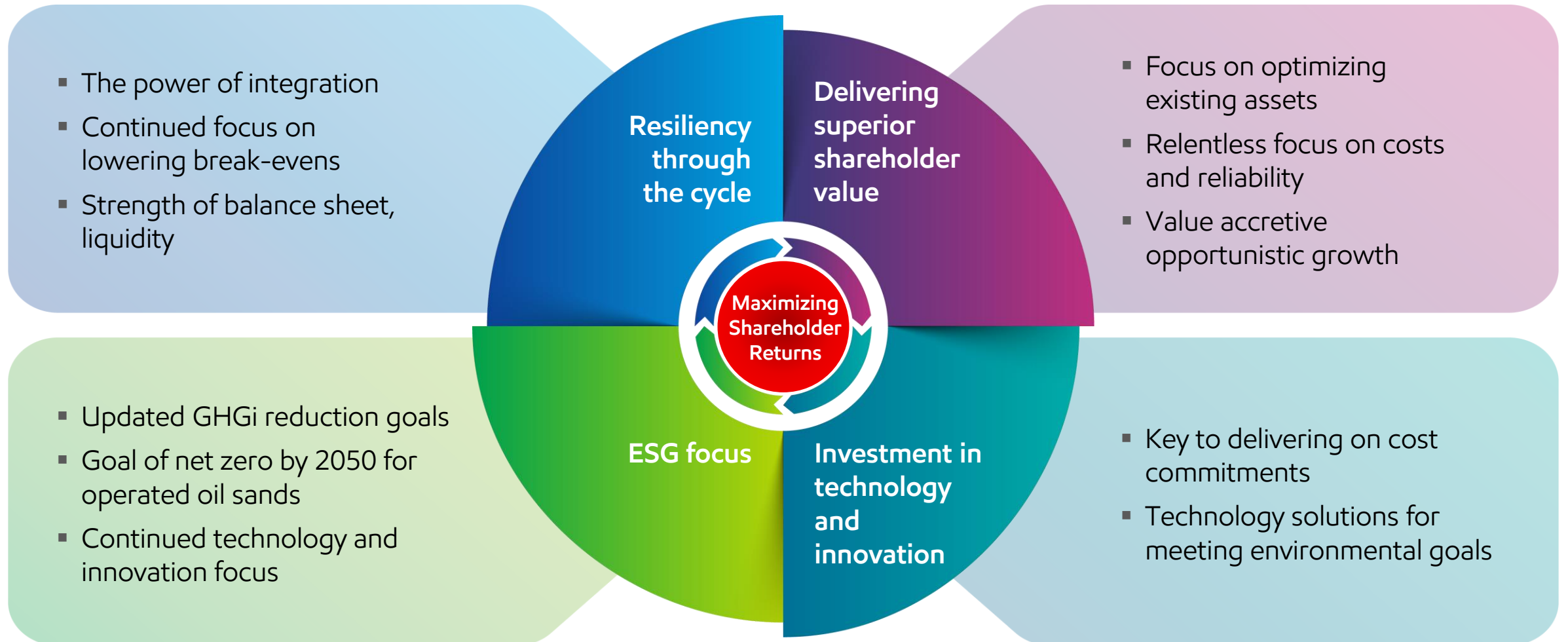
Strong results and substantial progress on strategic priorities

- Strong commodity prices, recovering demands
 - Well-positioned to benefit from recovery coming out of pandemic
- Outstanding operational performance
 - Highest Upstream production on record
 - Strong Downstream utilization and product sales, highest Chemical earnings in over 30 years
- Outstanding financial performance
 - ~\$5.5B cash flow from operations, ~\$4.5B free cash flow¹
 - Cost efficiencies in excess of \$1B vs. 2019
- All-time high shareholder returns
 - ~\$3B returned via dividend and buybacks
- Advancing low carbon solutions
 - Founding member of Oil Sands Pathways to Net Zero alliance
 - Announced new GHGi reduction goal, intent to progress renewable diesel project at Strathcona refinery
- Successfully managed health and safety of workforce during ongoing pandemic conditions
 - Robust COVID protocols enabled uninterrupted operations and product supply
 - Continued strong personnel and process safety performance

¹ Non-GAAP financial measure – see supplemental information for definition and reconciliation

What you will hear today

Integrated business model drives shareholder value



Macro view

Global supply challenges and demand recovery support continued commodity price strength

- Global oil supply
 - Underinvestment during past cycle
 - OPEC+ struggling to meet targets
 - Public company growth constrained by capital allocation and energy transition priorities
 - Geopolitics play larger role as spare capacity shrinks
- Global oil demand
 - Major demand shock during early days of pandemic
 - Demand resilience evident as new variants arose
 - Continued recovery likely, especially for jet fuel
- Global oil inventories
 - Global oil and product inventories well below 5-year average
- Imperial well-positioned to take advantage of market conditions
 - Maximizing value from existing assets, progressing select GHG-advantaged growth



Fundamentals drive energy demand growth

Further investment required in any scenario



- Economies continue to develop and grow
 - Increasing populations, desire for improved standard of living
 - Energy supply evolves to meet demand projections
- Energy trends vary by sector, geography but demand growing
 - Commercial transportation, chemicals drive liquids fuel demand
 - Light duty transportation becomes more efficient
- Global energy mix shifts to lower carbon fuels
 - Future energy mix has large range of potential outcomes
- Technology and efficiency lowers energy intensity
- Further oil and gas investment required in any scenario

Sustainability focus

Canada, and Imperial, should be supplier of choice

- Multiple views of future energy requirements highlight oil and gas as being key part of mix
- Canada is the most responsible producer in the world
 - Top ESG ratings amongst world's largest reserve holders
 - Leadership in sustainable development
 - Unprecedented industry collaboration
- Imperial well positioned to be supplier of choice in the energy transition landscape
 - History of demonstrated resilience
 - Aggressive GHG reduction goals
 - Underpinned by measurable goals with specific plans
 - Supported by long-term commitment to R&D
 - Technology is a strength and key to achieving ambitions





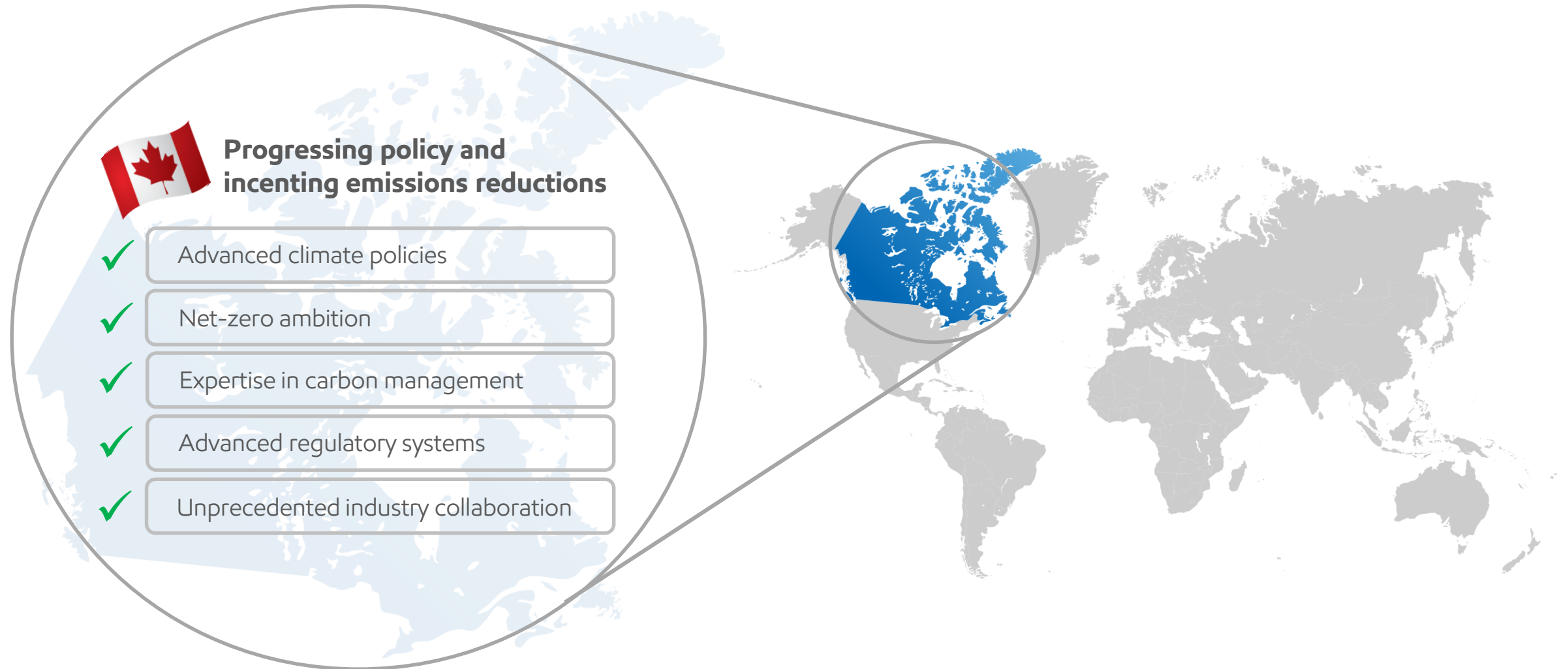
ESG

Sherri Evers

Vice-president, Commercial and Corporate Development

Canada – Positioned to lead the energy transition

Collaborative and innovative policy landscape promotes accelerated energy solutions



Imperial sustainability priorities

Advancing responsible energy solutions for a better tomorrow



Climate

Develop pathways in support of a net-zero future

- Mitigate emissions in our operations
- Help our customers reduce their emissions



Indigenous reconciliation

Strengthen collaboration and partnerships with Indigenous communities in an effort to generate economic benefits and continue the journey of reconciliation



People

Cultivate a workplace where everyone feels included, diverse perspectives are valued and our people are empowered today and prepared for tomorrow



Land and water

Further improve environmental performance by protecting water resources and promoting biodiversity

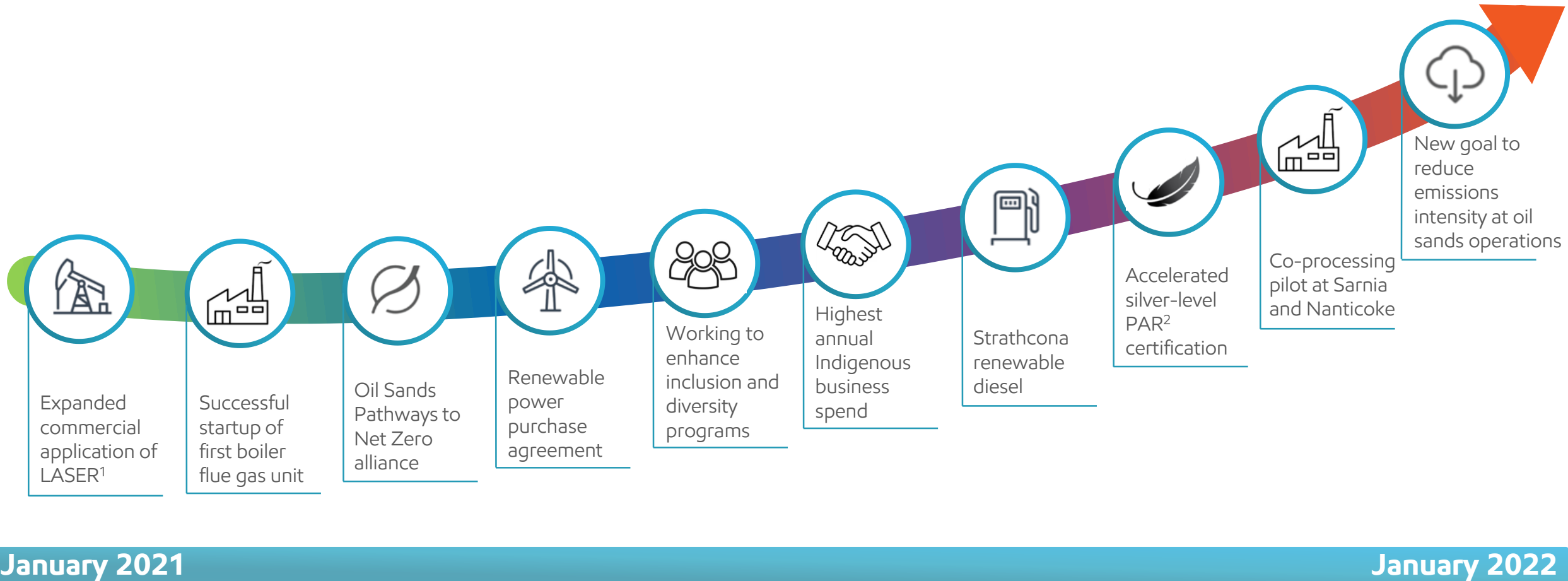


Strategic investment

Meaningful investment to drive real ESG impact

Accelerating our progress on ESG

Significant strides made over the last year



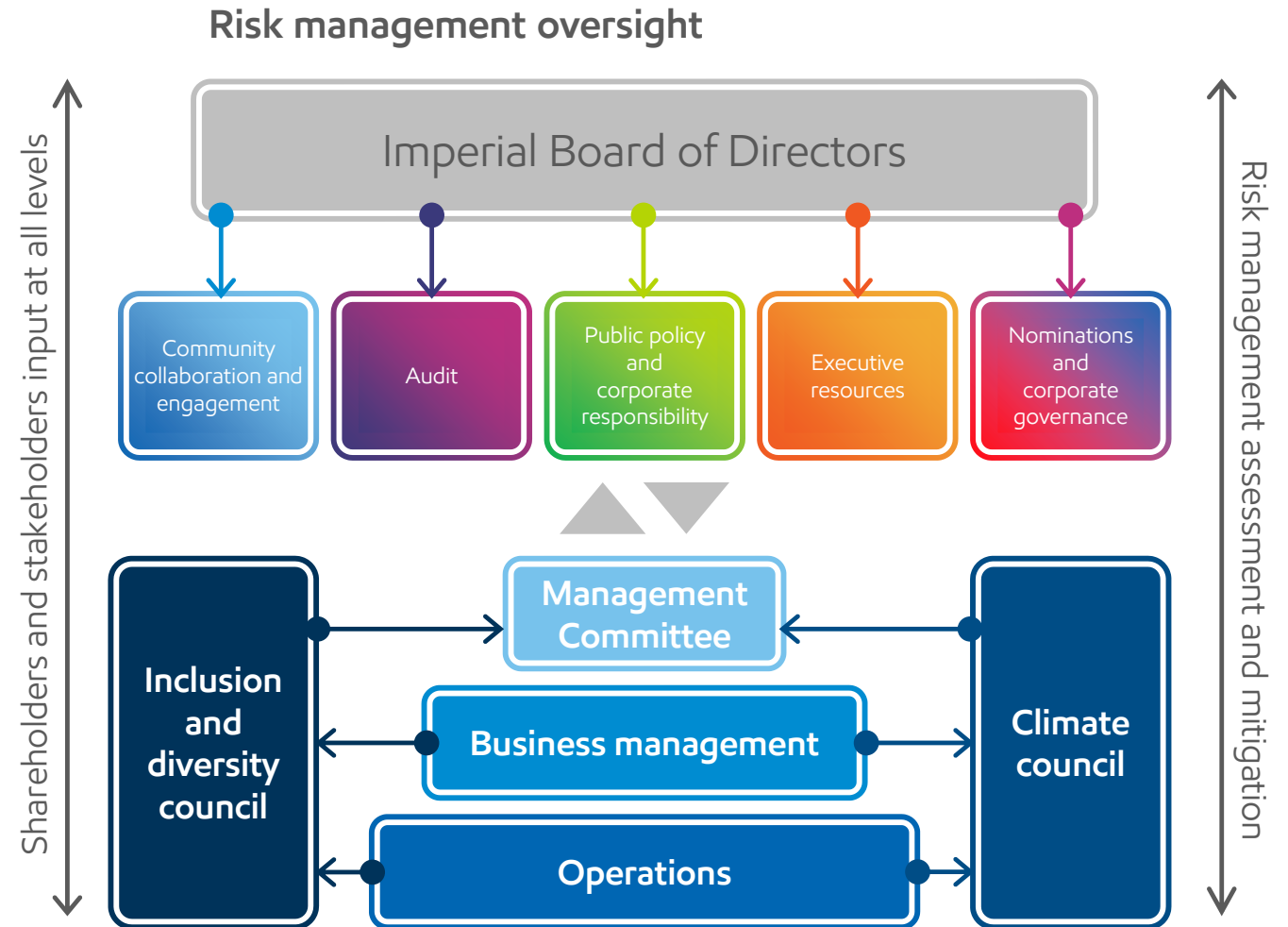
¹ Liquid addition to steam for enhanced recovery

² Progressive Aboriginal Relations

Robust governance and committed leadership

Integration of ESG in pursuit of superior shareholder value

- Management committee leads integrated ESG strategy
- Climate council established to accelerate emission reduction solutions
- Inclusion and diversity council working to further enable diverse perspectives
- External ESG assessment conducted and continuous evaluation through issues and opportunity management process



Indigenous reconciliation journey

Striving to create lasting relationships and shared prosperity

Progressive
Aboriginal
RELATIONS

SILVER
LEVEL

Canadian Council for
Aboriginal Business 

- Committed to creating a safe space for our employees to learn, engage and better understand
- Executive-led Indigenous recruitment and retention working group
- Demonstrating commitment through business development
 - Continued focus on expanding reach and partnership with Indigenous businesses
 - Business development with Indigenous community partners – over \$3.3B to date



Our climate strategy

Leveraging our expertise, integration and technologies

Mitigating
emissions in
our operations



Helping our
customers reduce
their emissions



Finding solutions
with partners and
policy makers



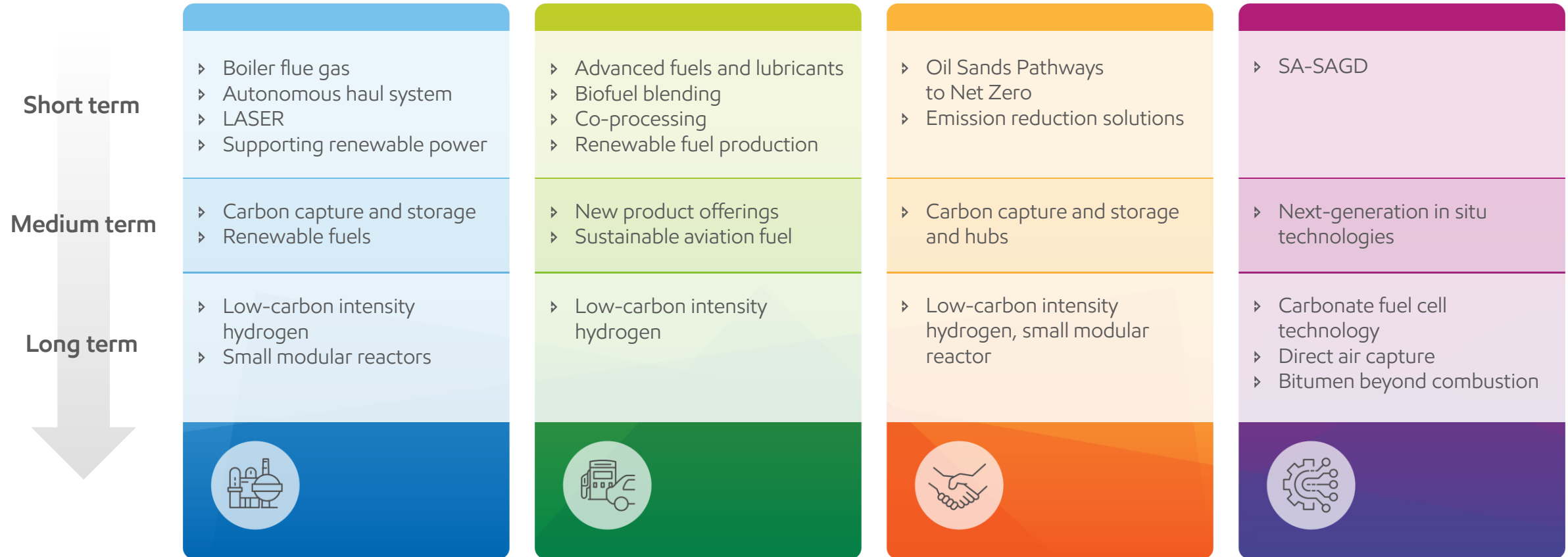
Transformational
technology
solutions



TCFD guided disclosure with third-party verified GHGs

Advancing carbon solutions

Innovating for a lower-carbon future

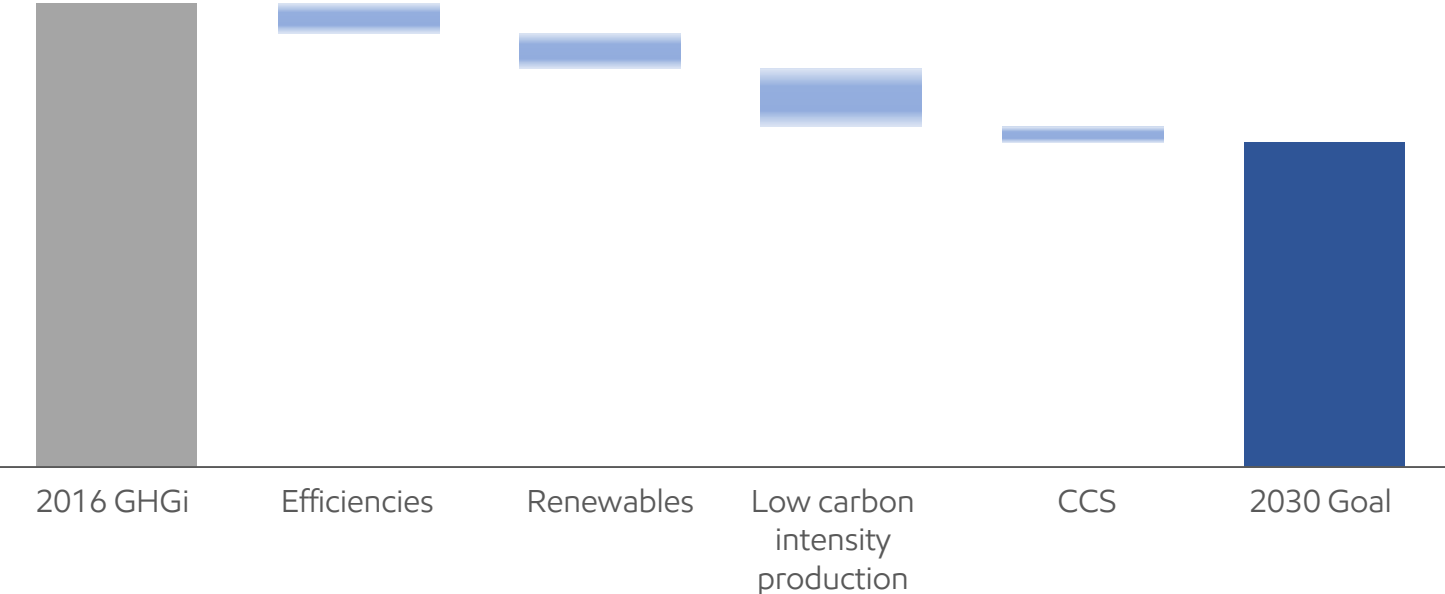


Investing in lower-emissions, value generating solutions

GHGi reductions in operated oil sands

Driving emissions improvements through short, medium and long-term goals

- Our long term goal is to achieve net-zero emissions in operated oil sands by 2050 through collaboration with governments and other partners



Achieved reduction in operated oil sands GHGi by

20%

Between 2013 and 2016

Goal to reduce operated oil sands GHGi by

10%

by 2023 relative to 2016 levels

Goal to reduce operated oil sands GHGi by

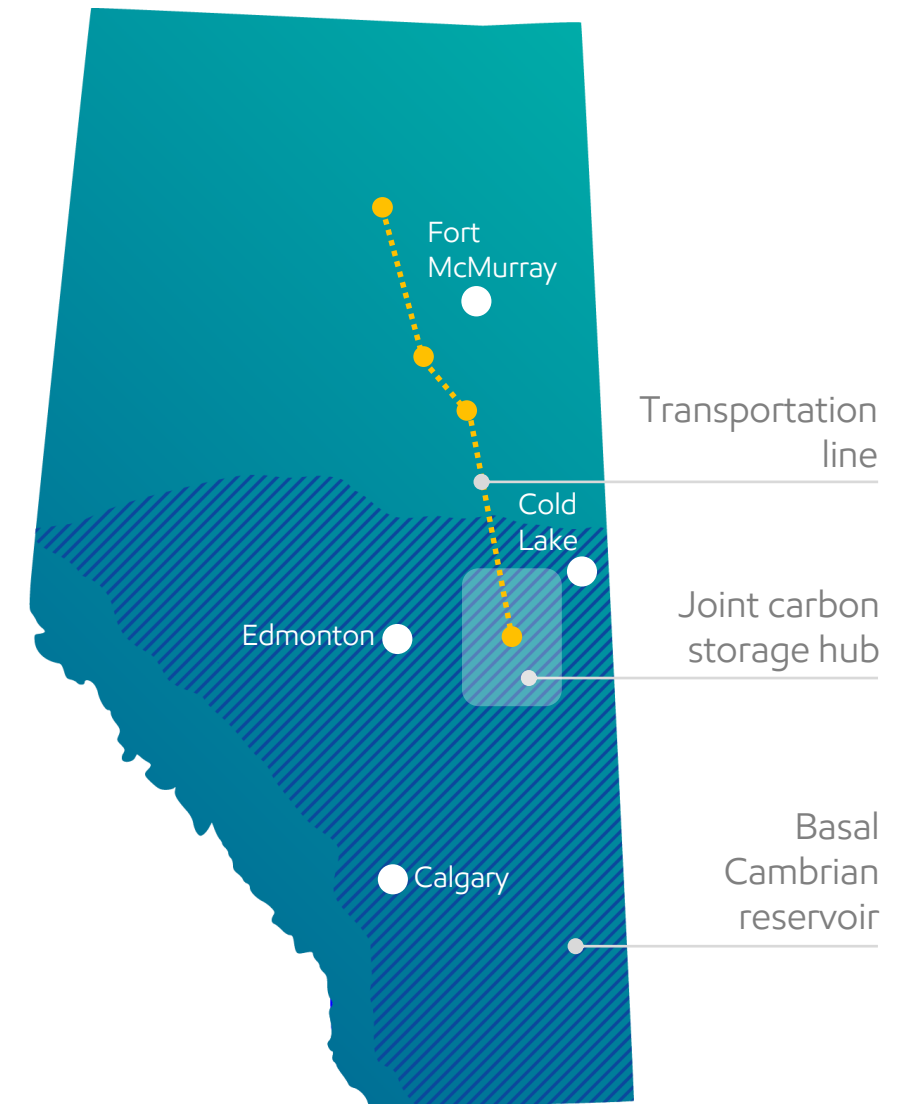
30%

by 2030 relative to 2016 levels

Carbon capture and storage

Pathways alliance critical enabler for a lower-carbon future

- Progressing Oils Sands Pathways to Net Zero alliance to support emission reduction
- One of few proven technologies to help decarbonize energy-intensive industries
- Established regulatory framework in Alberta and world class storage capacity
- Well positioned with extensive subsurface knowledge and reservoir management
- Assessing project opportunities across our facilities
- Expanded use can further emissions reductions associated with hydrogen and renewable fuels production



Oil Sands
Pathways to Net Zero

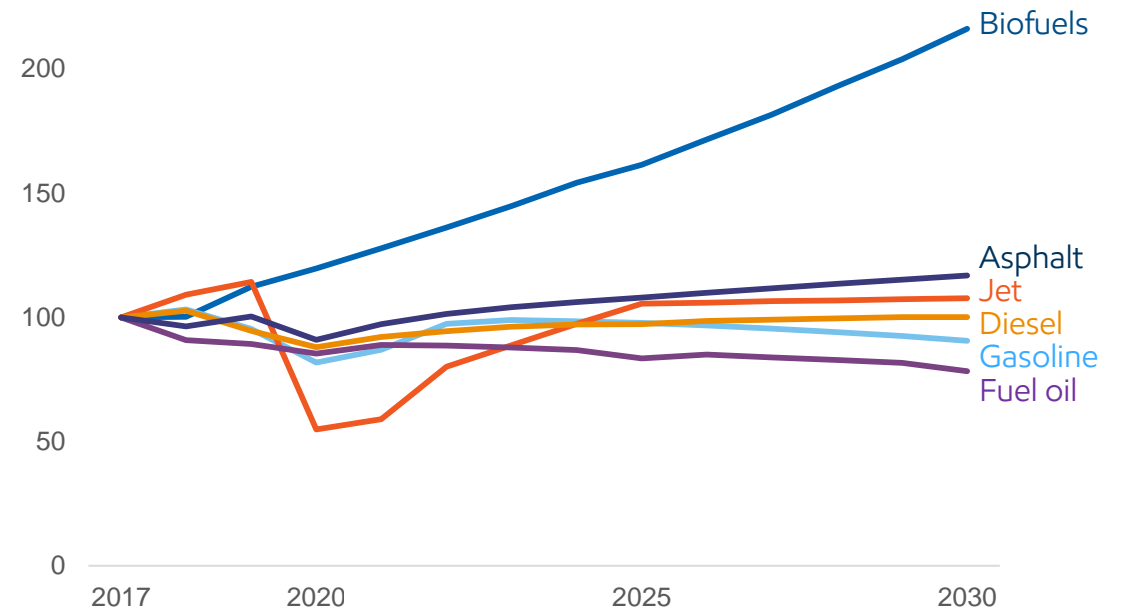
New energy solutions

Keeping our communities and customers moving

- Helping our customers reduce their GHG emissions by working together on solutions
- Demand for lower-emission fuels expected to grow rapidly
- Producing advanced fuels that improve fuel efficiency and reduce emissions
- Growing our biofuel blending and distribution capabilities
- Piloting agricultural feedstocks to produce co-processed commercial fuel
- Advancing next-generation fuel offers and technologies

Canadian market demand growth

Indexed versus 2017, %



Source: ExxonMobil's 2021 Outlook for Energy

Energy solution delivers real value to shareholders

Growing our business with renewable diesel

Helping our customers reduce their GHG emissions

- Potential to reduce emissions by 3MT annually
- Sourcing hydrogen produced with CCS

Clean Fuel Regulation competitive compliance opportunity

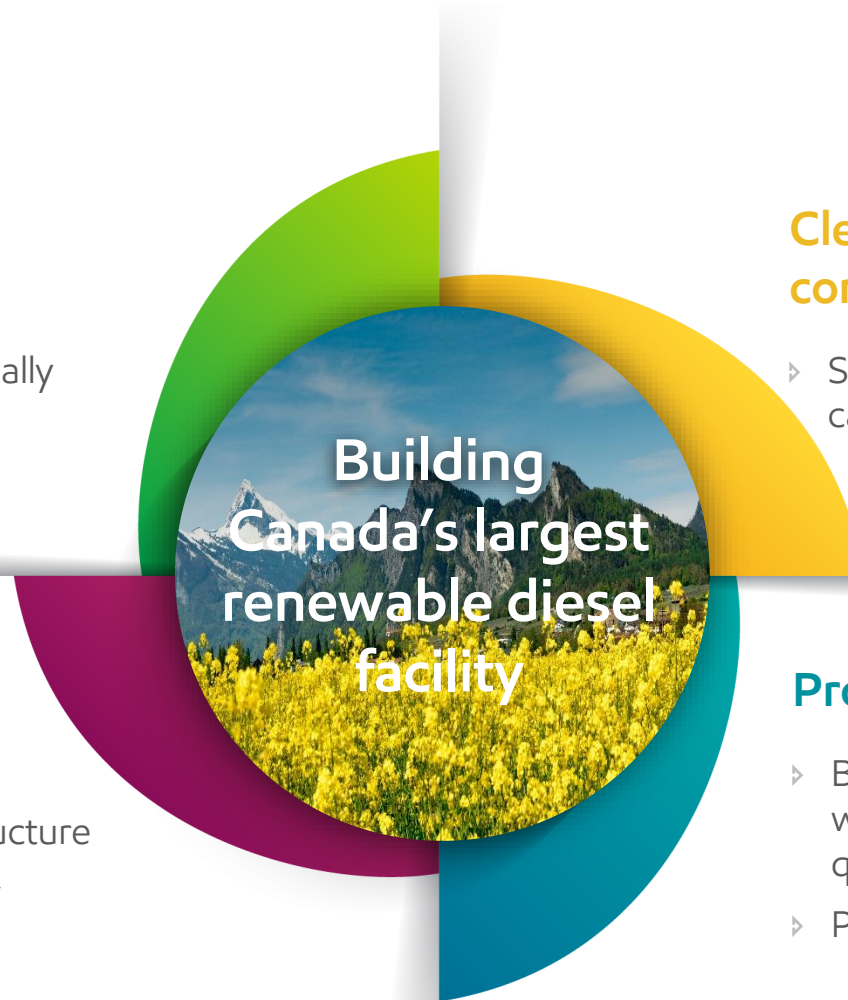
- Strategic project leverages existing facility for capital efficiency

Supporting Canadian farmers using locally sourced biofeedstock

- Existing supply chain expertise and infrastructure
- Accessible and robust feedstock availability

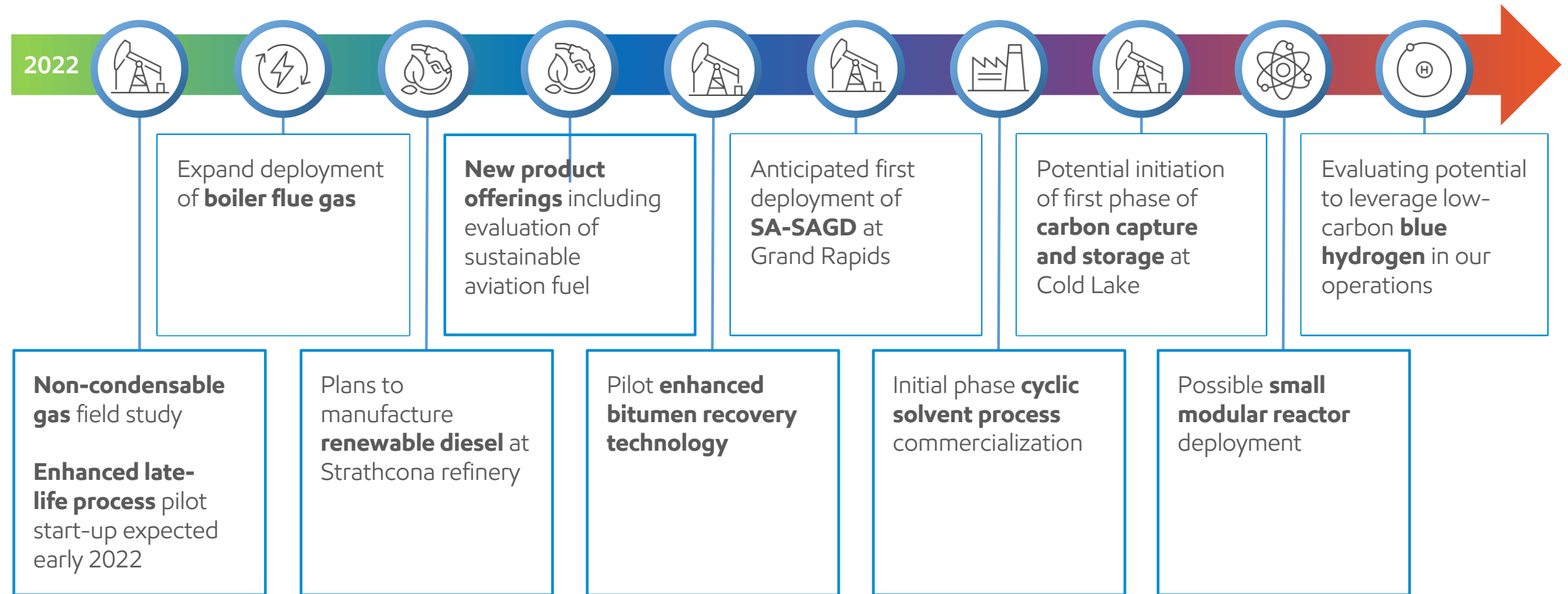
Producing premium fuel

- Blue hydrogen and biofeedstock combined with proprietary catalyst to produce high quality, low-carbon diesel
- Performs well in cold weather



Continuing our progress

Solutions in support of a lower carbon future



Upstream Outlook

Simon Younger

Senior vice-president, Upstream

Upstream strategy




Best-in-class producer, maximizing cash flow, positioning for a lower carbon future

- Maximize value from long-life, low-decline assets
- Targeting industry-leading unit cost and reliability
- Select, disciplined capital investments
- Lowering emissions through profitable investments
- High-impact innovation and digital solutions
- Operational excellence and responsible development



2021 Upstream performance

Demonstrated strong operational performance and sustained improvements

	2021		vs. 2019
Production (koebd)	428		+8%
Cash cost ¹ (\$/B)	4.7		+5%
Unit cost ¹ (\$/boe)	30		-3%
Unit cost ¹ ex. energy (\$/boe)	24		-10%
GHG intensity ² (t CO ₂ e/m ³)	.35		-12%

- Successfully managed COVID to avoid disruption
- Maintained priority on safe operations
- Preserved capital discipline and cost focus
- Raised production – highest in over 30 years
- Sustained unit cost improvements
- Progressed GHG projects
 - Mahkeses LASER, Kearn boiler flue gas
 - On track with 10% intensity reduction target by 2023

Production Imperial share, before royalties.

Energy cost includes predominantly natural gas, diesel and power. Unit cost ex. energy excludes all 2019 and 2021 energy costs.

¹ Non-GAAP financial measure and ratio – see supplemental information for definition and reconciliation

² Preliminary estimate Greenhouse gas intensity for oil sands operated assets (TIER basis, metric tonnes CO₂ equivalent per cubic meter of production)

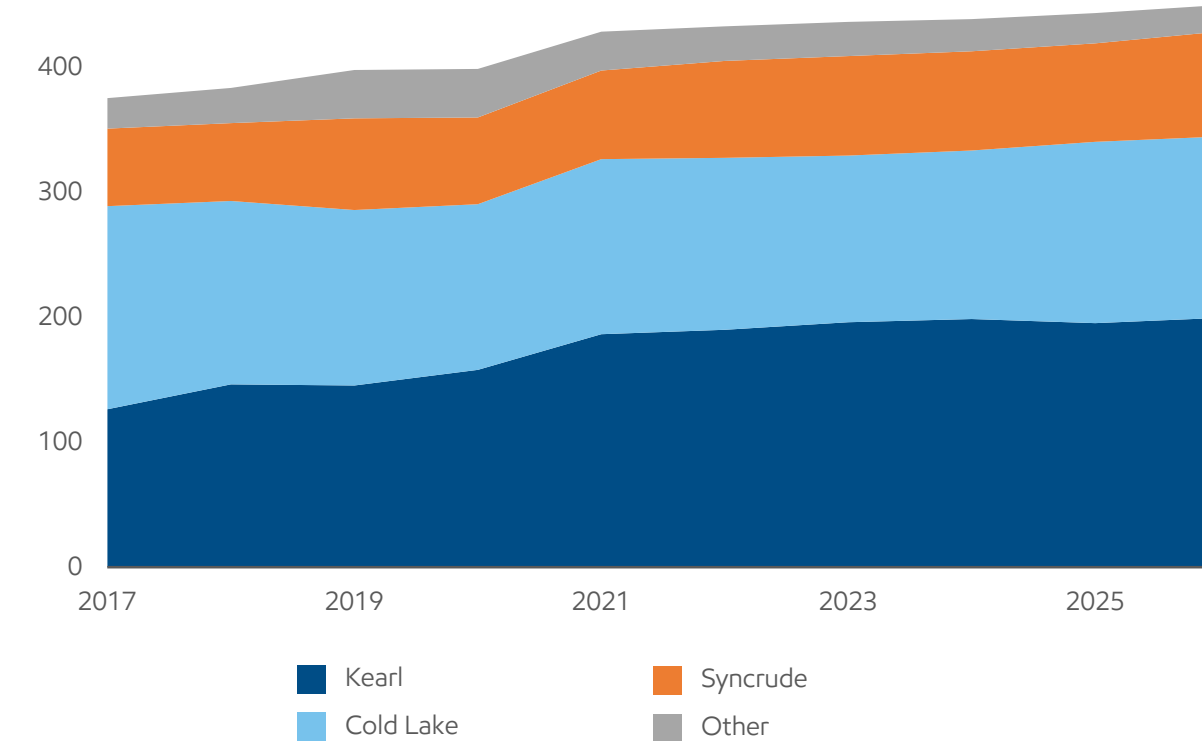
Long-life, low-decline asset base

High-quality stable production base; focused on GHG-advantaged growth

Production

koebd

500



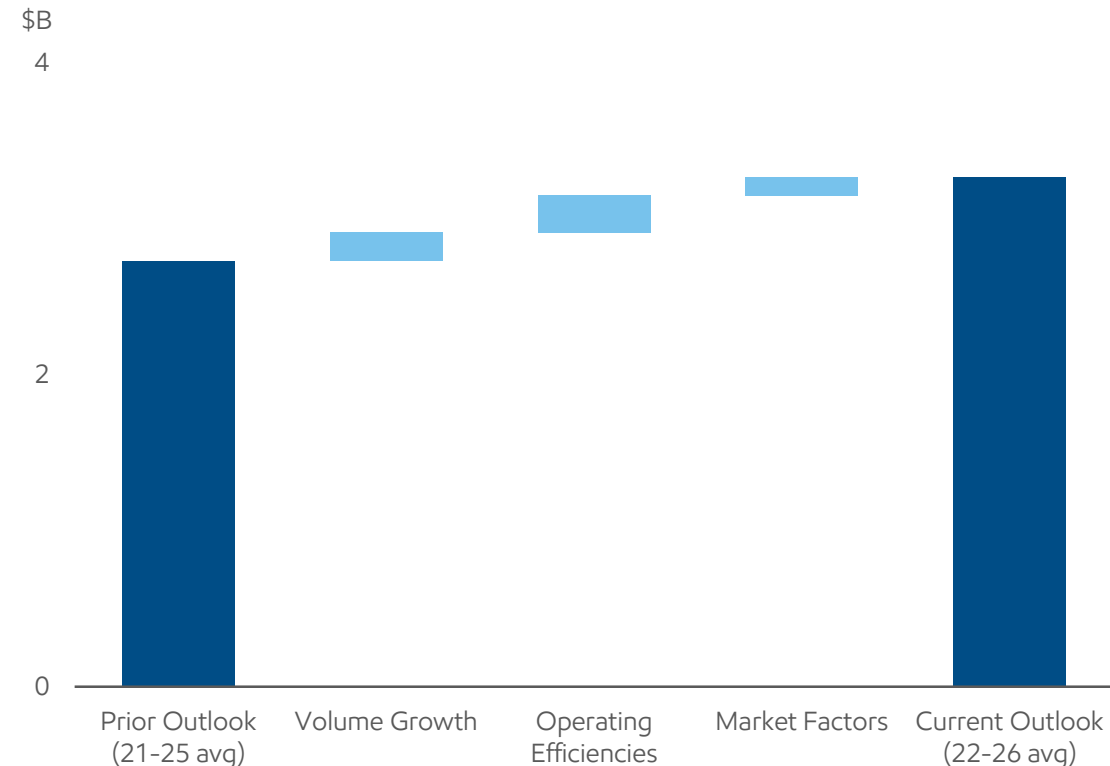
- ~4.3 billion boe of proved and probable reserves
 - Multi-decade production profile
 - Low sustaining capital
- 425 – 440 koebd production outlook for 2022
- 20% low cost volumes growth 2017-2026
- Priority on GHG-advantaged investments

*Production Imperial share, before royalties
2P reserves Imperial share, before royalties, YE 2021 NI51-101*

Upstream cash flow outlook

Delivering value and strengthening cash flow from operating activities

Average annual cash from operating activities at \$US 60 WTI



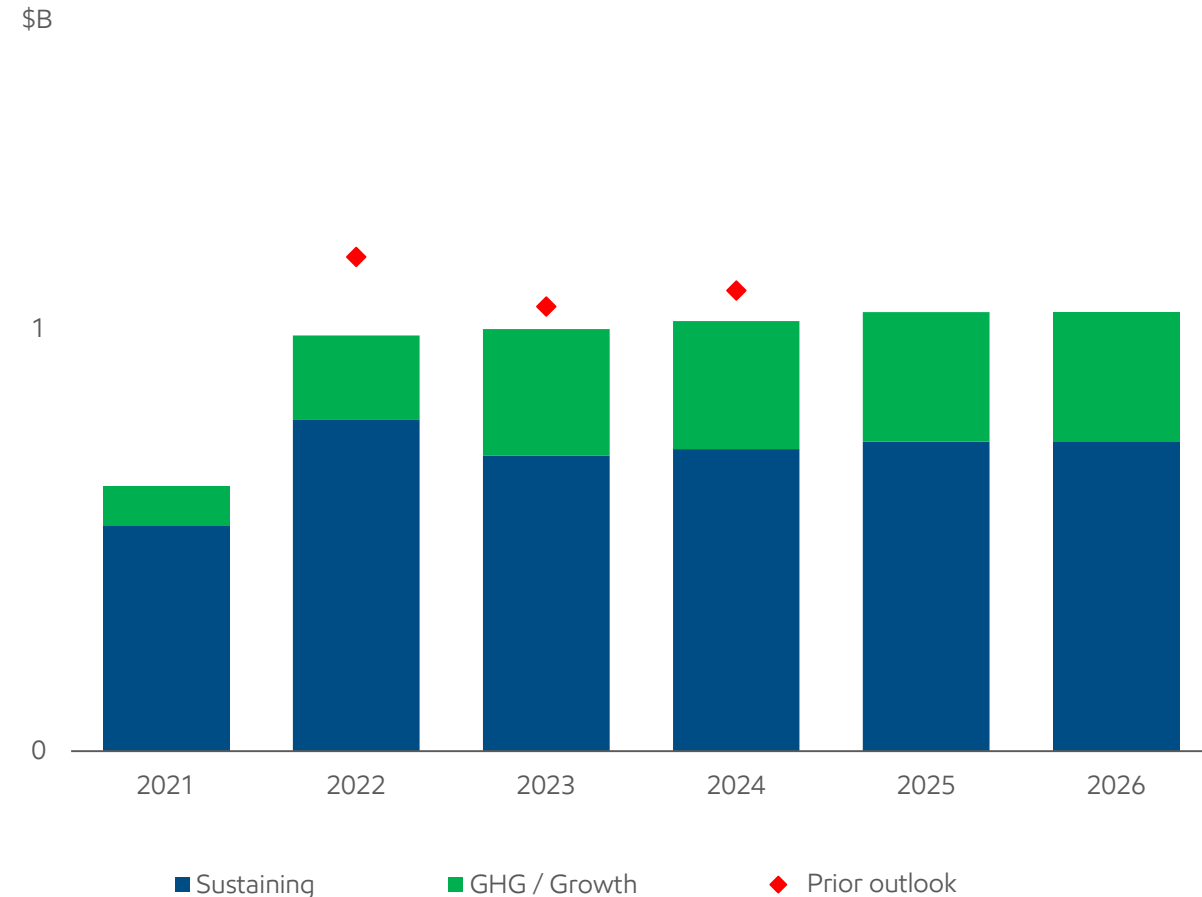
- Cash flow outlook strengthened vs prior outlook by 15% (ex. market factors)
 - Progressing cost improvements – 9% reduction
 - Increased production outlook – 3% increase
- Pipeline of highly accretive investments
- Improved resiliency to low prices
 - Focused on lowering unit cash costs
- Strategy delivering results

*Prior outlook refers to 2020 Investor Day, \$US 60 WTI scenario, \$US 15 WCS differential, \$US 0.75 exchange rate.
Current outlook is based on \$US 60 WTI, \$US 12 WCS differential, \$US 0.8 exchange rate.*

Upstream investment outlook

Investing for value through select volume growth and GHG intensity reduction

Average annual capital expenditures¹



- Capital plan reduced from prior outlook
- Sustaining capital moderates from 2022
 - 5-year average of ~\$5 per barrel
- Key sustaining projects include:
 - Kearl in-pit tailings
 - Autonomous Haul System
 - Syncrude Mildred Lake Expansion
 - Cold Lake infill drilling
- GHG-advantaged volumes and value growth:
 - Cold Lake Grand Rapids Phase 1 (GRP1)
 - Cold Lake Leming field redevelopment
 - Kearl boiler flue gas
 - Kearl secondary recovery projects

¹ See supplemental information for definition

Industry-leading digital approach

Accelerating value with a rapidly growing digital portfolio

Digital investment principles ■ Capital-efficient ■ Fast payback ■ Agile development

Near-term focus and wins

- >30 successful initiatives
- Optimizing production
- Improving reliability
- Reducing costs

Advanced analytics

- Maximize recovery and production
- Data-driven decision making
- Enhance worker safety and productivity

Established
digital vision



2017

2020

2023

2026

Realized
>\$400M/yr
value



Future potential

>\$1B/yr

\$750M/yr

2020
Investor
Day

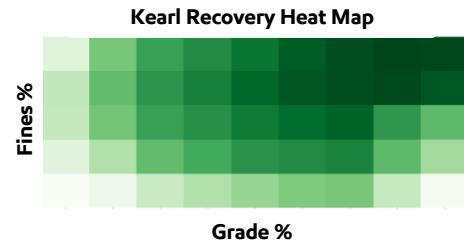
Defined projects

Note: Value represents annual benefit of cost savings and production uplift in \$M CAD, before taxes and royalties. Forward looking estimates at \$US 60 WTI price case. Kearn 100% basis.

Advanced analytics and work process optimization

Converting data to dollars

Enhanced mine planning (10-15 kbd)



Leveraging data and advanced analytics to enhance mine planning and deliver incremental production

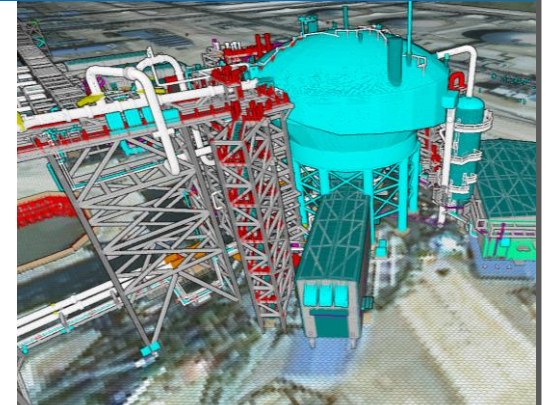
Well downtime tracker (~1 kbd)

Integrating field work processes to minimize well downtime and leverage data insights

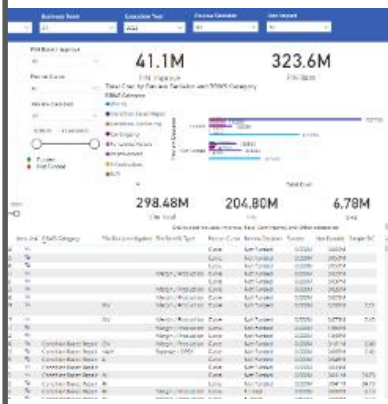


Surveillance and failure analysis (>\$40M/yr)

Leveraging analytics in operations



Annual maintenance plan optimization (>\$50M/yr)



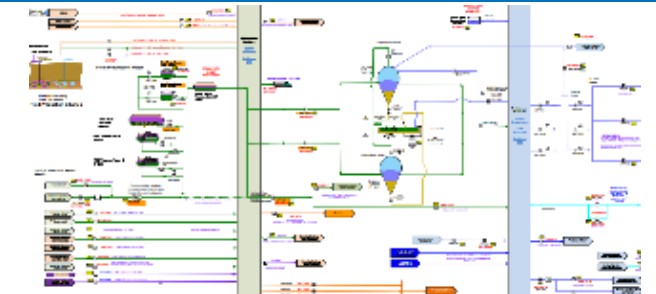
Digitization of annual maintenance planning enables enhanced work prioritization and elimination

Maintenance execution effectiveness (\$15M/yr savings)

Real time management and feedback on maintenance execution



Cold Lake water balance (1+ kbd)

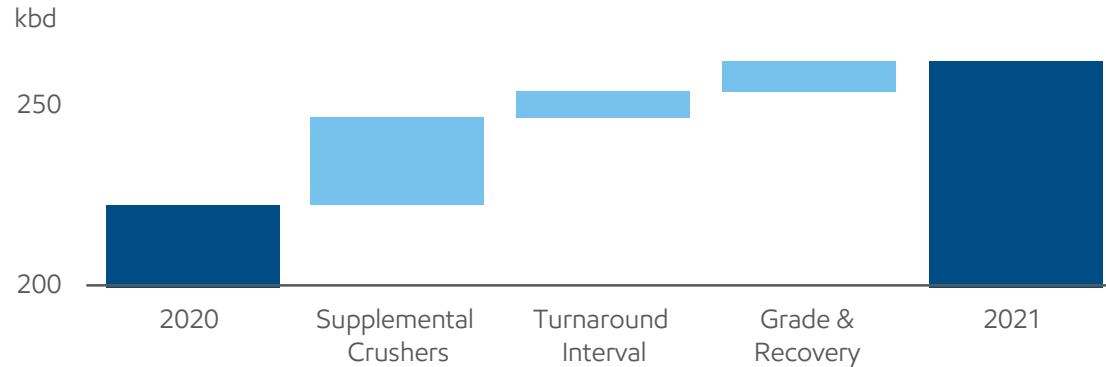


Progressing mathematical optimization of water flows to maximize production

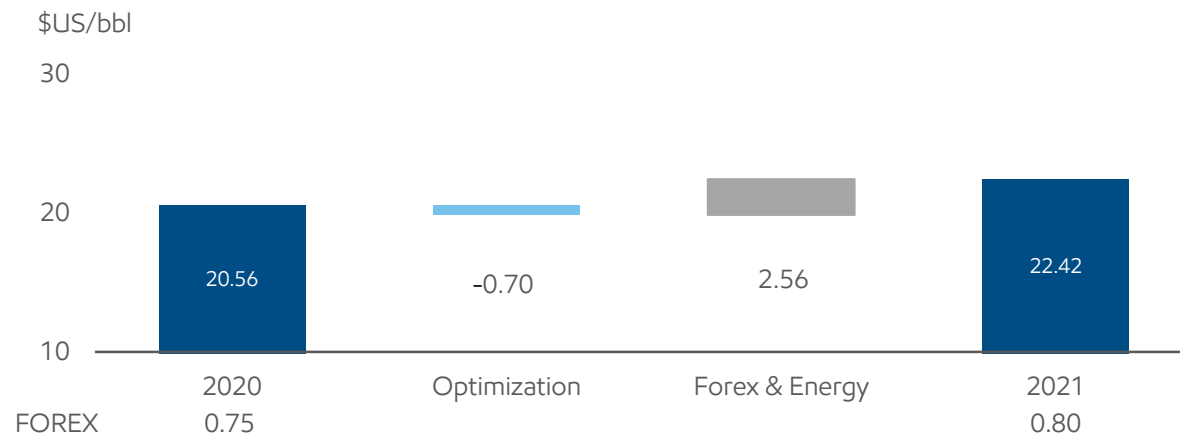
Kearl 2021 performance

Demonstrated strength of Kearl asset

Production



Unit cash costs¹



Production 100% interest, before royalties

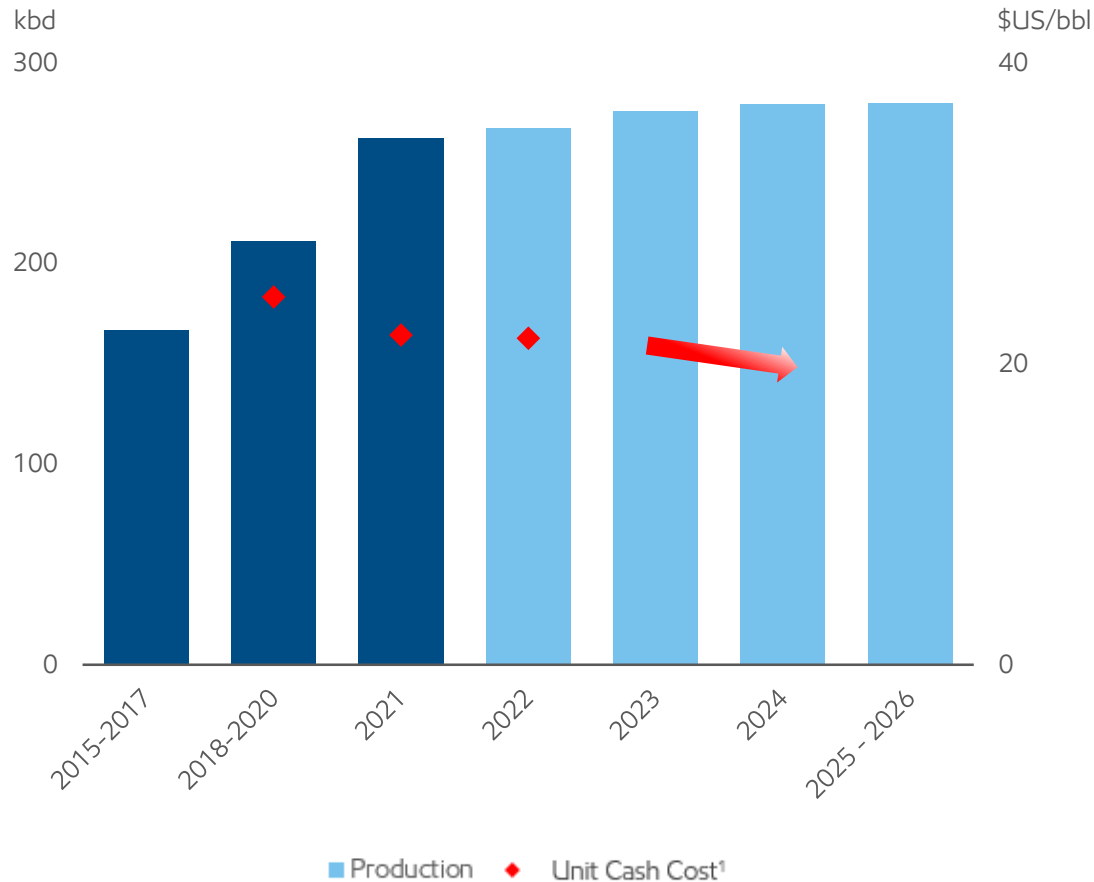
Energy cost includes predominantly natural gas, diesel, and power.

¹ Non-GAAP financial ratio – see supplemental information for definition and reconciliation

- Record production in 2021
 - Exceeded prior record by 40 kbd
 - Realized full benefit of supplemental crushers (+24 kbd)
 - Achieved turnaround interval extension (+7 kbd)
- Set new records in 9 of 12 months
 - Best ever month of 311 kbd set in June
 - Production profile optimized for seasonality
- Unit cost¹ reduced 21% vs. 2019 (\$US 28/bbl)
 - Step change achieved in 2020
 - Further \$US 0.70/bbl reduction in 2021
 - \$US 19.86/bbl unit cash cost¹ ex. forex and energy increase

Kearl journey

Stable, reliable operations enabling acceleration of optimization phase



- Targeting 280 kbd in 2024, earlier than prior outlook
 - Accelerated turnaround strategy
 - Debottlenecking, reliability, and maintenance improvements
 - Enhanced mine planning and improved recovery
 - Digital initiatives
- Continuing to drive down unit cash cost¹ <\$20 USD/bbl
 - Focus on structural cost reductions
 - Efficient volumes growth
 - Digital and technology targeted at cost improvement
- Evaluating future production potential 280–300 kbd
 - Enhanced recovery, plant debottlenecks, mine fleet expansion

Production 100% interest, before royalties

¹ Non-GAAP financial ratio – see supplemental information for definition and reconciliation

Technology in support of Kearl volume growth

Reliability and secondary recovery initiatives

Advanced wear materials



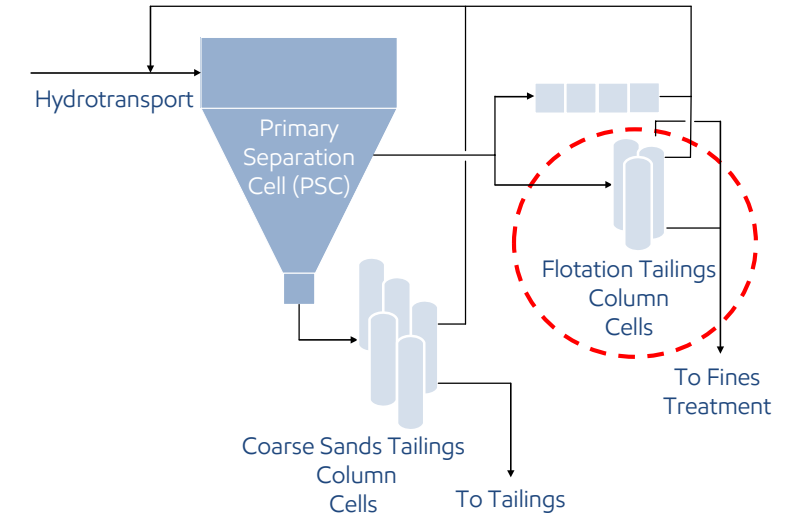
- **4 kbd production uplift**
- Improved service life, reduced maintenance
- Integral part of reliability improvement

Coarse tailings bitumen recovery



- **8 kbd production benefit**
- Lowers GHG intensity (-2%)
- Successful field pilot

Flotation tailings bitumen recovery



- **3 kbd production uplift**
- Lowers GHG intensity (-1%)
- Additional use of column cells technology

Autonomous haul update

Fleet conversion improving profitability and safety

- On track to convert 55 trucks (~70%) by end of Q3
- Record AHS movement in 2021
 - Tripled vs. 2020, >30% total material
- Unit cash cost¹ savings ~\$US 1/bbl
- Autonomous platform enabling optimization across broader mine mobile fleet
- On track to be first fully autonomous oil sands mining operator by 2023

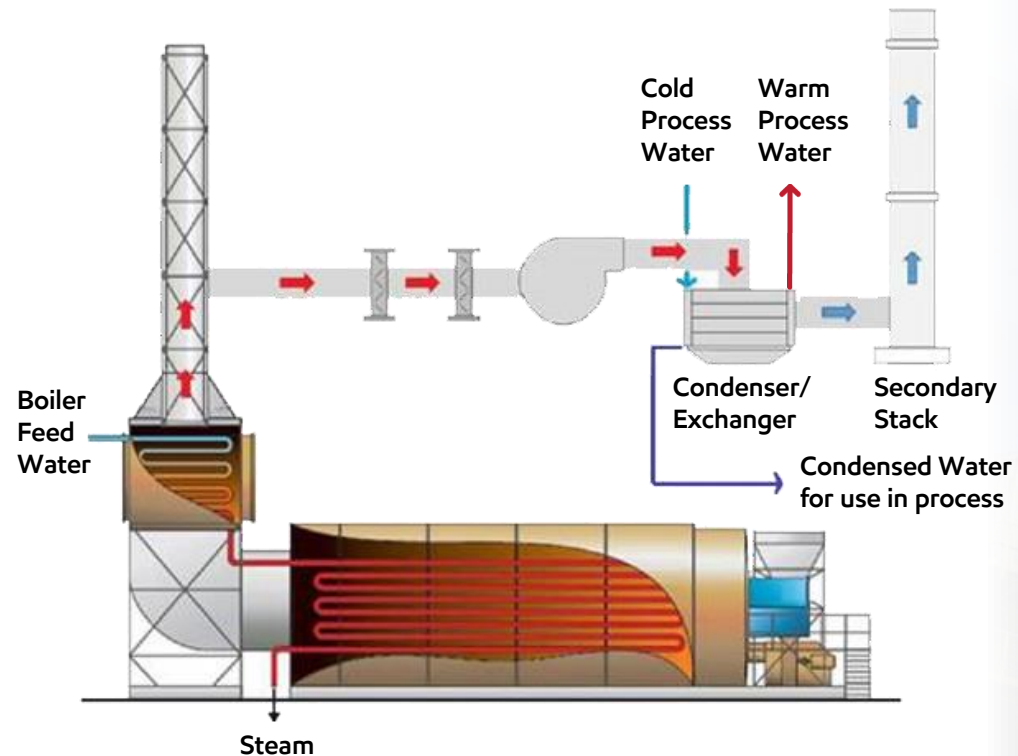
¹ Non-GAAP financial ratio – see supplemental information for definition and reconciliation



Kearl boiler flue gas emissions reduction technology

Successful first deployment, expanding to five additional boilers

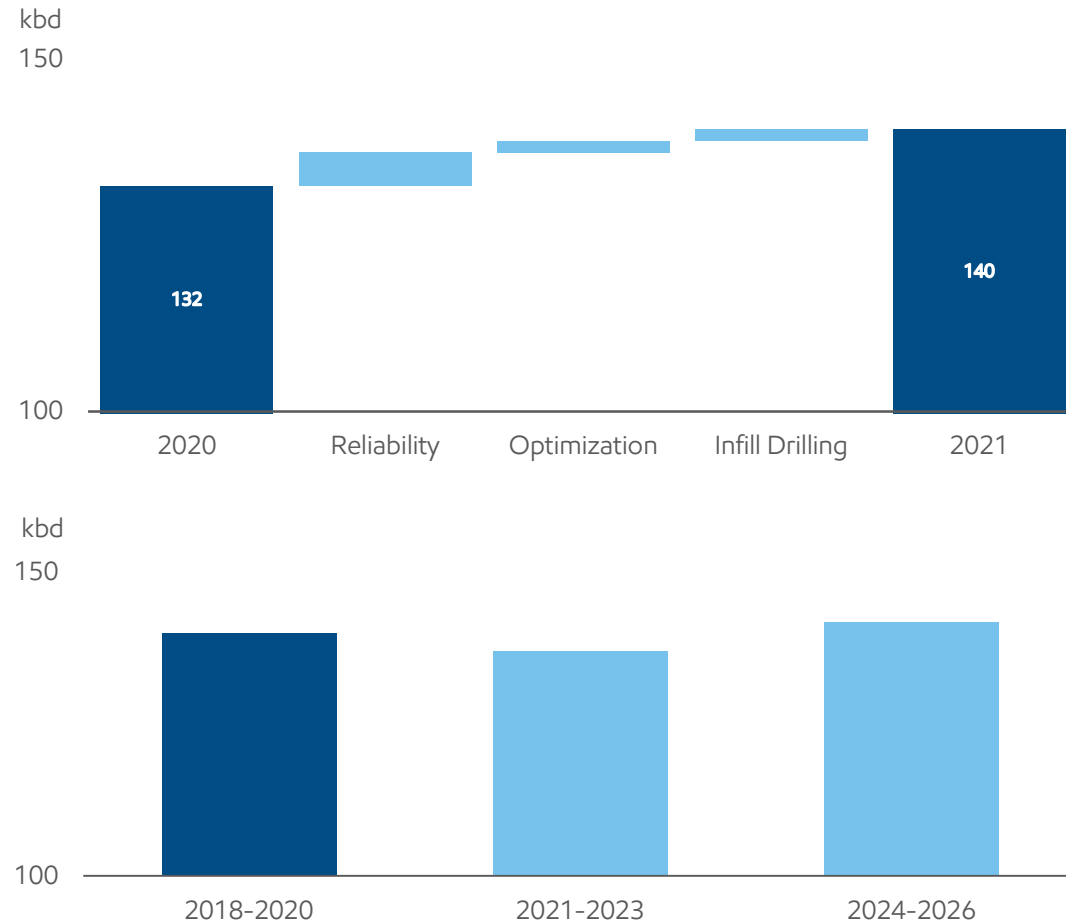
- Innovative technology recovers waste heat from the boiler's exhaust to pre-heat process water
- Successful startup of first unit May 2021 with additional five units by end of 2023
- Robust economics with significant GHG benefit
 - Reduce up to 220,000 tonnes per year of carbon dioxide equivalent
- ~\$40M/yr full program cost savings
- Collaboration with Alberta government



Cold Lake 2021 performance

Performance exceeding expectations and sustainable into the future

Production performance

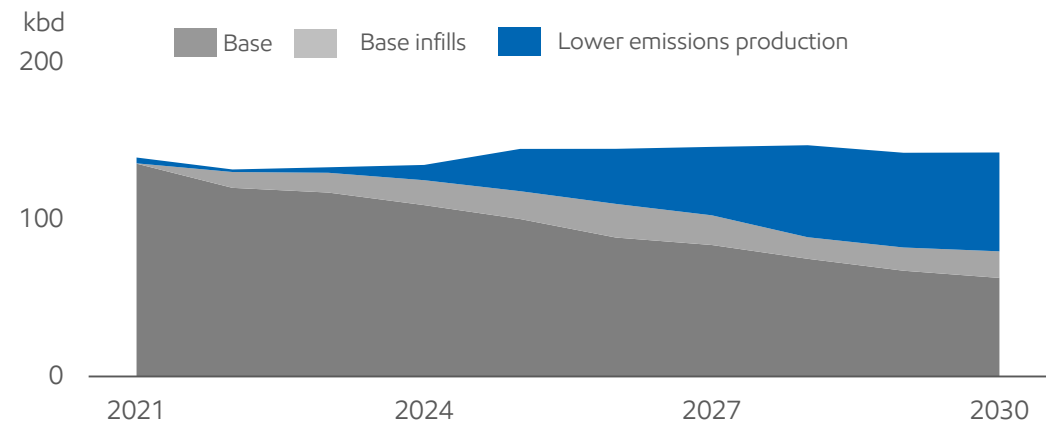


- Increased production 8 kbd vs. 2020
 - Water balance strategy and equipment reliability (~5 kbd)
 - Infill drilling and optimization (~3 kbd)
 - Strongest reliability in past 5 years
- Executing on 2021 asset strategy with strong results
 - Started up Mahkeses LASER solvent 1Q21
 - Progressed innovative “Niche” drilling program
 - Startup of infills at Mahihkan field
 - Initiated construction of butane blending facility
 - Optimized diluent usage saving ~\$20M of margin erosion
- Continued robust cash generation through cycles, underpinned by operating performance and selective investments

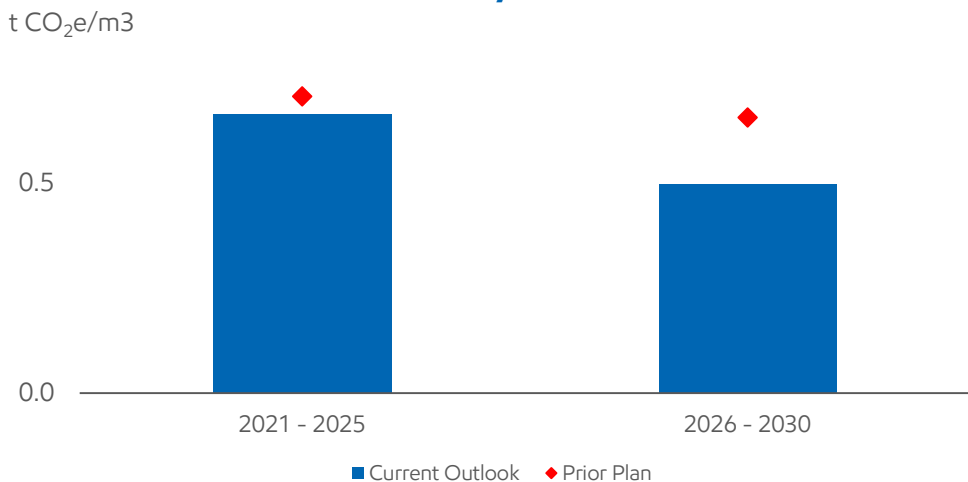
Cold Lake strategy

Maximize asset value and cash flow through transformational GHG strategy

Transition to lower emission technology



Reduction in GHG intensity



- Strategy to sustain volumes through resilient investments, delivering competitive returns and GHG transformation
 - ~1.7 billion boe produced, 1.1 billion boe 2P reserves remaining
- Accelerating solvent technologies, while increasing profitability and reducing reliance on steam
 - ~24% reduction in GHG intensity vs. prior plan

Technology progression	Start up
LASER	Mahihkan 2017, Mahkeses 2021
SA-SAGD, SAGD	GRP1 2024, Leming redevelopment 2025
NCG	~ 2026+
CSP	~ 2028+
ELP	Evaluating

LASER: Liquid Addition to Steam for Enhanced Recovery, SA-SAGD: Solvent Assisted Steam Assisted Gravity Drainage, NCG: Non Condensable Gas Injection, CSP: Cyclic Solvent Process, ELP: Enhanced Late-Life Process

2P reserves Imperial share, before royalties, YE 2021 NI51-101

Imperial | 2022 | 36

Key Cold Lake volume sustainment investments

Progressing capital-efficient projects to sustain strong production performance

Niche rig drilling program



- Successful first deployment, >20 redrills and sidetracks to date
- Leverages existing infrastructure, >5 kbd by ~2024
- Capital-efficient, flexible program
 - As low as \$10k/flowing bbl/d capital intensity

Leming field redevelopment

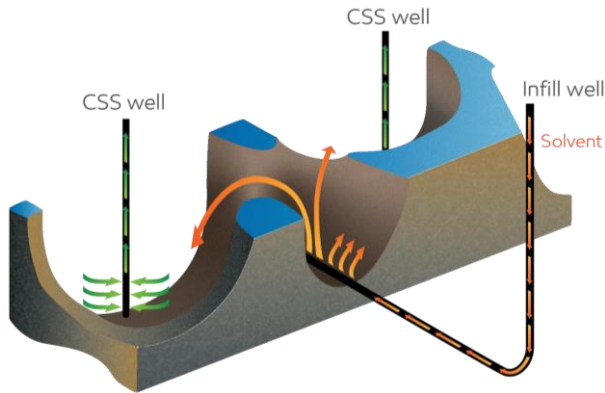


- SAGD technology to redevelop low-recovery, high-quality reservoir
- 9 kbd at peak, 35% GHGi reduction vs. Cyclic Steam Stimulation
- Efficient and resilient investment
 - \$20k/flowing bbl/d capital intensity

Strategy underpinned by advanced in situ technologies

Research and development supporting long term profitable GHG reduction

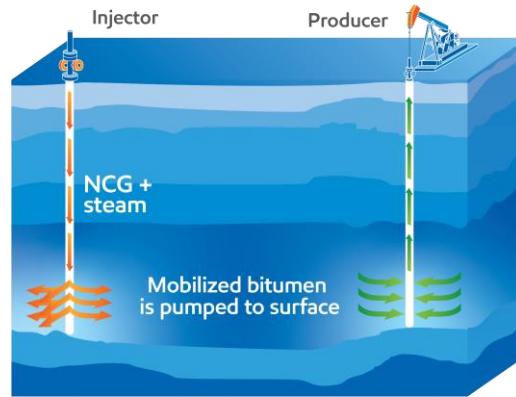
Enhanced Late-Life Process, ELP



- Non-thermal late life process
- Reduce GHGi by ~70%, no water required
- Pilot startup 2022



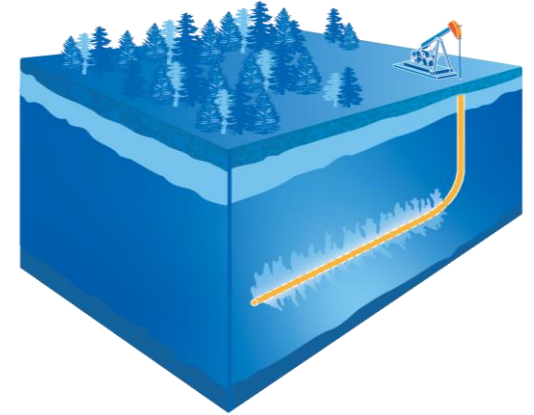
Non-Condensable Gas, NCG



- Reduce water use and GHGi by ~25%
- Reallocate or shut-in steam
- Field study startup 2022



Cyclic Solvent Process, CSP



- Non-thermal cyclic process
- Reduces GHGi by 90%, no water required
- Pursuing commercial scale deployment



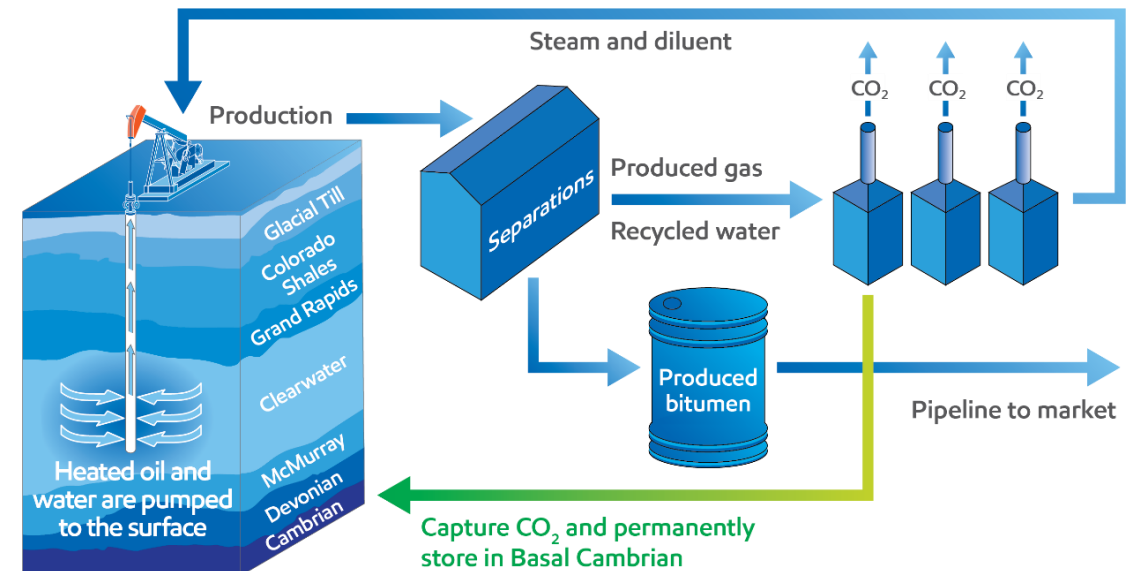
Note: CSP GHGi reduction relative to CSS, NCG and ELP reduction relative to steamflood

Cold Lake carbon capture and storage (CCS) opportunity

Efficient emissions reduction, supporting Cold Lake strategy transformation

- Pursuing CCS emissions reduction opportunity that captures efficiencies with Cold Lake operations
- Evaluating capture of CO₂ from combination of produced gas and flue gas streams
- Nearby injection into Basal Cambrian
- Targeting startup in mid to late 2020's
- Potential to be one of the first CCS projects within Pathways initiative

Mahihkan Plant at Cold Lake



Syncrude strategy

Capturing value of transition to owner-operator model

Production

kbd

90

60

30

0

2016-2019

2020

2021

2022-2026

- Successful partner engagement and collaboration delivered transformational step in asset strategy
 - Transitioned from Syncrude to Suncor as operator 2021
- Synergies of \$300M gross through regional efficiencies
 - Integrated projects, maintenance and support organizations
 - Target savings of \$200M in first 12 months
- Increasing volumes through reliability improvements, increased utilization and turnaround execution
- Targeting <\$US 30/bbl unit cash costs¹
 - Driven by increased production and cost efficiencies

Production Imperial share, before royalties

¹ Non-GAAP financial ratio – see supplemental information for definition and reconciliation

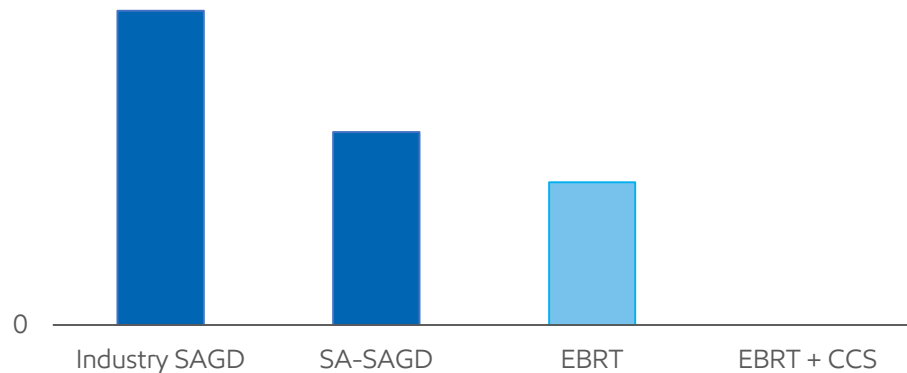
Future resource optionality

Portfolio of growth opportunities with net-zero potential

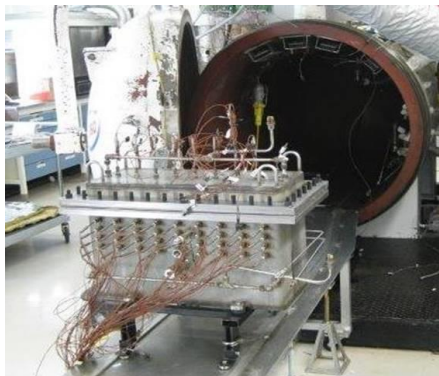
In situ GHG intensity

t CO₂e/m³

0.5



- Large inventory of in situ opportunities
 - Aspen, Corner, Clarke Creek, Clyden
- Strategic approach to future development
 - Maintain optionality while evaluating next generation in situ technologies
- Advancing Enhanced Bitumen Recovery Technology (EBRT)
 - Significantly lower GHG intensity
 - Potential for large-scale application at Aspen; improved value capture
 - Potential to pair with CCS for net-zero incremental production
- Unconventional assets being marketed
 - Testing opportunity to capture enhanced value
 - Aligns with strategy to focus on core oil sands assets



**Successful
lab-scale
EBRT
research**

Upstream summary

Best-in-class producer, maximizing value, positioning for a lower carbon future

- Maximizing value from existing assets
- Sustaining efficiencies; targeting industry leading unit cost and reliability
- Investing for value through select volume growth and GHG intensity reduction
- Industry leading digital portfolio; achieved >\$400M value in 2021
- Acceleration of Kearn volumes to 280 kbd
- Large portfolio of in situ opportunities with net-zero potential



Break

Downstream and Chemical Outlook

Jon Wetmore

Vice-president, Downstream

Downstream and Chemical strategy

Increasing profitability across the value chain

- Deliver industry leading performance in safety, reliability, and operations integrity
- Strategically invest in logistics to expand market reach, reduce costs and improve supply reliability
- Enhance world-class Esso and Mobil brands and product offering
- Develop a compelling lower-carbon offer, become a valued sustainability partner
- Lower emissions through profitable investments
- Increase refinery crude and feedstock flexibility in support of energy transition
- Maximize the benefits of integration and molecule uplift

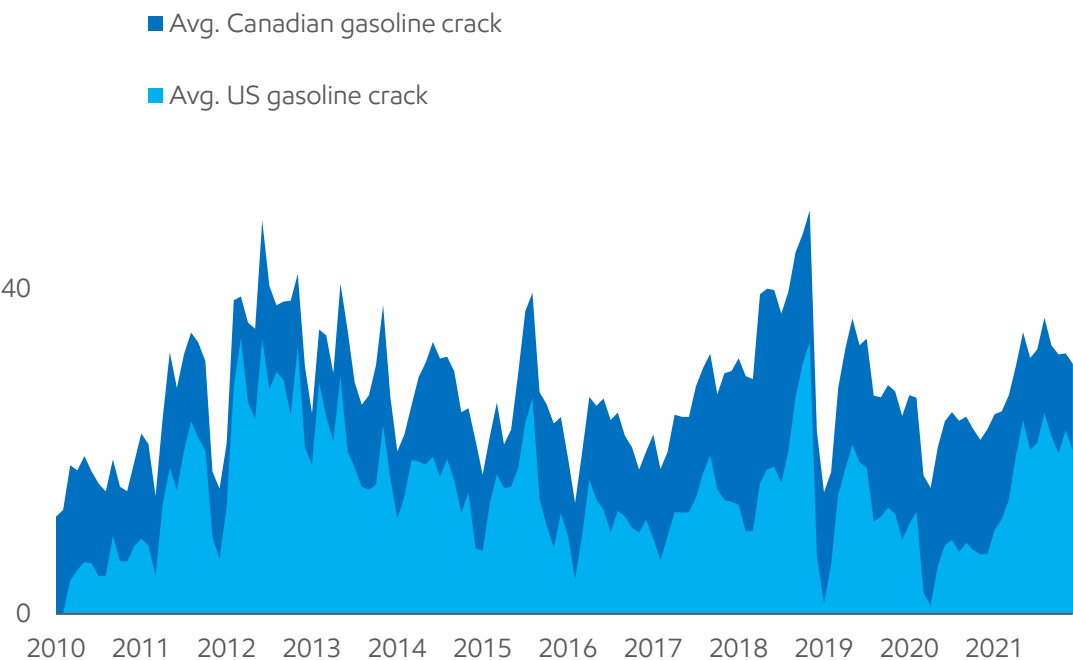


Canadian margin environment

Structurally advantaged margins, resilient through the pandemic

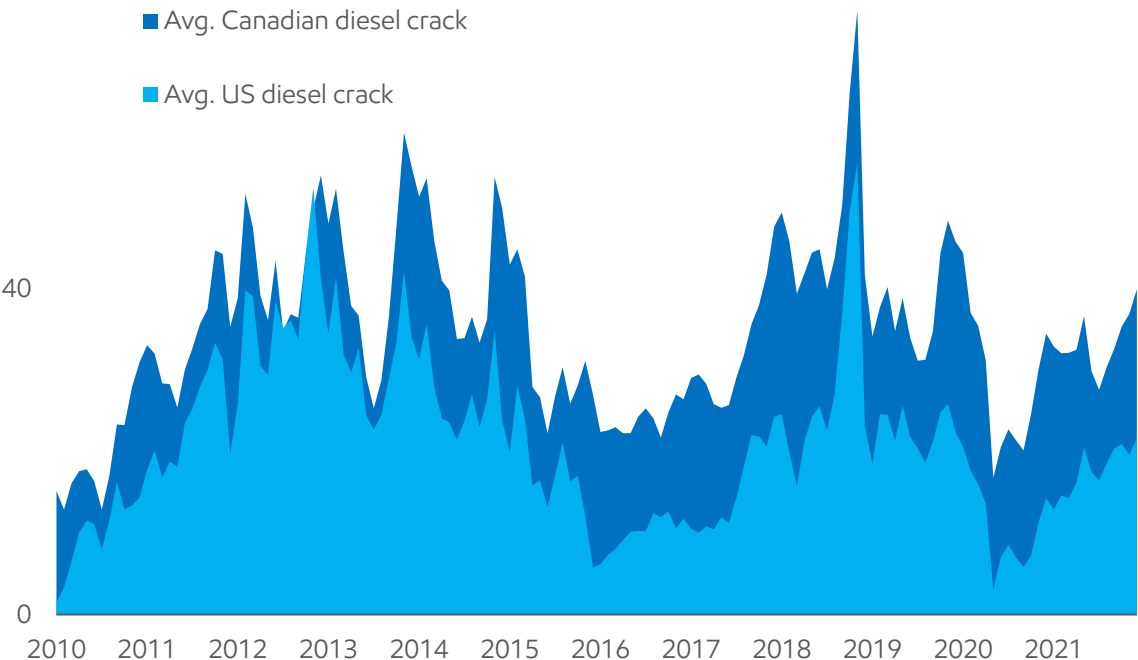
Average monthly gasoline crack

\$US/bbl
80



Average monthly diesel crack

\$US/bbl
80

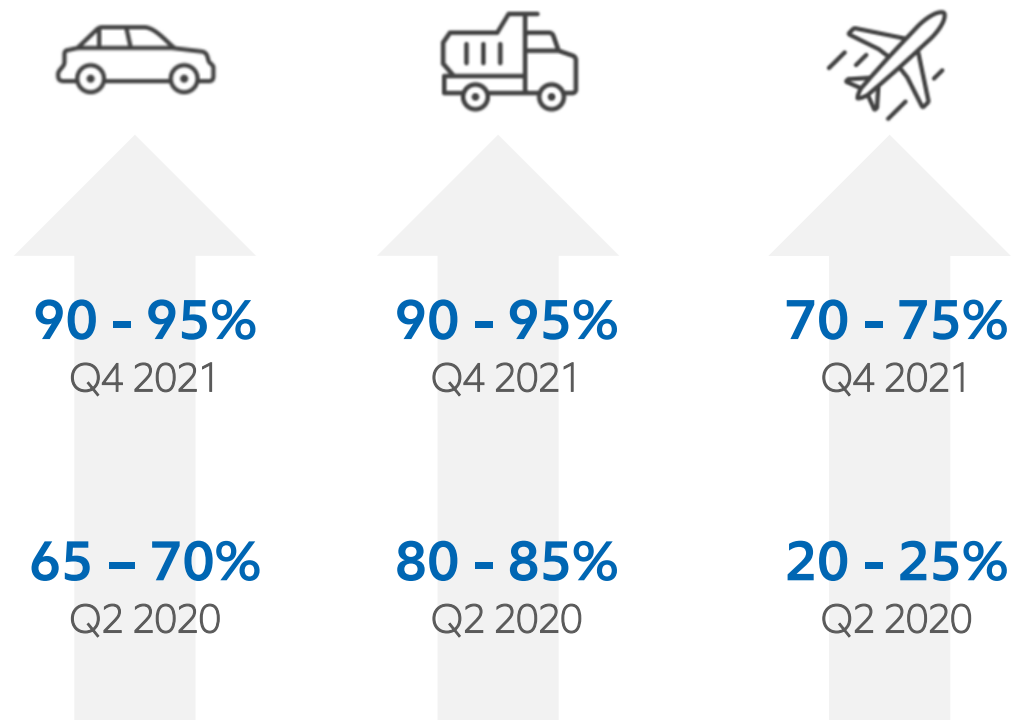


50/50 NYH/Chicago and 50/50 Toronto/Edmonton rack vs. MSW feedstock cost; Assumes \$5/bbl crude tariff to Chicago, NYH & Toronto

Canadian fuel demand update

Demand continuing to recover

Canadian industry demand (~% of normal*)



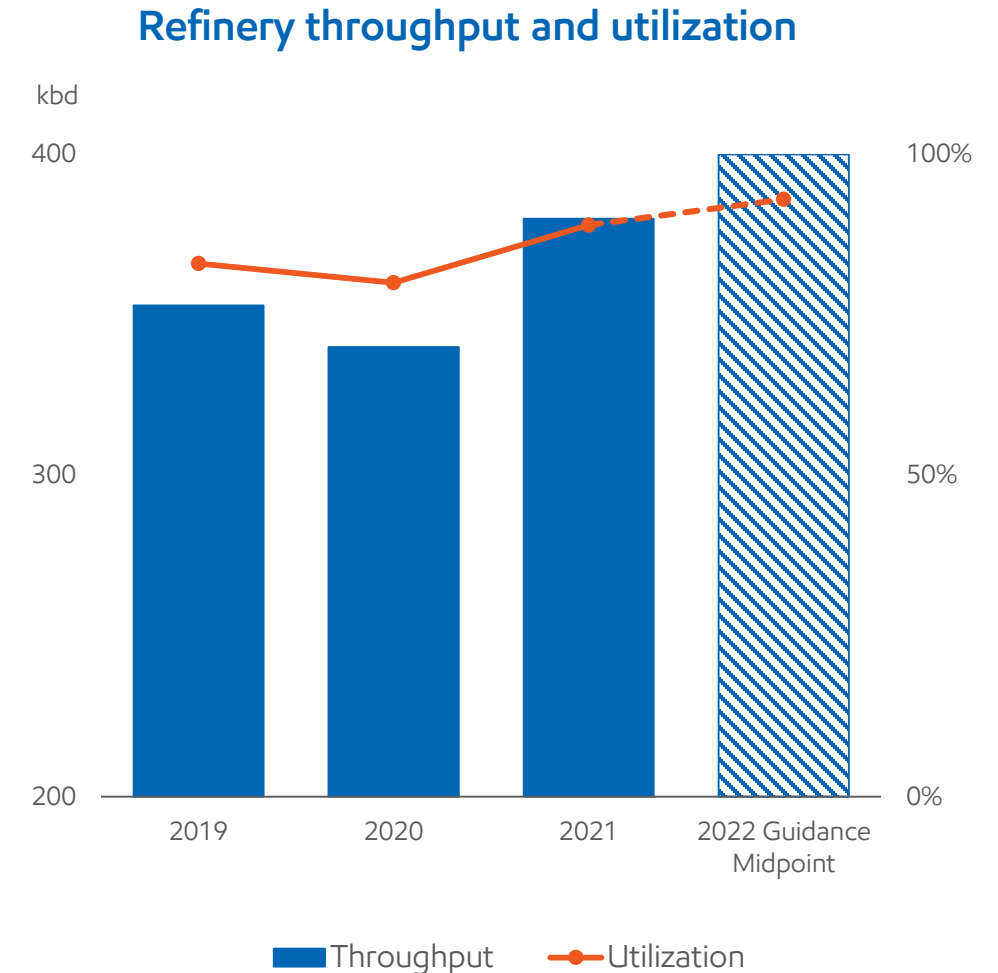
- Canadian economic activity increasing
- Omicron impacting near-term, potential for continued volatility
- Gasoline, diesel demand expected to recover to pre-COVID levels
- Jet demand continues to lag with on-going global restrictions
- Competitive gains partly offsetting demand impacts

**Domestic sales relative to pre-pandemic levels*

Canadian refining

Canada's largest refiner with access to global technology and expertise

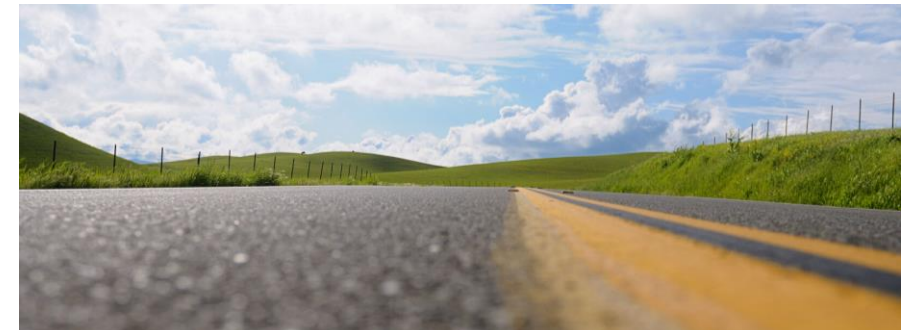
- Structurally advantaged refining business
 - Largest domestic refiner, strategically located assets
 - Fully integrated Chemical plant for optimized molecule uplift
 - Low overall cost structure
 - Access to ExxonMobil technical expertise
- Focused on enhancing margins, flexibility and efficiency
 - Maximizing heavy crude processing capability
 - Investments in energy efficiency, renewable fuels
 - Minimal-cost production capacity creep
 - Upstream diluent supply connectivity
- Throughput and utilization increasing with demand recovery



Fuel, lubricant and asphalt marketing

Industry leading brands and product offering creates customer pull

- Retail branded wholesale model provides structural advantages
 - Industry leading site count with ~2,400 sites across Canada
 - Capital efficient growth
 - Strategic partnerships with best-in-class retailers
- Portfolio of industry leading market share and global brands
 - #1 Canadian retail market share¹
 - Mobil 1 is the world's leading synthetic motor oil brand
 - Largest Canadian asphalt producer
- Elevating brand value with an enhanced offer
 - Differentiated, high-value products
 - Expanded partnership with PC Optimum loyalty program
 - Developing a compelling lower-carbon product offering
 - Official fuel and motor oil of the NHL



¹ Combined Esso and Mobil brands, based on Kalibrate survey data for year-end 2021

Developing a lower-carbon product offering

Broad portfolio of products helping customers meet their sustainability goals

- 75% of existing gasoline and diesel sales contain renewable content
 - Continuing to grow blending and distribution capability
- Growing portfolio of advanced fuels that improve efficiency and reduce emissions
 - Synergy Supreme premium gasoline
 - Esso Diesel Efficient
 - Esso Bio-protect
 - Renewable diesel
- Advanced lubricants specifically designed to improve transportation and industrial efficiency
- Associate member of newly formed Canadian Council for Sustainable Aviation Fuels



Canadian Council for Sustainable Aviation Fuels
Conseil canadien des carburants d'aviation durables

Innovation delivers shareholder value

Further enhancing Imperial's Downstream offer with innovative solutions and technologies

Advanced recycling



- › Transforming plastic waste into valuable products at scale
- › Evaluating potential opportunity at Sarnia site
- › Leveraging ExxonMobil technology and expertise

Vegetable oil co-processing



- › Vegetable oil co-processed with conventional feedstocks
- › Reduced carbon-intensity compared to conventional fuels
- › Successful trials completed at Sarnia and Nanticoke

Collaborative product trials



- › Identifying products to help customers meet business and sustainability goals
- › 19-day product trial in collaboration with CP Rail and ExxonMobil research
- › Esso Diesel Efficient adopted across CP locomotive fleet, reducing emissions

Battery energy storage

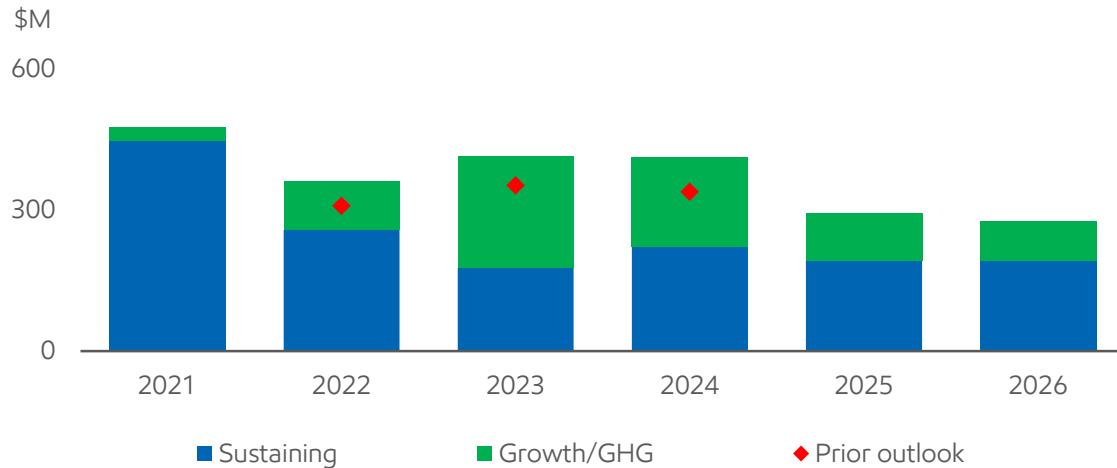


- › Designed to charge during off-peak hours and discharge during peak
- › Captures annual energy cost savings
- › Enel X building 20 MW system at Sarnia site, largest in North America

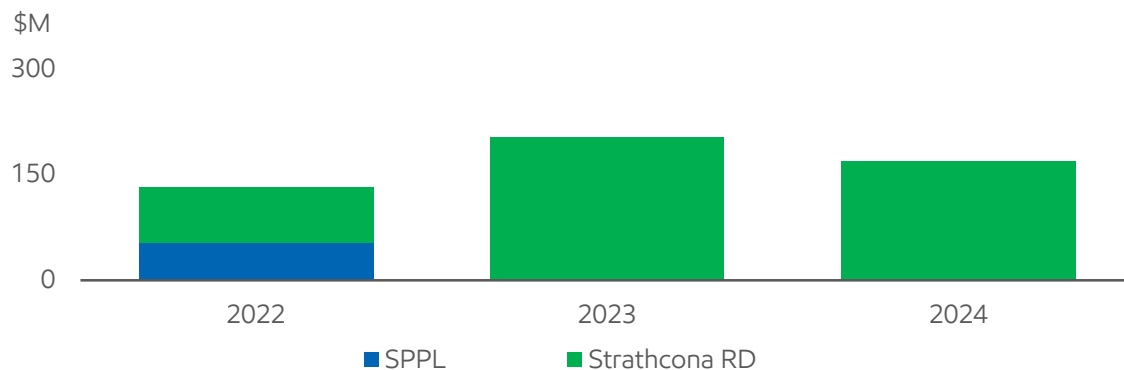
Downstream investments

Strategic investments in low-capital, high-return business

Annual capital expenditure¹ forecast



Key project spend forecast



- Selective investing in refinery slate, production efficiency and resiliency
- Support and enhance strategic logistics
 - Market opportunities, access, reliability
 - Efficiency capture reducing cost to supply
- Regulatory compliance and opportunities
 - Biofuel manufacturing and distribution infrastructure
 - Energy efficiency and emissions reductions

¹ See supplemental information for definition

Sarnia products pipeline (SPPL) update

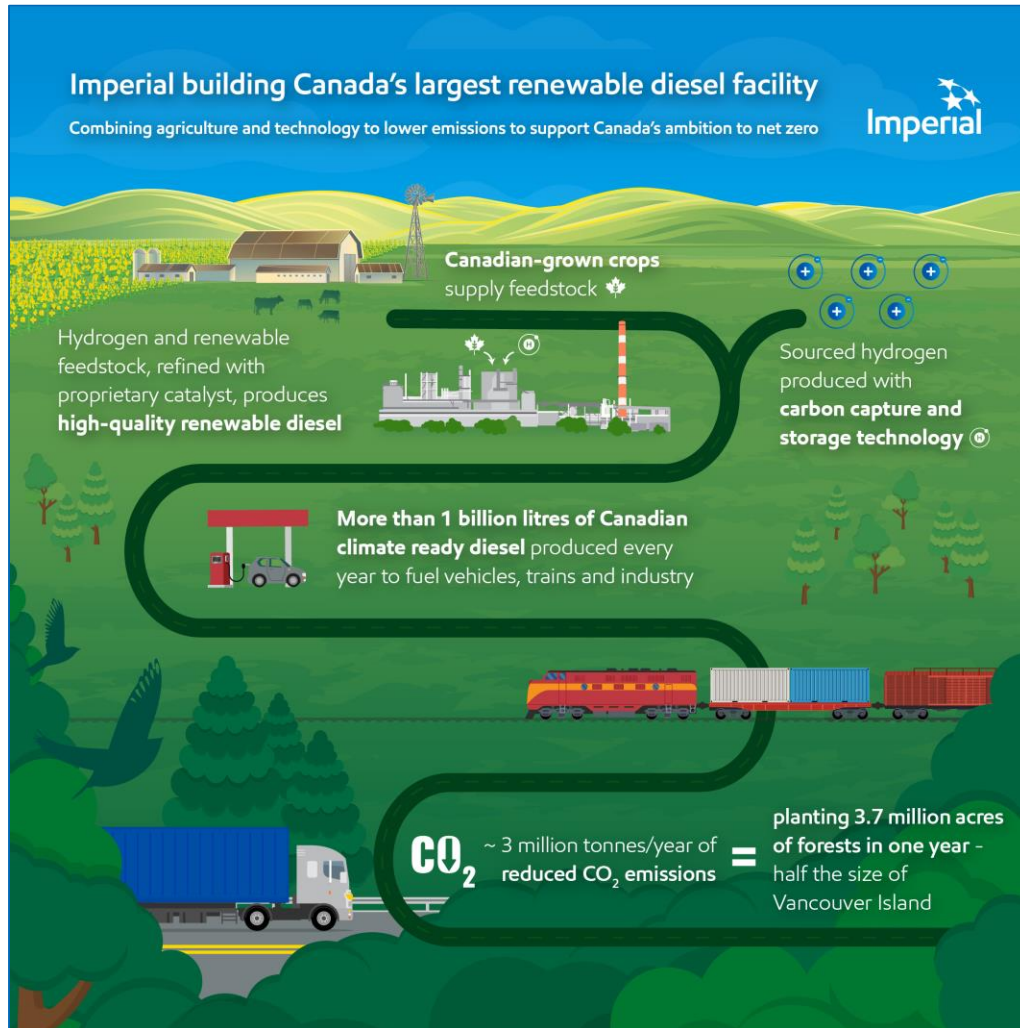
Proactive investment in efficient and reliable logistics

- Project details:
 - ~\$470M final investment, ~\$400M spent through year-end 2021
 - 63 km pipeline, restores capacity into key Toronto market
 - On track to be in service 2Q22
- SPPL creates structural value:
 - Access to high-value, structural short Toronto area
 - Step-change reduction in cost to supply, \$40M annual savings
 - Ensures product supply reliability



Strathcona renewable diesel project update

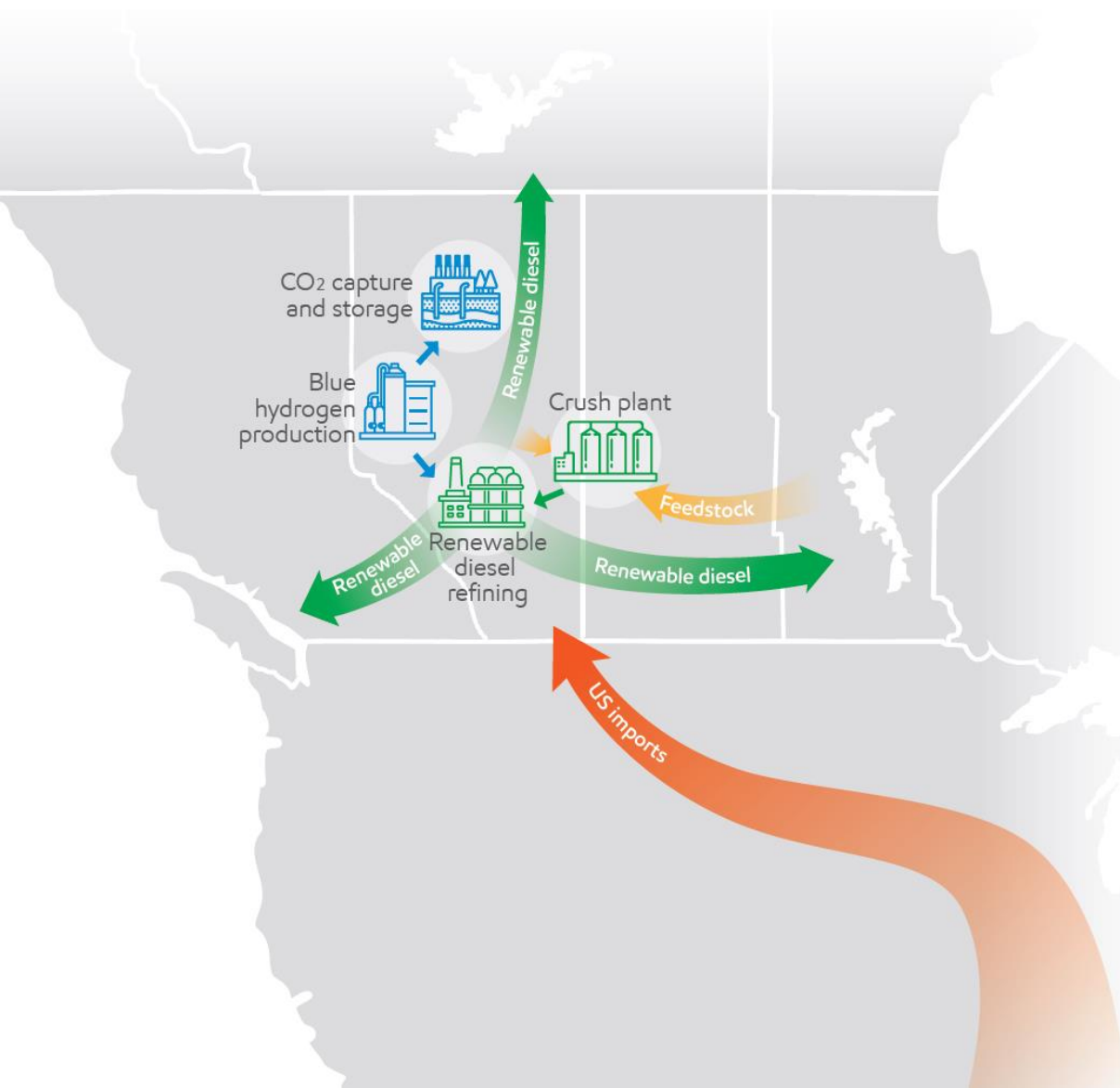
Building Canada's largest renewable diesel (RD) facility



- Grassroots facility
 - ~\$500M capital investment, globally competitive scale
 - Total investment, including 3P capital investments, exceeds \$1B
 - 20 kbd of premium RD from locally grown feedstocks and low-carbon H₂
 - Integrated with Strathcona refinery
- ~3 MT/yr CO₂ reduction compared to conventional fuels
- BC provincial support under low-carbon fuel legislation
- Final investment decision anticipated in 2022, start-up 2024

Strathcona renewable diesel value proposition

Capturing competitive value for shareholders

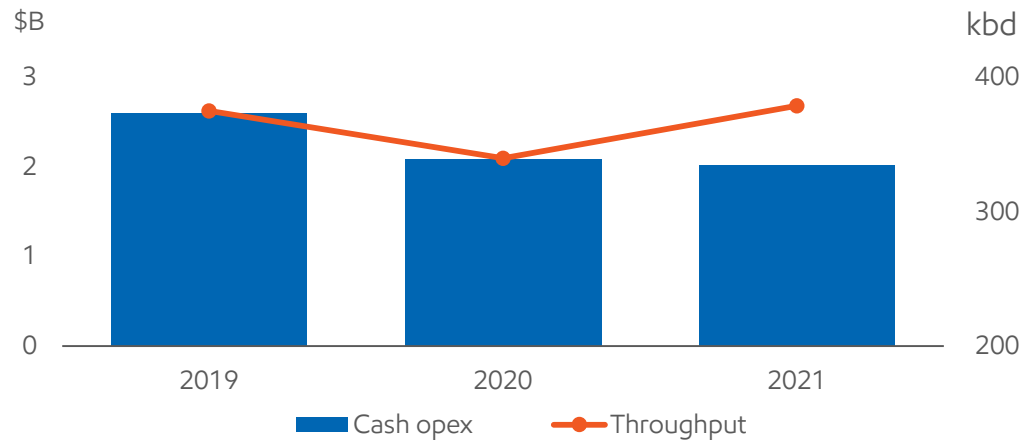


- Canadian Clean Fuel Regulations supporting low-carbon investments
 - RD is an efficient pathway for hard to decarbonize sectors
 - Canadian RD currently supplied by costly long-haul imports
 - Grassroots assets and co-processing both options for renewable fuels
- Strathcona RD is cost-advantaged compared to import alternatives
 - Strategically located reducing supply chain costs; advantaged crop sources
 - Cost-efficient scale and integration with Strathcona refinery
 - Drop-in fuel using existing blending and distribution network
 - Specifically formulated for Canadian climates

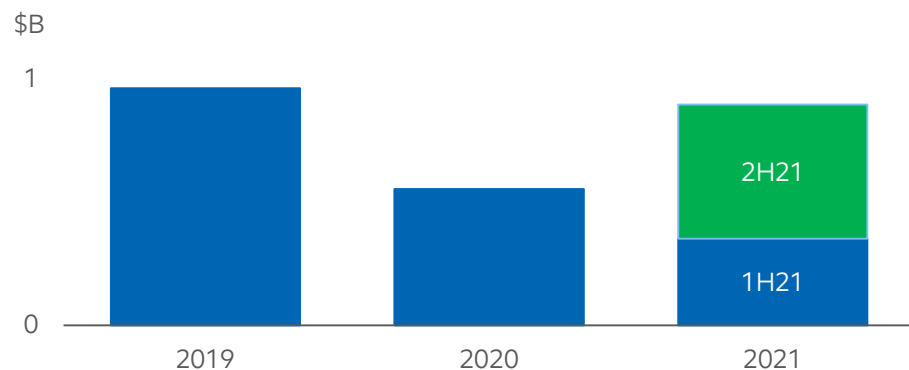
Downstream profitability

Resilient business model, focused on increasing profitability

Cash operating costs¹ and refinery throughput



Annual net income



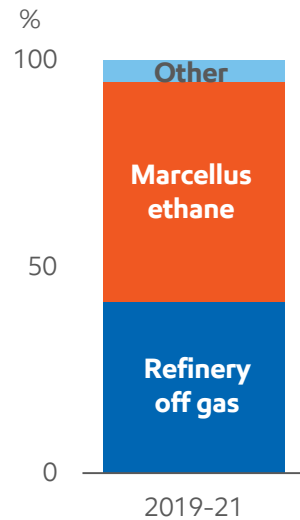
- Resilient, reliable performance across the cycle
- Fully integrated, flexible business model
- Further structural cost reductions achieved in 2021
- Focusing on profitable volume and margin growth to capture upside
 - Strategic investments in efficient logistics
 - Volume growth in high-value markets
 - Refinery flexibility, margin and efficiency enhancements
 - Developing a compelling lower-carbon product offering

¹ Non-GAAP financial measure – see supplemental information for definition and reconciliation

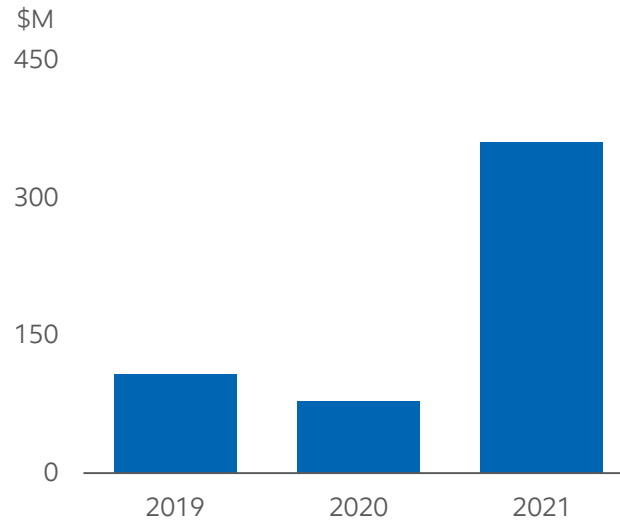
Chemical site integration advantage

Advantaged location and integration, positioned to compete in a high-growth market

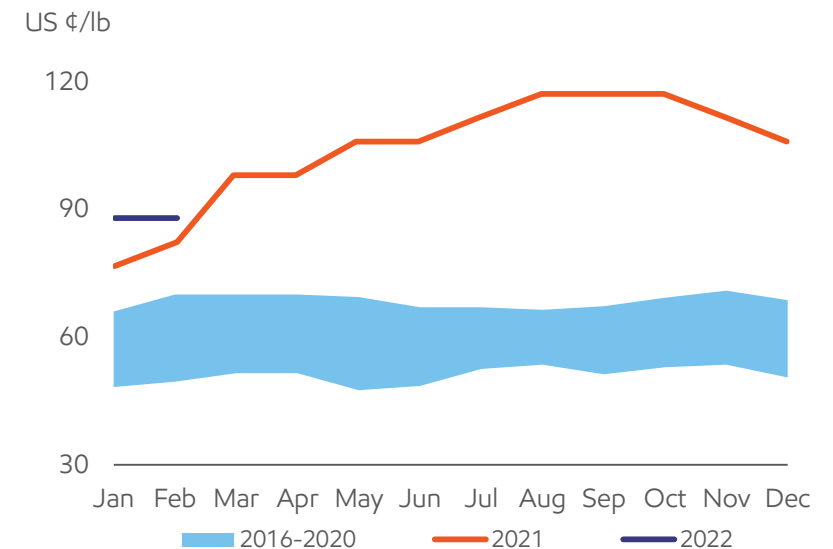
Feedstock



Annual net income



HDPE injection molding price history



Source: Platts HDPE injection, US domestic, delivered railcar (AALBN00)

- Robust, long-term demand growth for key chemical products
- Integration provides leading cost structure, profitability advantage during challenging market conditions

Imperial Chemical produces high-value products

Meeting customer demands with consistent, high-quality, differentiated products

Product trials

\$M NPV

50

25

0

2018 2019 2020 2021 2022 PL

Customer-focused product development



- Developing unique PE grades to address customer-specific needs, capturing new sales opportunities



- High-density polyethylene (HDPE) for rotational and injection molding applications
- End product uses are mostly durables, not single-use plastics
- Superior customer service
 - Consistent resin quality, reliable supply
 - Highly regarded technical service
 - Specialty products

Imperial's Downstream and Chemical advantage

Sustainably advantaged assets, brands and products

- Canadian domestic fuel markets benefit from advantaged margins
- Strategically located, highly-integrated assets with low sustaining capital requirements
- Portfolio of superior brands and products fostering long-term customer relationships
- Coast-to-coast logistics network providing reliable, cost-effective market access
- Expanding lower-carbon product offering in support of customer sustainability goals
- Resilient and reliable performance across the cycle, sustained structural cost reductions
- Access to global brands, expertise and research through relationship with ExxonMobil



Financial Outlook

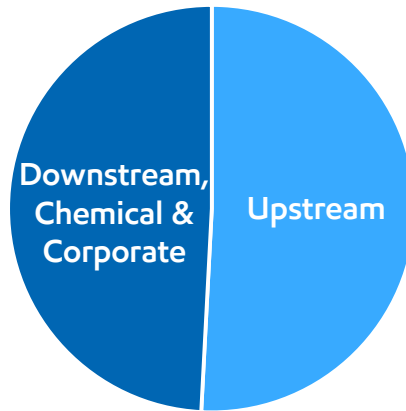
Dan Lyons

Chief Financial Officer

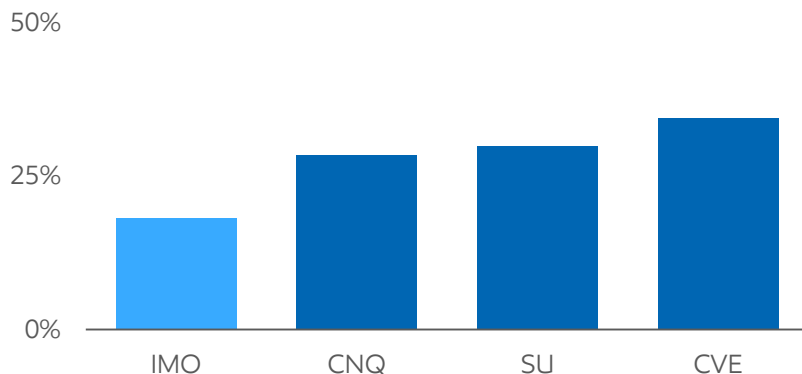
Advantaged financial profile

Resilient business model with upside leverage

10-year cash flow from operating activities



2021 debt-to-capital ratio¹



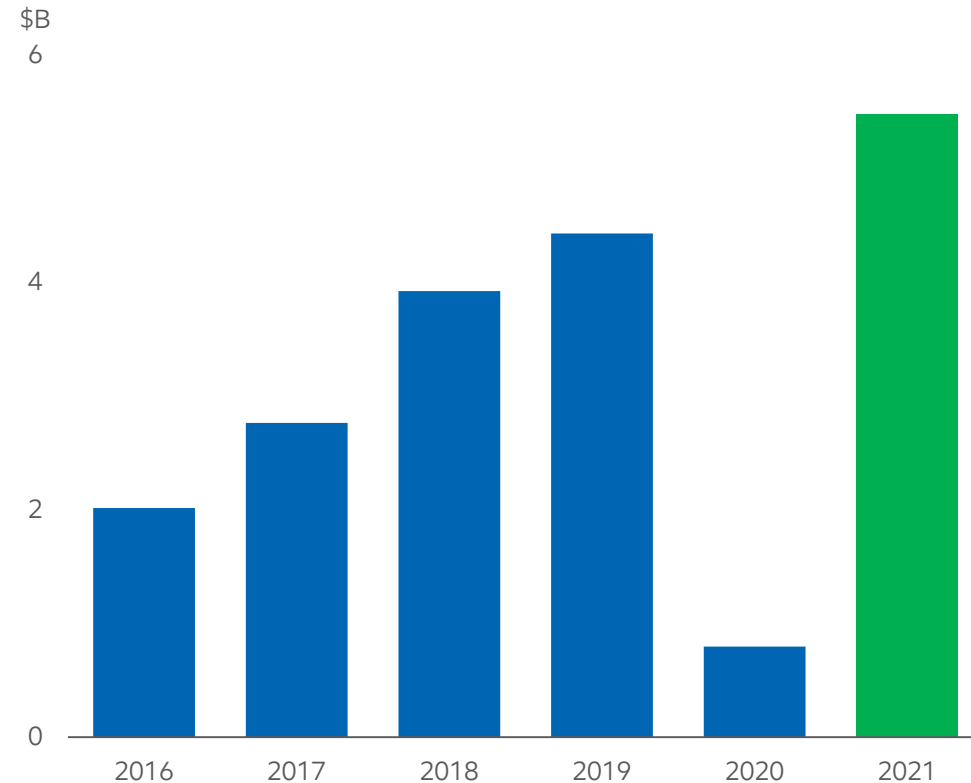
¹ See supplemental information for definition

- Integrated, balanced business model
 - Growing production, long-life low decline assets
 - Advantaged downstream, leading fuels marketer
 - Integrated chemical business
 - ExxonMobil relationship / scale / expertise
- Low corporate breakeven
 - Low cost volume growth
 - Structural cost reductions
- Built for the full cycle
 - Strong balance sheet, industry leading leverage
 - Unhedged production, flexible refining
 - Reliable shareholder returns

Record-setting performance in 2021

Delivered continued cash flow growth

Annual cash flow from operating activities

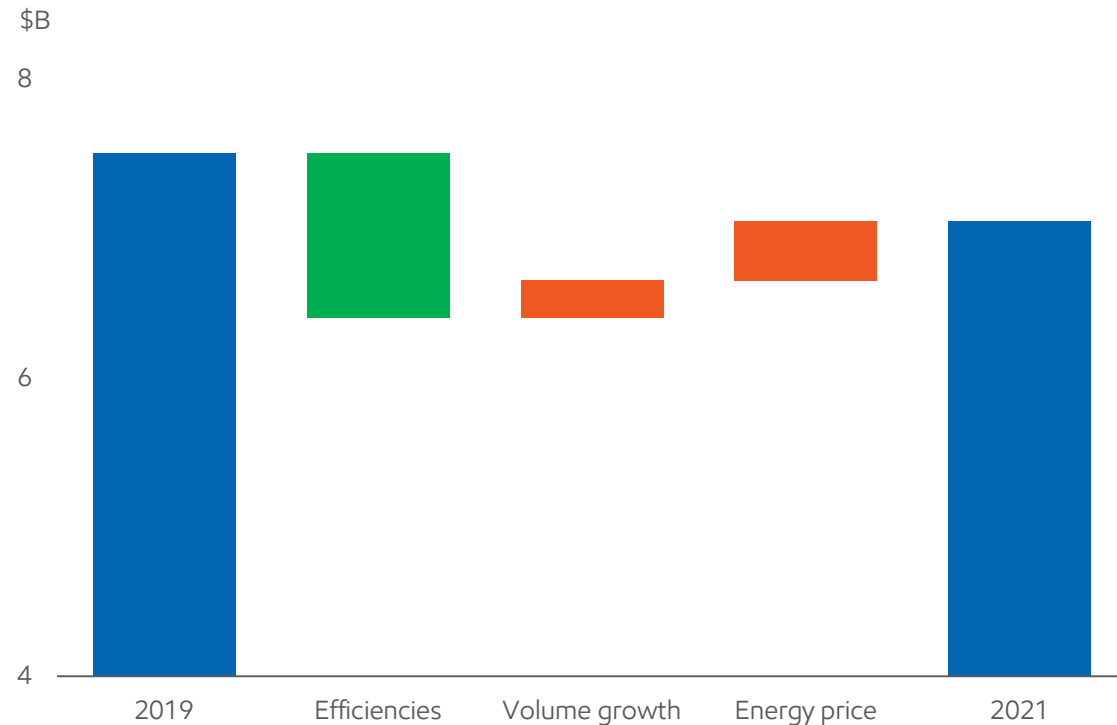


- Strong integrated performance across all business lines
 - Record cash flow from operating activities
 - Record Upstream production
 - Record Chemical earnings
 - Continued Downstream recovery
- Highest-ever shareholder distributions of nearly \$3B
 - Largest dividend increase in company history
 - Accelerated share repurchases under NCIB

Cash operating costs

Significant cost efficiencies achieved and maintained

Annual cash operating costs¹



- Sustainable cost reductions across all business lines
 - Over \$1B in cost efficiencies
- Progressing additional cost reduction opportunities
 - Continued focus on energy efficiency
- Cost-effective volume growth
- Lower corporate break-even² outlook
 - \$US 25/bbl WTI cash break-even
 - \$US 35/bbl WTI covers dividend and sustaining capital³

¹ Non-GAAP financial measure – see supplemental information for definition and reconciliation

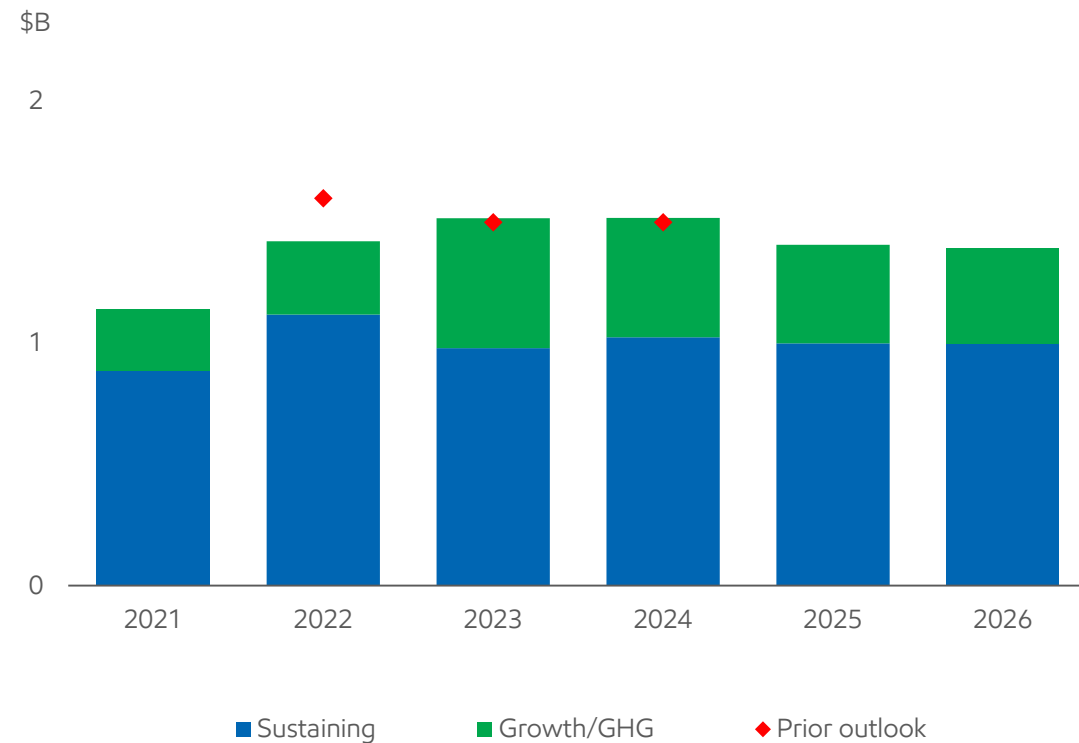
² Estimated average WTI crude oil price in US dollars required for cash flow from operating activities to equal total operating costs over 5 year period 2022-2026. Based on March 2022 Investor Day business environment (\$US 40 WTI, \$US 10 WCS differential, Downstream and Chemical margins normalized over time, \$US 0.8 exchange rate)

³ Sustaining capital represents anticipated spending to maintain productive capacity of existing assets

Capital expenditure forecast

Low sustaining capital requirement with select growth opportunities

Annual capital expenditure¹ forecast



- 2022 target of \$1.4B, down \$0.2B from previous plan
- Sustaining capital² averages ~\$1B over period
 - Predominantly Upstream
 - Kearl in-pit tailings drives higher spend in 2022
 - Upstream sustaining capital averages ~\$5/bbl
- High return Growth/GHG capital averages ~\$0.4B
 - Kearl debottlenecking and boiler flue gas
 - Cold Lake Grand Rapids and other solvent technologies
 - Strathcona renewable diesel

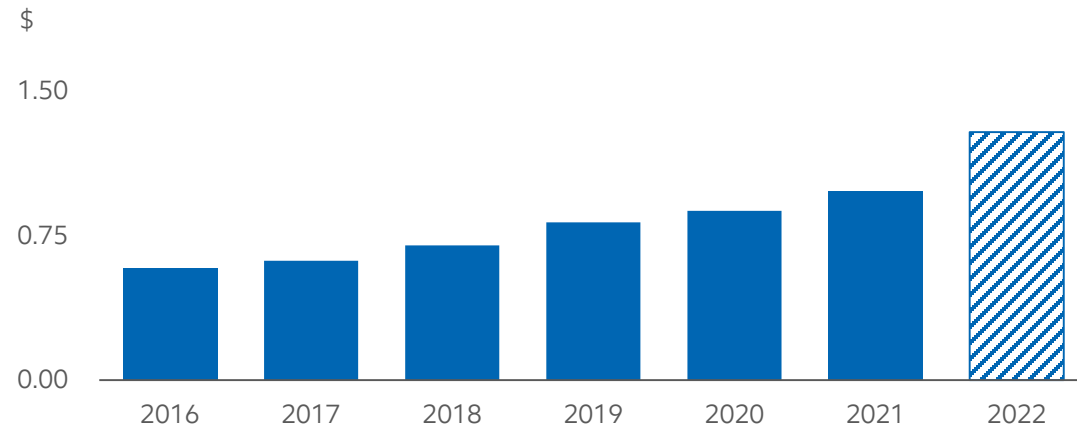
¹ See supplemental information for definition

² Sustaining capital represents anticipated spending to maintain productive capacity of existing assets

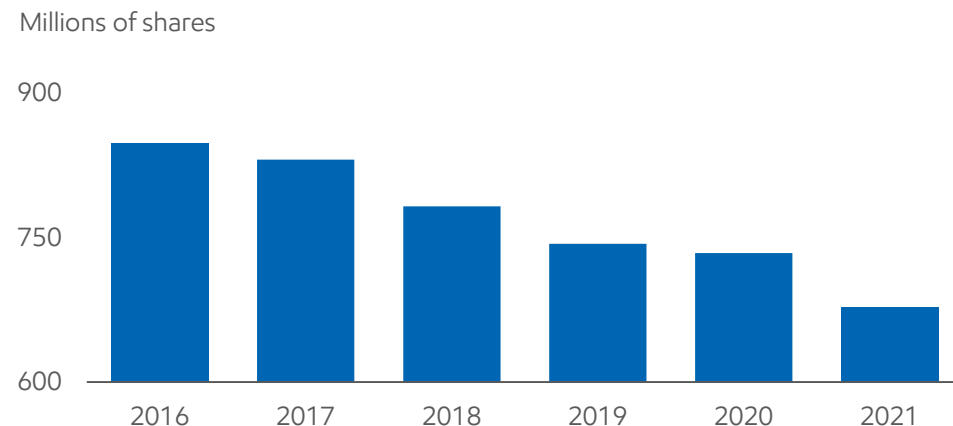
Re-affirming capital allocation priorities

Remain committed to returning surplus cash to shareholders

Dividend per share (paid basis)



Common shares outstanding

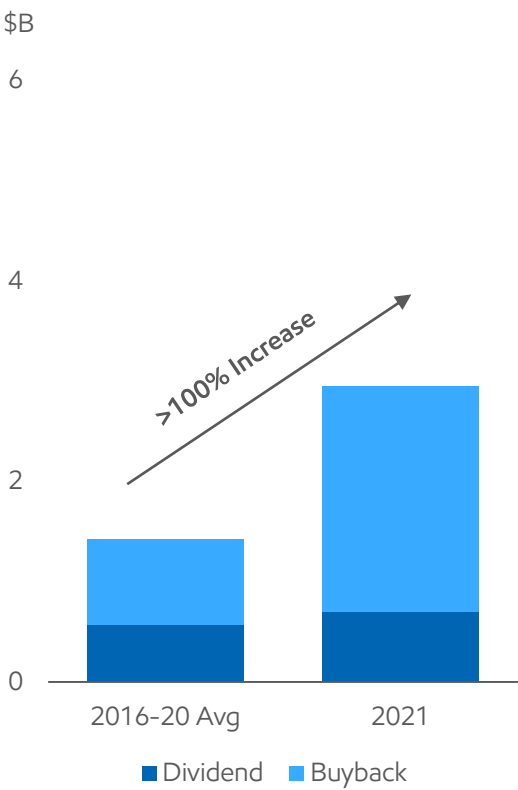


- Reliable and growing dividend
 - Dividend increased by 55% since beginning of 2021
- Low sustaining capital requirements
- Select, high-return capital-efficient investments in core assets
- Returning surplus cash to shareholders
 - Fully utilize annual NCIB
 - Supplemental returns, including potential SIB
- Highly attractive growth opportunities

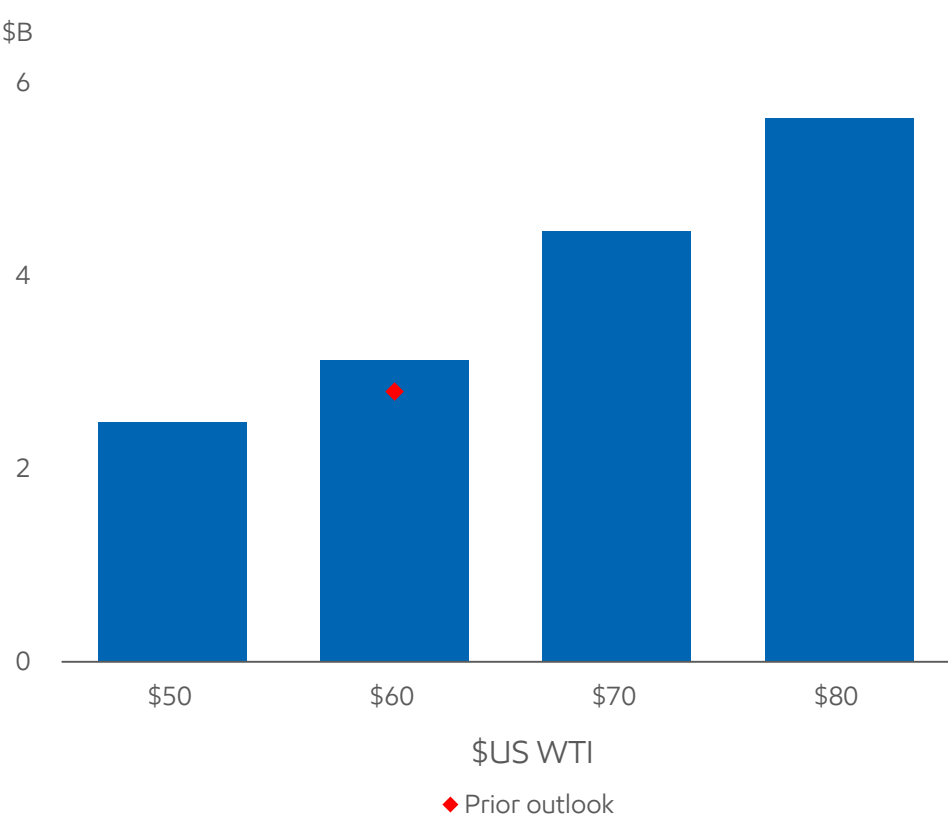
Record cash returned to shareholders in 2021

Robust free cash flow outlook

Annual cash distributions



Free cash flow profile^{1,2}



¹ Non-GAAP financial measure – see supplemental information for definition and reconciliation

² 2022-2026 period average, WCS differential varies with WTI price case (\$US 10/\$US 50, \$US 12/\$US 60, \$US 15/\$US 70 and \$US 80 respectively), \$US 0.80 exchange rate, Downstream and Chemical margins normalized over time

Corporate guidance summary

2022 Annual Guidance¹

Total Capex \$B	1.4
Upstream Production kboed	425 - 440
Kearl kbd (gross)	265 - 270
Cold Lake kbd	135 - 140
Syncrude kbd	75 - 80
Refinery throughput kbd	395 - 405
Refinery utilization %	92 - 94

2022 Turnaround Schedule

Upstream (*full-year opex and production impacts, before royalties*)

1Q/2Q: Syncrude Hydrotreater, 3 kbd, \$14M opex

2Q: Kearl K1 plant, 10 kbd, \$70M opex (IOL share)

2Q: Cold Lake Leming, 1 kbd, \$12M opex

3Q: Syncrude Coker, 7 kbd, \$65M opex

Downstream (*full-year opex and throughput impacts*)

1Q/2Q: Sarnia crude unit, 4 kbd, \$2M opex

¹ Production is Imperial share, before royalties except Kearl which is 100% gross basis

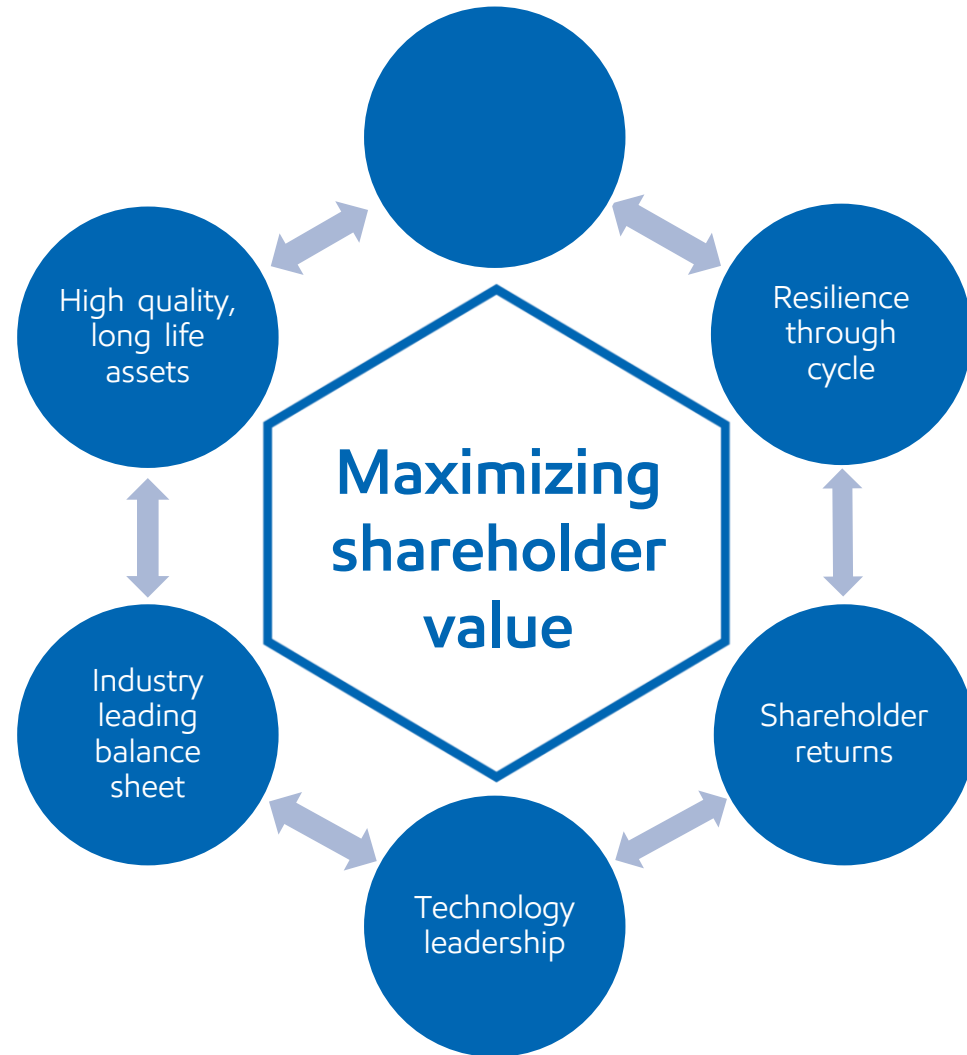
Closing remarks

Brad Corson

Chairman, President and Chief Executive Officer

The Imperial advantage

Growing shareholder value

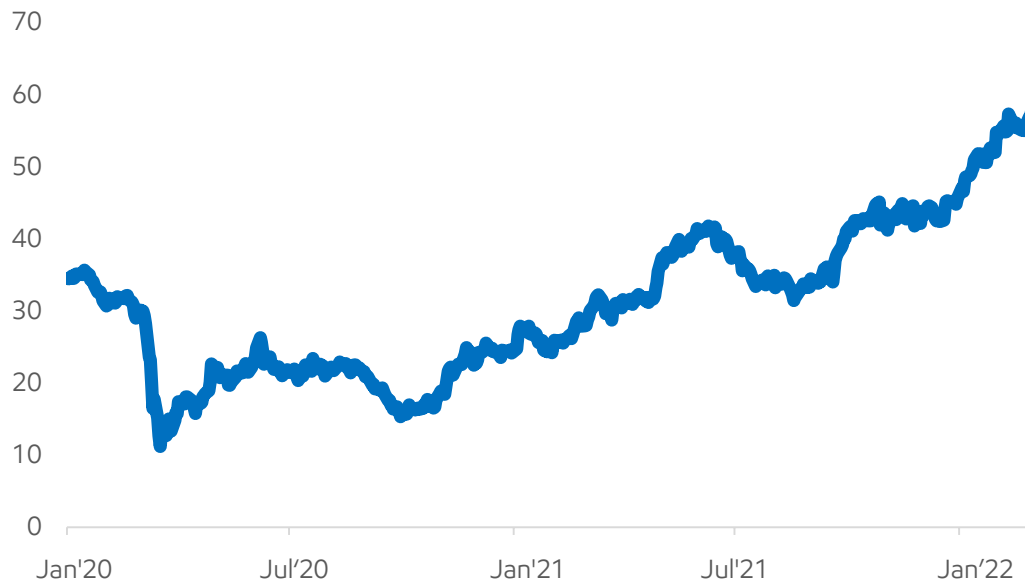


Our winning strategy

Discipline and focus

Share price performance

\$/share



- Disciplined focus on existing assets
 - Efficiency, reliability, capital efficient investment
 - Industry leading cost structure
 - Driving value in mature, competitive downstream business
- Progress towards ESG targets in evolving environment
 - Value generating investment on path to net-zero
 - Scope 3 – working to help customers reduce their emissions
- Shareholder returns
 - Sustainable and growing dividend
 - Share repurchases
- Capital discipline
 - Selective high-return growth
 - Support robust free cash flow
- Resilience through the cycle
 - Capturing value through integration
 - Adapting to market dynamics



Q & A

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Cautionary statement

Statements of future events or conditions in this report, including projections, targets, expectations, estimates, and business plans are forward-looking statements. Forward-looking statements can be identified by words such as believe, anticipate, intend, propose, plan, goal, seek, project, target, estimate, expect, strategy, outlook, schedule, future, continue, likely, may, should, will and similar references to future periods. Forward-looking statements in this report include, but are not limited to, references to being well positioned to benefit from recovery coming out of pandemic, take advantage of market conditions and be supplier for choice in energy transition landscape; a differentiated business model driving shareholder value; the long-term business outlook including demand, supply and energy mix and pathways related to greenhouse gas emissions; sustainability priorities, including is Scope 1 and 2 net zero goal by 2050 and greenhouse gas emissions intensity goals for 2023 and 2030 for its oil sands operations; the impact of ESG governance and engagement; the company's climate strategy and impact of investments and energy solutions for a lower-carbon future; the impact of the Pathways alliance; plans to construct a renewable diesel facility at Strathcona, including timing of a final investment decision and impact of renewable diesel; Upstream strategy of maximizing cash flow, positioning for lower carbon future and being a best-in-class producer; Upstream and asset specific production outlooks for 2022, and anticipated growth to 2026; cash flow from operating activities outlook and ability to strengthen cash generation; projected capital expenditures from 2022-2026; the value and impact of digital technology and innovation activities; Kearn future unit cash cost targets, production outlook of 280kbd in 2024 and evaluating future potential; autonomous haul conversion target and projected unit costs savings; boiler flue gas technology; the Cold Lake long term strategy, GHG intensity reductions, production outlook to 2030 and the timing and impact of select capital investments including CCS; Syncrude efficiencies from operator transition, increased volumes and unit cost forecast; future growth opportunities with net-zero potential; Downstream strategy to increase profitability across the value chain; industry fuel demand; strategic advantages in the Canadian downstream market and the impact of industry leading brands; the development of lower-carbon product offerings; downstream capital expenditure outlook to 2026; Sarnia products pipeline in service target and impact; Chemical integration advantage and demand growth for key products; resilient business model with upside leverage; corporate WTI breakeven outlook and progression of cost reduction opportunities; total annual capital expenditure outlook; capital allocation priorities and commitment to return surplus cash to shareholders; free cash flow scenarios at various prices; corporate guidance summary; and the company's winning strategy.

Forward-looking statements are based on the company's current expectations, estimates, projections and assumptions at the time the statements are made. Actual future financial and operating results, including expectations and assumptions concerning future energy demand, supply and mix; commodity prices, foreign exchange rates and general market conditions; production rates, growth and mix across various assets; project plans, timing, costs, technical evaluations and capacities, and the company's ability to effectively execute on these plans and operate its assets; production life, resource recoveries and reservoir performance; the adoption and impact of new facilities or technologies on capital efficiency, production and reductions to greenhouse gas emissions intensity, including but not limited to next generation technologies using solvents to replace energy intensive steam at Cold Lake, boiler flue gas technology at Kearn, Strathcona's renewable diesel complex and support for and advancement of carbon capture and storage, and any changes in the scope, terms, or costs of such projects; that any required support from policymakers and other stakeholders for various new technologies such as carbon capture and storage will be provided; the amount and timing of emissions reductions; plans to mitigate climate risk and the resilience of company strategy to a range of pathways for society's energy transition; applicable laws and government policies, including taxation, restrictions in response to COVID-19 and with respect to climate change and greenhouse gas emissions reductions; that regulatory approvals will be provided in a timely manner; performance of third-party service providers; refinery utilization and product sales; cash generation, financing sources and capital structure, such as dividends and shareholder returns, including the timing and amounts of share repurchases; capital and environmental expenditures; evolution of COVID-19 and its impacts on Imperial's ability to operate its assets; and the company's ability to effectively execute on its business continuity plans and pandemic response activities could differ materially depending on a number of factors.

These factors include global, regional or local changes in supply and demand for oil, natural gas, petroleum and petrochemical products, feedstocks and other market or economic conditions and resulting demand, price, differential and margin impacts; political or regulatory events, including changes in law or government policy, applicable royalty rates, tax laws, and actions in response to COVID-19; environmental regulation, including climate change and greenhouse gas regulation and changes to such regulation; failure or delay of supportive policy and market development for emerging lower emission energy technologies; the receipt, in a timely manner, of regulatory and third-party approvals; environmental risks inherent in oil and gas activities; third-party opposition to company and service provider operations, projects and infrastructure; availability and allocation of capital; availability and performance of third-party service providers; unanticipated technical or operational difficulties; transportation for accessing markets; management effectiveness and disaster response preparedness, including business continuity plans in response to COVID-19; commercial negotiations; project management and schedules and timely completion of projects; unexpected technological developments; the results of research programs and new technologies, including with respect to greenhouse gas emissions, and the ability to bring new technologies to commercial scale on a cost-competitive basis; reservoir analysis and performance; operational hazards and risks; cybersecurity incidents; currency exchange rates; the pace of regional and global economic recovery from the COVID-19 pandemic and the occurrence and severity of future outbreaks and variants; general economic conditions, including the occurrence and duration of economic recessions; and other factors discussed in Item 1A risk factors and Item 7 management's discussion and analysis of the company's most recent annual report on Form 10-K.

Forward-looking statements are not guarantees of future performance and involve a number of risks and uncertainties, some that are similar to other oil and gas companies and some that are unique to Imperial. Imperial's actual results may differ materially from those expressed or implied by its forward-looking statements and readers are cautioned not to place undue reliance on them. Imperial undertakes no obligation to update any forward-looking statements contained herein, except as required by applicable law.

Cautionary statement

In these materials, certain natural gas volumes have been converted to barrels of oil equivalent (BOE) on the basis of six thousand cubic feet (Mcf) to one barrel (bbl). BOE may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf to one bbl is based on an energy-equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different than the energy equivalency ratio of 6 Mcf to 1 bbl, using a 6:1 conversion ratio may be misleading as an indication of value.

The term “project” as used in these materials can refer to a variety of different activities and does not necessarily have the same meaning as in any government payment transparency reports.

All reserves and contingent resources estimates provided in these materials are effective as of December 31, 2021, and based on definitions contained in the Canadian Oil and Gas Evaluation Handbook (COGEH) and are presented in accordance with National Instrument 51-101, as disclosed in Imperial’s Form 51-101F1 for the fiscal year ending December 31, 2021.

Except as otherwise disclosed herein, reserves and contingent resource information are an estimate of the company’s working interest before royalties at year-end 2021, as determined by Imperial’s internal qualified reserves evaluator.

Reserves are the estimated remaining quantities of commercially recoverable oil, natural gas, and related substances anticipated to be recoverable from known accumulations, as of a given date, based on the analysis of drilling, geological, geophysical and engineering data, the use of established technology, and specified economic conditions, which are generally accepted as being reasonable. Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. Probable reserves are those additional reserves that are less certain to be recovered than proved reserves.

Supplemental Information

Debt-to-capital ratio

Debt, defined as the sum of “Notes and loans payable” and “Long-term debt”, divided by capital, defined as the sum of debt and “Total shareholders’ equity”.

Capital and exploration expenditures

Capital and exploration expenditures (or capital expenditures) represent the combined total of additions at cost to property, plant and equipment, additions to finance leases, additional investments and acquisitions; exploration expenses on a before-tax basis from the Consolidated statement of income; and the company’s share of similar costs for equity companies. Capital and exploration expenditures exclude the purchase of carbon emission credits..

Listed below are definitions of several of Imperial’s key business and financial performance measures. The definitions are provided to facilitate understanding of the terms and how they are calculated. These measures are not prescribed by U.S. Generally Accepted Accounting Principles (GAAP). These measures constitute “non-GAAP financial measures” under Securities and Exchange Commission Regulation G, and “specified financial measures” under National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure of the Canadian Securities Administrators.

Reconciliation of these financial measures to the most comparable GAAP financial measure, and other information required by these regulations have been provided. Non-GAAP financial measures and specified financial measures are not standardized financial measures under GAAP and do not have a standardized definition. As such, these measures may not be directly comparable to measures presented by other companies and should not be considered a substitute for GAAP financial measures.

Free cash flow

Free cash flow is a non-GAAP financial measure that is cash flows from operating activities less additions to property, plant and equipment and equity company investments plus proceeds from asset sales. The most directly comparable financial measure that is disclosed in the financial statements is cash flows from (used in) operating activities within the company’s Consolidated statement of cash flows. This measure is used to evaluate cash available for financing activities (including but not limited to dividends and share purchases) after investment in the business.

Reconciliation of free cash flow			
millions of Canadian dollars	2021	2020	2019
From Imperial's Consolidated statement of cash flows			
Cash flows from (used in) operating activities	5,476	798	4,429
Cash flows from (used in) investing activities			
Additions to property, plant and equipment	(1,108)	(868)	(1,636)
Proceeds from asset sales	81	82	82
Loans to equity companies - net	15	(16)	(150)
Free cash flow	4,464	(4)	2,725

Supplemental Information

Cash operating costs (Cash costs)

Cash operating costs is a non-GAAP financial measure that consists of total expenses, less costs that are non-cash in nature, including, Purchases of crude oil and products, Federal excise taxes and fuel charge, Depreciation and depletion, Non-service pension and postretirement benefit, and Financing. The components of cash operating costs include (1) Production and manufacturing, (2) Selling and general and (3) Exploration, from the company's Consolidated statement of income, and as disclosed in Attachment III of this document. The sum of these income statement lines serve as an indication of cash operating costs and does not reflect the total cash expenditures of the company. The most directly comparable financial measure that is disclosed in the financial statements is total expenses within the company's Consolidated statement of income. This measure is useful for investors to understand the company's efforts to optimize cash through disciplined expense management.

Reconciliation of cash operating costs			
millions of Canadian dollars			
	2021	2020	2019
From Imperial's Consolidated statement of Income			
Total expenses	34,307	24,796	32,055
Less:			
Purchases of crude oil and products	23,174	13,293	20,946
Federal excise taxes and fuel charge	1,928	1,736	1,808
Depreciation and depletion	1,977	3,293	1,598
Non-service pension and postretirement benefit	42	121	143
Financing	54	64	93
Total cash operating costs	7,132	6,289	7,467

Unit cash operating costs (Unit cash costs)

Unit cash operating costs is a non-GAAP ratio. Unit cash operating costs (unit cash costs) is calculated by dividing cash operating costs by total gross oil-equivalent production, and is calculated for the Upstream segment, as well as the major Upstream assets. Cash operating costs is a non-GAAP financial measure and is disclosed and reconciled above. This measure is useful for investors to understand the expense management efforts of the company's major assets as a component of the overall Upstream segment. Unit cash operating cost, as used by management, does not directly align with the definition of "Average unit production costs" as set out by the U.S. Securities and Exchange Commission (SEC), and disclosed in the company's SEC Form 10-K.

Components of unit cash operating cost

	2021				2020				2019			
	Upstream (a)	Kearl	Cold Lake	Syncrude	Upstream (a)	Kearl	Cold Lake	Syncrude	Upstream (a)	Kearl	Cold Lake	Syncrude
millions of Canadian dollars												
Production and manufacturing	4,661	1,902	1,117	1,388	3,852	1,585	920	1,107	4,440	1,964	907	1,286
Selling and general	-	-	-	-	-	-	-	-	-	-	-	-
Exploration	32	-	-	-	13	-	-	-	47	-	-	-
Cash operating costs	4,693	1,902	1,117	1,388	3,865	1,585	920	1,107	4,487	1,964	907	1,286
Gross oil-equivalent production (thousands of barrels per day)	428	186	140	71	398	158	132	69	398	145	140	73
Unit cash operating cost (\$/oeb)	30.04	28.02	21.86	53.56	26.53	27.41	19.04	43.83	30.89	37.11	17.75	48.26
USD converted at the YTD average forex	24.03	22.42	17.49	42.85	19.90	20.56	14.28	32.87	23.17	27.83	13.31	36.20
2021 US\$0.80; 2020 US\$0.75; 2019 US\$0.75												

(a) Upstream includes Kearl, Cold Lake, Imperial's share of Syncrude and other.