# Investor Day

November 19, 2020

Imperial

140 YEARS 1880-2020

# Agenda

| Topic | Speaker | Time |
|---|---|---|
| Opening remarks | Brad Corson<br>Chairman, President and CEO | 8:00 |
| Environmental/Social/Governance | Theresa Redburn<br>SVP, Commercial and Corporate Development | 8:20 |
| Upstream outlook | Simon Younger<br>SVP, Upstream | 8:40 |
| *Break* | | 9:20 |
| Downstream & Chemical outlook | Jon Wetmore<br>VP, Downstream | 9:30 |
| Financial outlook | Dan Lyons<br>Chief Financial Officer | 10:00 |
| Closing remarks | Brad Corson<br>Chairman, President and CEO | 10:20 |
| Q&A | | 10:30 |

# Opening remarks

**Brad Corson**

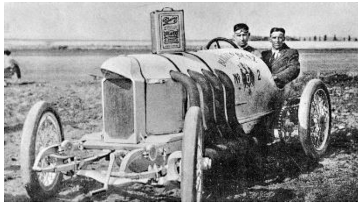
*Chairman, President and Chief Executive Officer*

# A history of success

## Well positioned for the future















# Impressions to date

## Reflecting on the past year

- Strong leadership team focused on winning and driving shareholder value
- Impressive organizational talent and commitment
- High-quality assets with significant long-term potential
- Underpinned by integrated, resilient business model, innovative technology, powerful brands

But that being said…

- Challenging start to year with pandemic and economic downturn
- Sector facing economic, environmental and regulatory pressures

However…

- Well positioned to drive relative value, whatever the shape of the recovery

# What you will hear today

## Themes and focus areas

- Delivering superior value to shareholders
  - Driving down unit costs; relentless focus on reliability
  - Pursuing low-cost debottlenecks
  - Enhancing downstream logistics, growing high-value sales
- Built to be resilient throughout the cycle
  - Strong balance sheet, liquidity
  - Integration delivers value, reduces volatility
- Plans that will deliver increasing shareholder returns
  - Aggressive cash flow growth
  - Return excess cash to shareholders
- Ongoing ESG focus
  - Deploying technology to economically reduce greenhouse gas intensity
  - Leveraging current capabilities

# Imperial's COVID-19 response

## Protecting our workforce and communities; positioning for recovery

- Continued operations ensuring reliable energy supply
  - Careful management of health and safety of workforce
  - Adjusted turnaround timing, scope to reduce cost and prepare to respond to recovery
- Enhanced cleaning, health screening, PPE at sites
  - Safe distancing, working from home
- Leveraged technology to reduce non-essential personnel at sites
  - Provides efficiency opportunities for the future
- Giving back to communities where we operate
  - Healthcare Heroes, Fuel What Matters

# Managing through a challenging environment

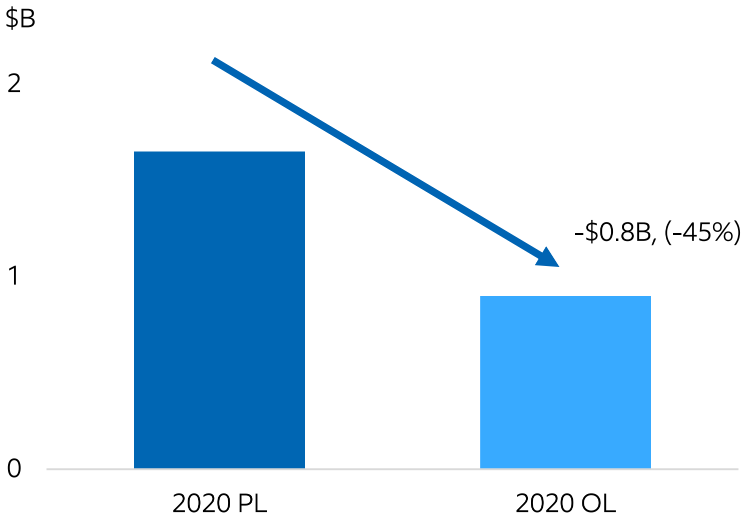
## Built to weather the downcycle

- Focus on what we can control
- Take the long-term view
- Maintaining balance sheet strength
- Continued emphasis on operational flexibility
- Organizational energy and commitment
- Plans in place to accelerate out of the downturn

# Progress on capital and expense reductions

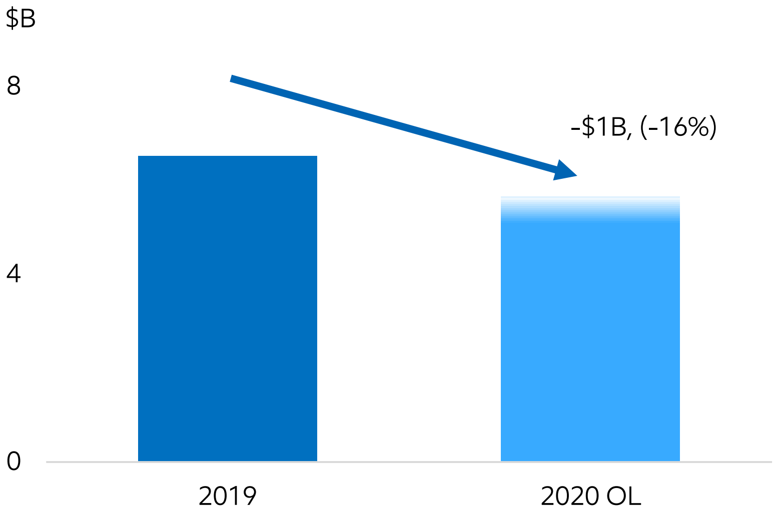
## Exceeding cost and capital control commitments to date

### Capital expenditures




- Non-regretted capital avoidance, deferral
- Protects long-term performance

### Production & manufacturing expenses



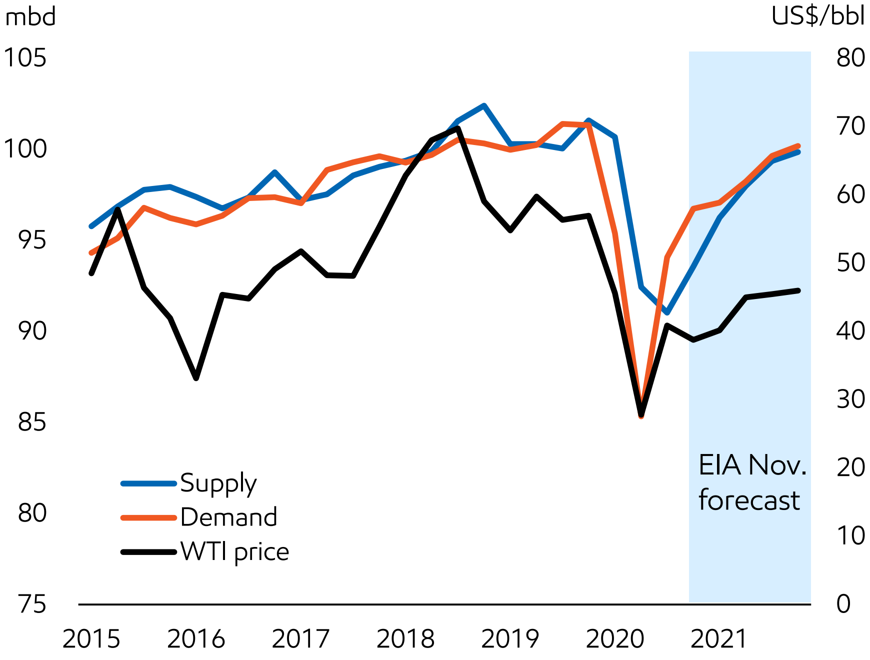

- All business lines and service lines contributing
- Focus on Kearl unit costs delivering results

*All amounts in this presentation are in Canadian dollars, except where otherwise noted.*

# Near-term view of the recovery

## Unprecedented demand reduction due to COVID-19; recovery underway

### Global oil supply/demand balance




*Source: EIA Short-term Energy Outlook, November, 2020*

- Globally
  - Energy demand decreased dramatically
  - Rapid recovery through summer, primarily for gasoline and diesel
  - Ongoing recovery volatile, highly uncertain
- Locally
  - Canadian gasoline and diesel demands 85-95% of normal
  - Jet lagging at ~40%
  - Demand recovery dependent on COVID-19

# ESG

**Theresa Redburn**

*Senior Vice President, Commercial and Corporate Development*

# Responsibly meeting global energy needs

## Imperial among the best in Canada and abroad

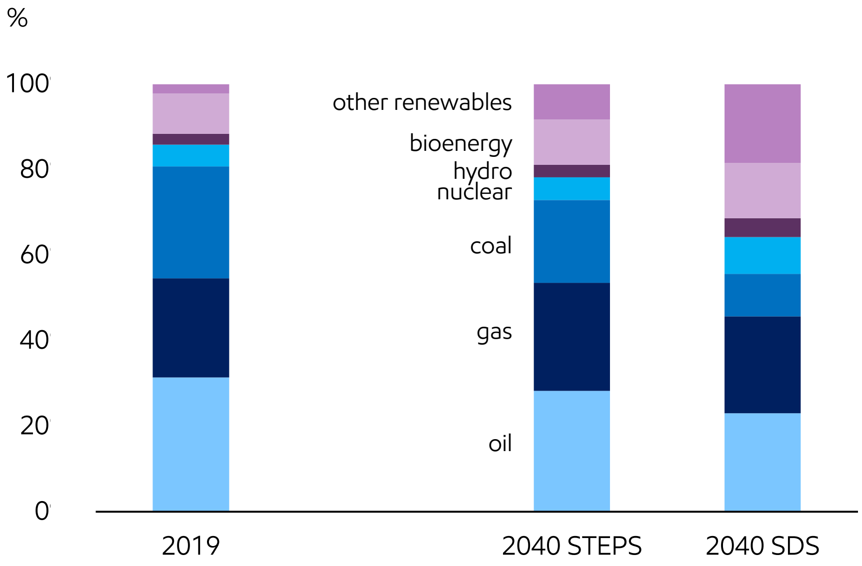
- Oil and gas remain significant sources of energy
- Canada is first in ESG among top global reserves holders
- Imperial is an ESG leader in the oil and gas industry
- Exciting new technologies support pathways to net zero
- Imperial contributing to sustainable economic development in Indigenous and local communities
- Real value comes from smart integration of environmental, economic and social innovation

# Oil and gas will continue to supply energy needs

## Global investment opportunities to meet future demand

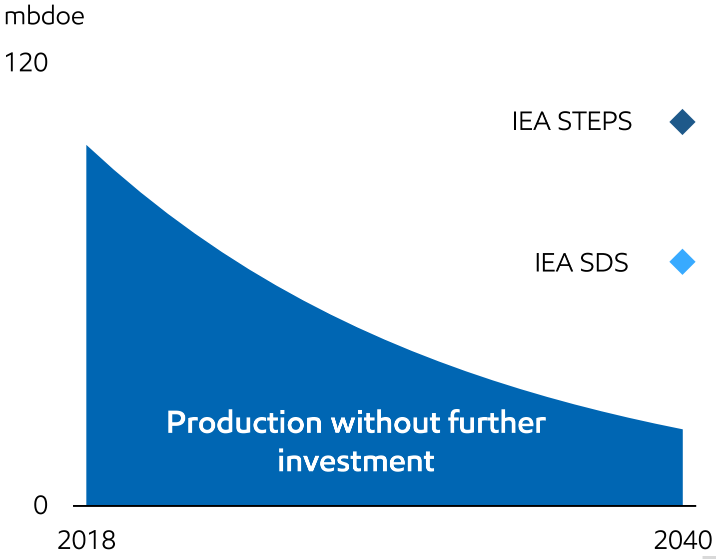
- Oil and gas remain a significant source of energy under a wide range of scenarios
- Between $US 12 trillion and $US 17 trillion additional oil and gas investment needed by 2040

### IEA world energy mix




*Source: IEA World Energy Outlook, Oct 2020;*
*STEPS: Stated Policies Scenario; SDS: Sustainable Development Scenario*

### Global oil supply and demand

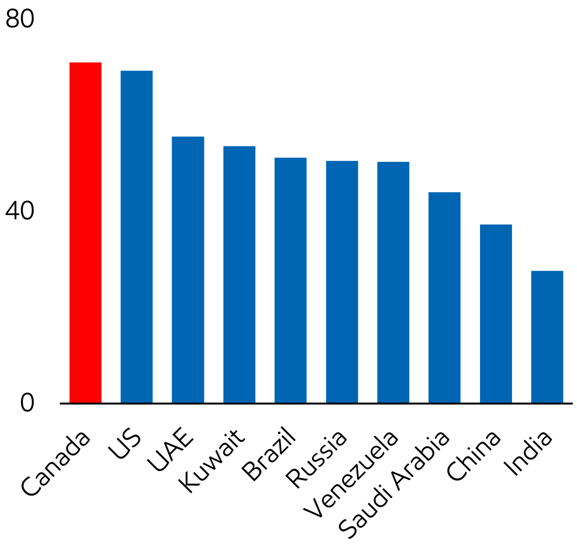



*Source: IEA, ExxonMobil analysis*

# Canada is an ESG leader

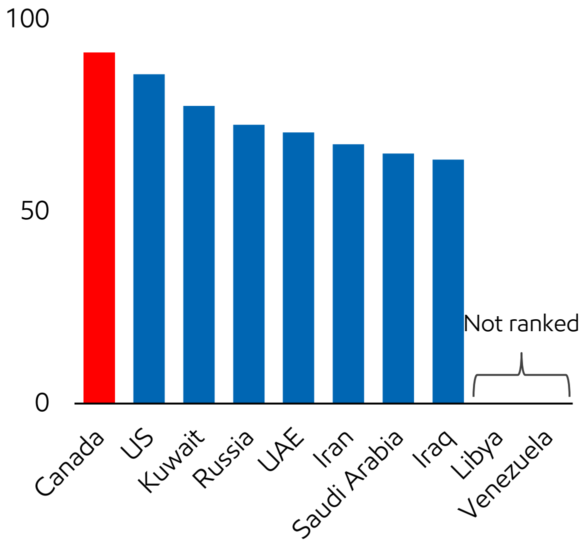
## The choice for responsible energy worldwide

### Environmental Performance Index



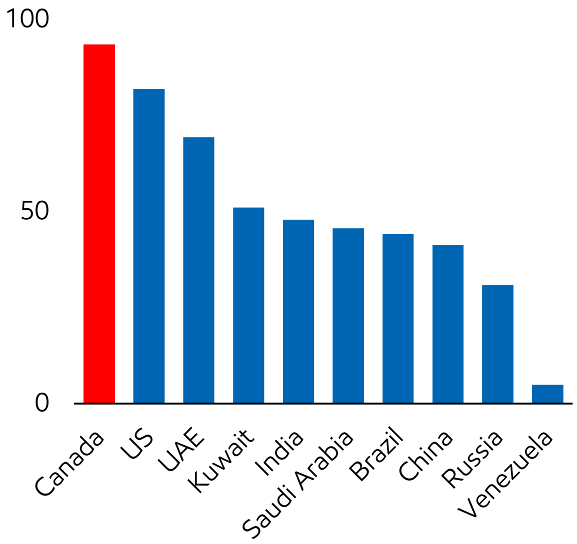

*Yale, Columbia universities rank 180 countries on relative environmental performance*

### Social Progress Index




*Social Progress Imperative ranks 149 countries on overall quality of life*

### Worldwide Governance Indicators

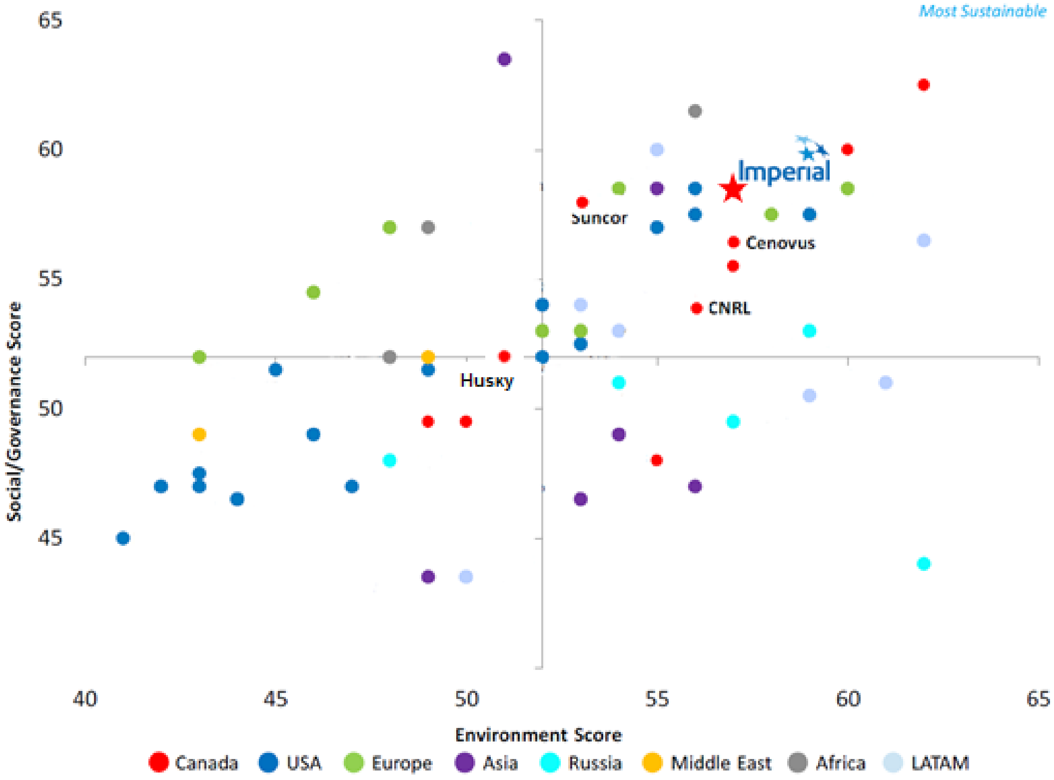



*Worldwide Governance Indicators rank 200 countries on governance practices*

*Top 10 global reserve holders, 2019 results*

# Imperial is a top ESG performer

## Independently judged to be among the best global oil and gas companies




*Source: CSRHub , February 2020, BMO Capital Markets estimates*

# Imperial's strategy for a lower-carbon future

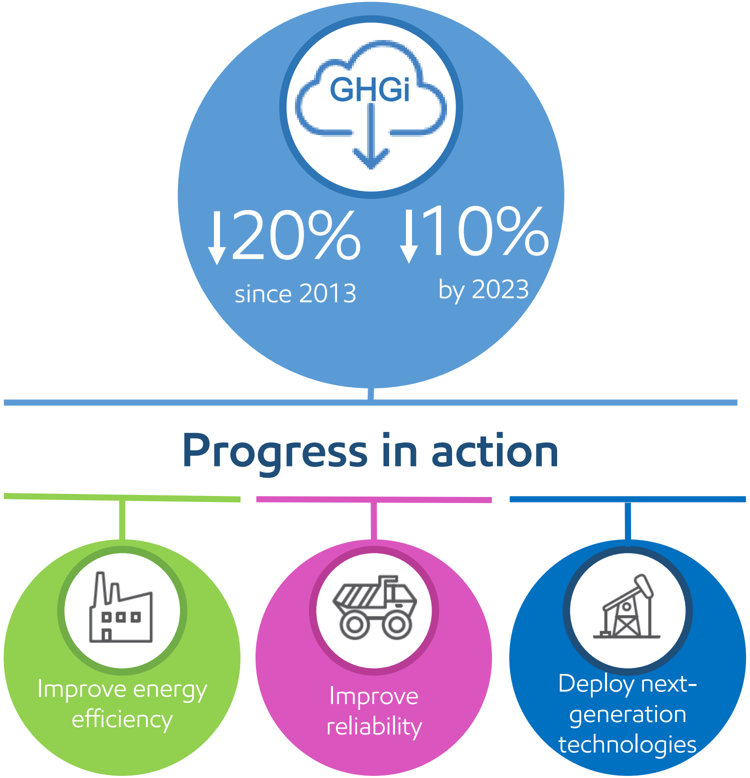
## Inspired to improve the quality of life for Canadians and those around the world



# Reducing operated oil sands GHG intensity

## Actions drive measurable near-term improvement

- Greater than 20% reduction in GHGi since 2013
- Target to reduce operated oil sands GHGi by a further 10% by end of 2023, relative to 2016 levels
  - Improved productivity at Kearl oil sands mine
  - Heat recovery from boiler flue gas
  - Liquid Addition to Steam for Enhanced Recovery (LASER)
- Developing longer-term pathways to a net-zero future

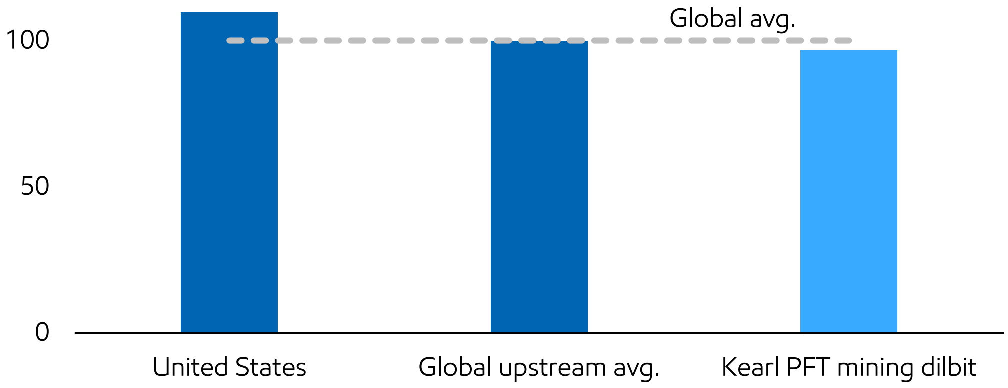


# Imperial's oil sands technology competes globally

## Next-generation in situ technologies are game changers

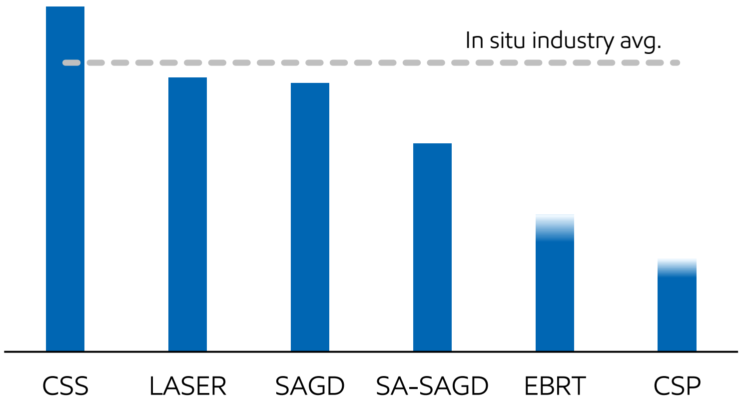
- Canada a leader in GHG emissions measurement and reporting
- Kearl oil sands mining is below the global and US upstream averages
- Next-generation in situ oil sands technologies will reduce GHGi significantly

### Global upstream carbon intensity




*Masnadi et al., Science, 2018*   *Sleep et al., Journal of Cleaner Production, 2020*

### GHGi of next-generation in situ technologies




*Modified from Boone World Heavy Oil Conference, 2012*

# Technology is key to the future

## Enables production growth and emissions reductions

| Short Term | Medium Term | Long Term |
|---|---|---|
| Renewables and GHGi | Next-generation upstream technologies | Energy diversification |

**Short Term — Renewables and GHGi**

***Ongoing***
- Cogeneration
- Renewable fuels
- Satellite methane monitoring
- Advanced fuels and lubricants
- LASER

***Underway***
- Heat recovery from boiler flue gas
- SA-SAGD

**Medium Term — Next-generation upstream technologies**

***Developing***
- Advanced in situ technologies
  - ELP
  - EBRT
  - NCG
  - CSP
- Carbon capture and sequestration
- Next-generation technologies paired with CCS could result in incremental production at net-zero emissions
- Expanded use of renewable fuels and new product offerings

**Long Term — Energy diversification**

***Evaluating***
- Blue hydrogen
- Advanced biofuels
- Carbon fibre from bitumen
- Carbonate fuel cell technology
- Small modular nuclear reactors (SMR)
- Direct air capture

Potential solutions in support of a net-zero future

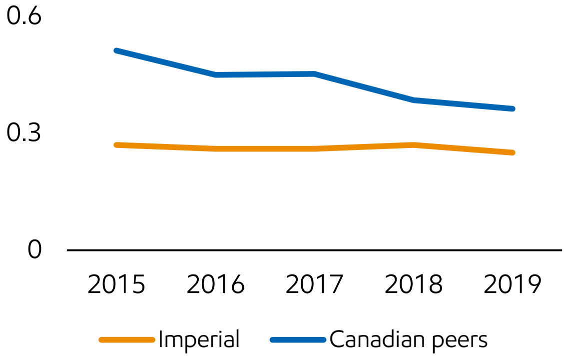
# Social innovation

## Creating long-term economic and social benefit

- Collaborating with Indigenous and community neighbours on:
  - A common vision for progress
  - Sustainable economic development
  - Environmental stewardship
- Awarded Canadian Centre for Diversity and Inclusion Employer Initiative of the Year
- Imperial recognized as one of Canada's Top 100 Employers
- Industry-leading safety performance

Imperial's Indigenous engagement is supported by four pillars:


### Safety - TRIR




*Total Recordable Incident Rate*
*Incidents per 200,000 hours worked; Source: company reports*

| Over $3B invested with Indigenous business | 10% increase in women in leadership and supervisory roles | 0.25 TRIR in 2019 |
|---|---|---|

# Board oversees ESG risks and opportunities

## Diverse perspectives in pursuit of superior shareholder value

- ESG integration at all levels supported by
  - Public policy and corporate responsibility committee
  - Community collaboration and engagement committee
- Focus on high-quality, economic opportunities that drive real shareholder value
- Enhanced disclosures guided by emerging frameworks
  - TCFD, UNSDGs, SASB, IPIECA, GRI


Physical risk | Transition risk | Financial risk

| ~1/3 of directors are women | Committed to highest ethical standards | 32% of executive officers are women |
| --- | --- | --- |

# Imperial's triple win

## A formula for collective success and delivering real value

### Reduce environmental footprint

- Leveraging industry-leading technologies to deliver GHGi reduction solutions
- Helping our customers reduce their emissions

### Capture business efficiencies and opportunities

- Pursuing energy and capital-efficient projects
- Developing new carbon-efficient product offerings
- Exploring technology pathways in support of a net-zero future

### Social innovation

- Contributing to sustainable economic development in Indigenous and local communities
- Top employer, committed to high standards across all areas of business

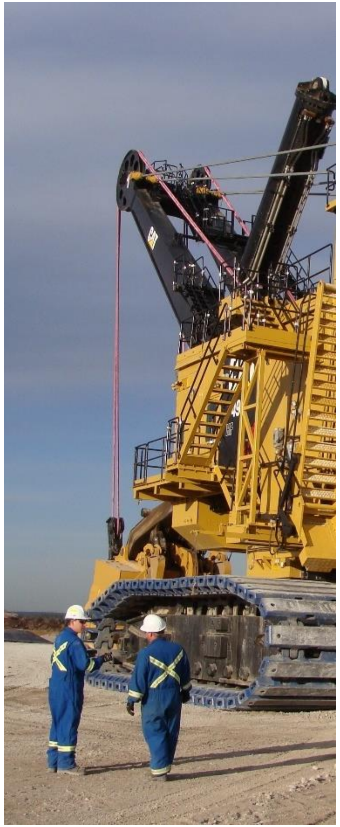
# Upstream Outlook

**Simon Younger**

*Senior Vice President, Upstream*

# Upstream vision

## Best-in-class producer, maximizing cash flow

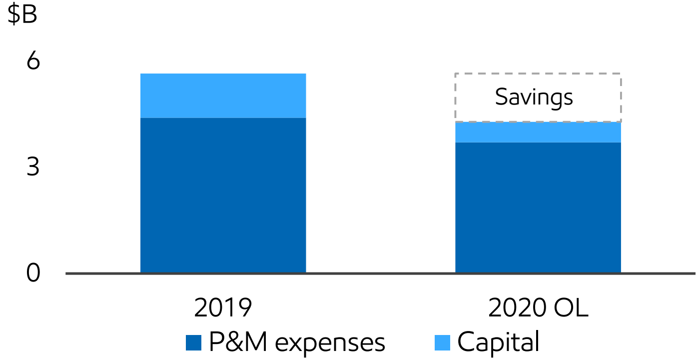


- Maximize value from long-life, low-decline assets
- Targeting industry-leading unit cost and reliability
- Select, disciplined capital investments
- High-impact innovation and digital solutions
- Operational excellence and responsible development

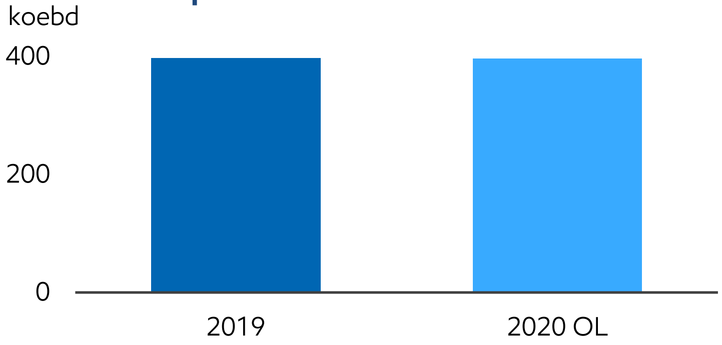
# 2020 Upstream performance

## Demonstrating resilience through unprecedented external challenges

### Reduced spend




### Consistent production

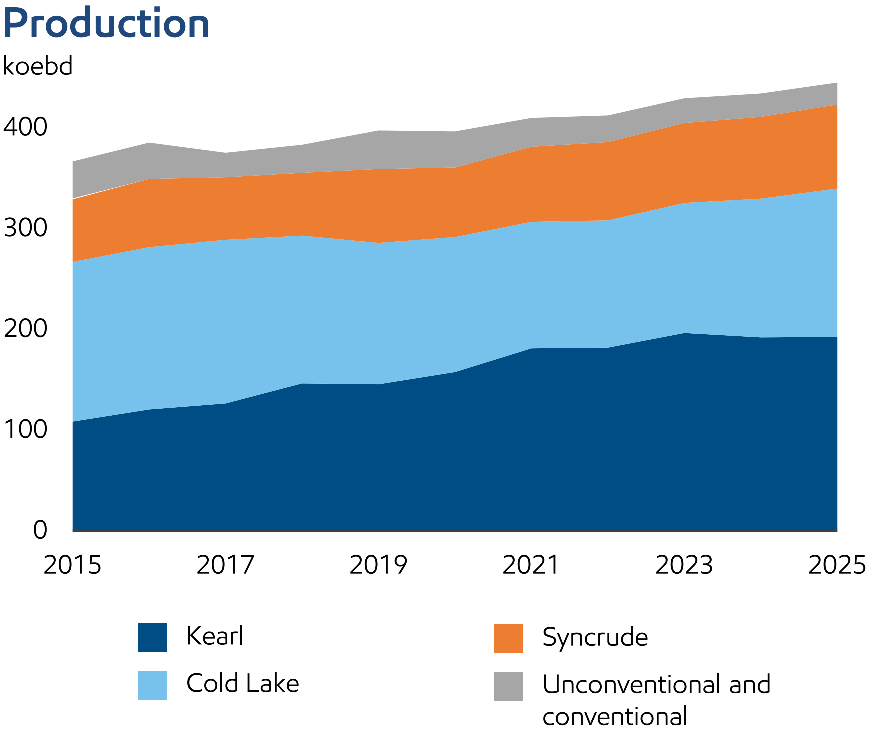



- Lowest-ever workplace hurts
- Safely assured business continuity
- Rapid response to weak demand and low realizations
  - Expenses reduced by ~$700 million vs. 2019, down ~15%
  - Capital reduced by ~$700 million vs. 2019, down ~50%
  - Structural cost reductions, adjusted turnarounds
  - Consistent production despite external events
- Enabling production through technology
  - Remote operations centre
  - Autonomous haul
  - Remote technical support

*Production Imperial share, before royalties. P&M expenses = Production and Manufacturing expenses*

# Long-life, low-decline asset base

## Stable production base; focused on selective growth



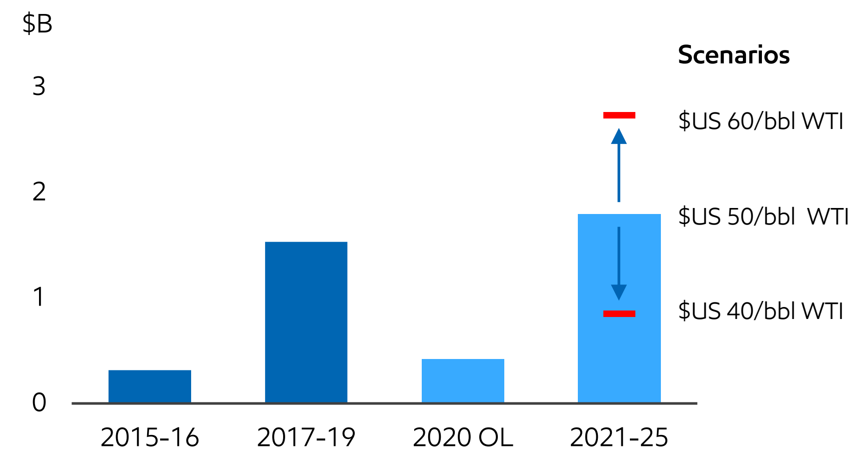

- ~6.3 billion boe of proved and probable reserves
  - Over 25-year proved reserves life
- ~415 koebd production in 2021
  - Incremental growth at Kearl and Syncrude
  - Sustain Cold Lake volumes
- 12% growth 2020-25
  - Reliability and productivity enhancements
  - Debottlenecking

*Production Imperial share, before royalties*
*2P reserves Imperial share, before royalties, YE 2019 NI51-101*

# Upstream cash flow outlook

## Delivering value and generating strong cash from operating activities

### Average annual cash from operating activities



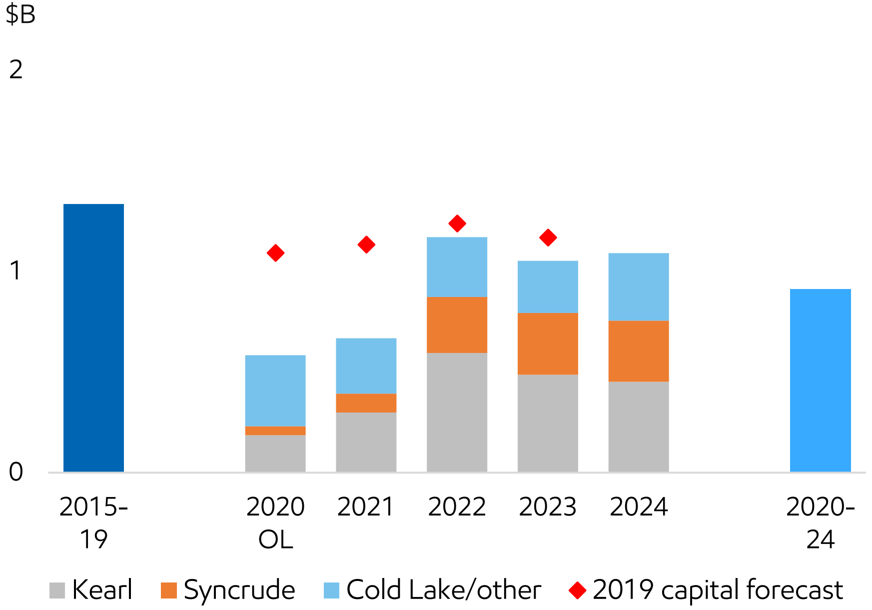

| | 2015-16 | 2017-19 | 2020 OL | 2021-25 |
|---|---|---|---|---|
| WTI | 46 | 58 | 40 | 40 / 50 / 60 |
| WCS | 32 | 41 | 29 | 30 / 37 / 45 |
| Spread | 14 | 17 | 11 | 10 / 13 / 15 |

- ~$1.5 billion annual average in 2017–19
- Strengthened resilience to low prices
- Improved cash generation at $US 50/bbl WTI
  - Incremental volumes at Kearl
  - Structural cost improvement
- Significant upside potential
  - ~$2.7 billion per year at $US 60/bbl WTI

# Upstream investment outlook

## Investing for value and select volume growth

### Average annual capital expenditures




- Investment profile below prior outlook
  - 2020-21 proactive reductions; capex down ~40%
  - Growing production to ~435 kboed by 2024
  - Maintained optionality and capital discipline
- Maintaining low sustaining capital
  - 5-year average of ~$5 per barrel
- Key infrastructure drives near-term profile
  - Kearl transition to in-pit tailings
  - Syncrude Mildred Lake extension
  - Capital builds to levels consistent with 2015-19 average

# Large portfolio of investment options

## Selecting investments to deliver maximum value

| Opportunity type | Representative projects | NPV/I range<br>$US 40-60 WTI |
|---|---|---|
| Digital | Schedule optimization<br>Workforce visualization | 30 - 500 |
| Research & development | Advanced metallurgy<br>Enhanced tailings | 10 - 22 |
| Base optimization | Autonomous haul<br>Debottlenecking | 2 - 6 |
| GHGi reduction | Enhanced extraction<br>Heat recovery | 2 - 5 |
| Development projects | Syncrude MLX<br>In situ solvent | 1 - 5 |

**Future opportunities**

| | | |
|---|---|---|
| Growth | Aspen<br>Unconventional | 1 - 2 |

- Deep portfolio of projects
  - Optionality spans Upstream
- Rigorous capital discipline
  - Maximize returns within existing assets
  - Volume growth without large investment
- Priority on robust returns at low price
  - Value generation through cost reduction projects, research innovations and digital initiatives

# Accelerating innovation and modernization

## Industry-leading digital technology and artificial intelligence

### Digital investment principles

- Capital efficient
- Fast payback
- Agile development

**Advanced analytics, digital workforce, increased value**

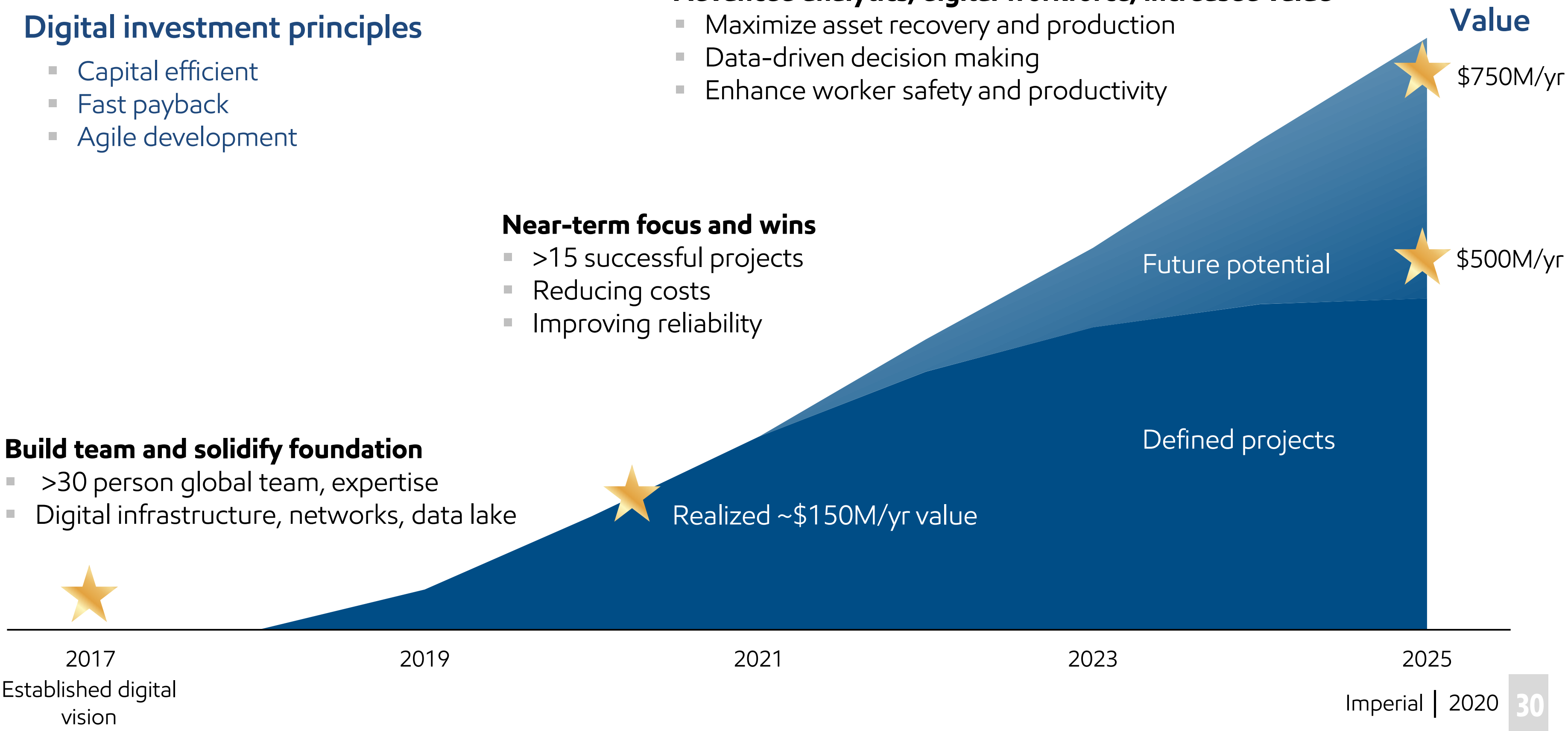
- Maximize asset recovery and production
- Data-driven decision making
- Enhance worker safety and productivity

**Near-term focus and wins**

- >15 successful projects
- Reducing costs
- Improving reliability

**Build team and solidify foundation**

- >30 person global team, expertise
- Digital infrastructure, networks, data lake

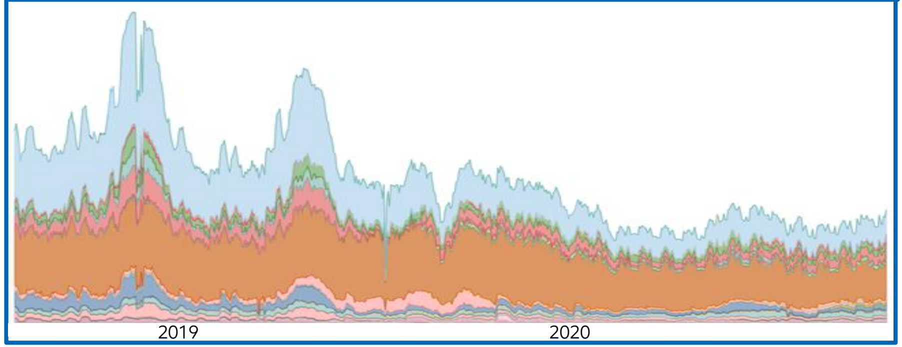


# Digital in action

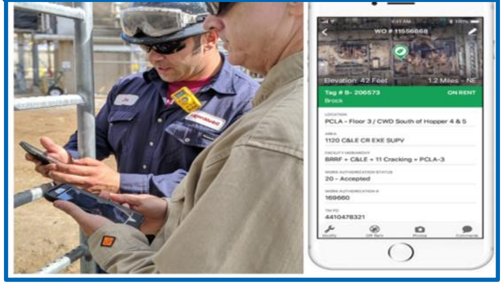
## Intense focus on cost optimization and short payback on investment

### Autonomous haul systems: ~$US 1/bbl cost savings

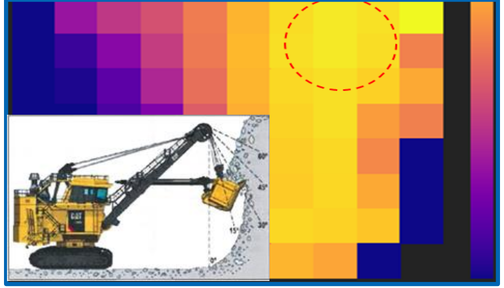

### Workforce visualization: $50M+/yr
### Schedule optimization: $15M+/yr




### Digital scaffold management: $3M+/yr



### Shovel productivity improvements: $10M+/yr

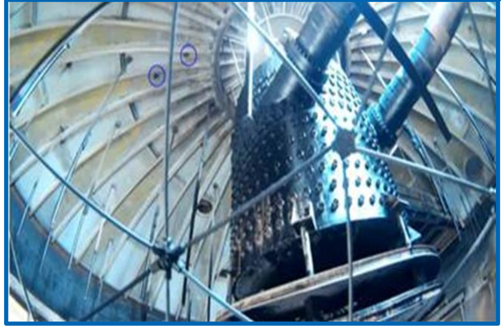


### Steamflood optimization: $15M+/yr

# Digital in action with cutting-edge applications

## Progressing the next tranche of opportunities

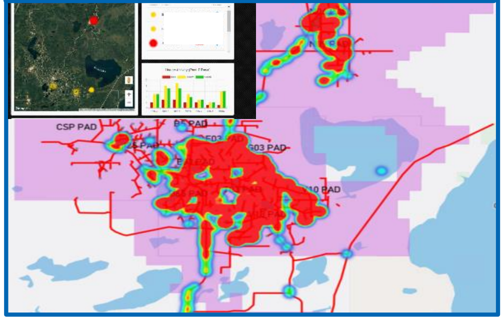
### Internal drone inspections



### Kearl plant digital twin

### Advanced data-driven analytics

### Connected worker/equipment




### Commodity input reduction

### Automated fuelling

# Investing in technology to maximize value

## Ongoing commitment to research and development

**Mining**

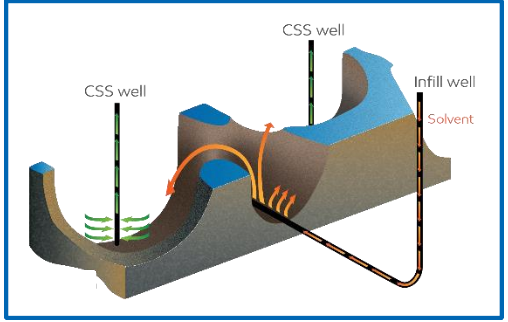
### Advanced metallurgy

### Enhanced in-line flocculation

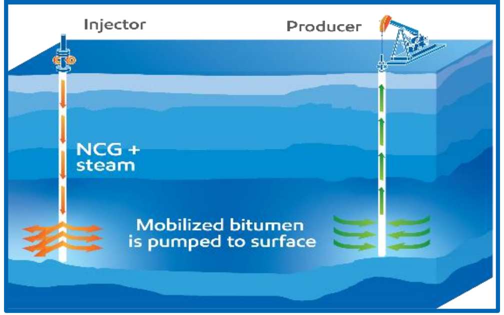
### Coarse tailings bitumen recovery

**In Situ**

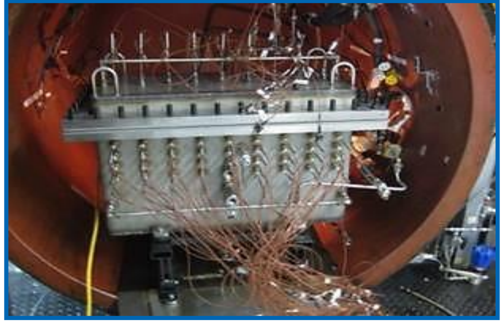
### Enhanced Late-life Process, ELP




### Non-Condensable Gas, NCG



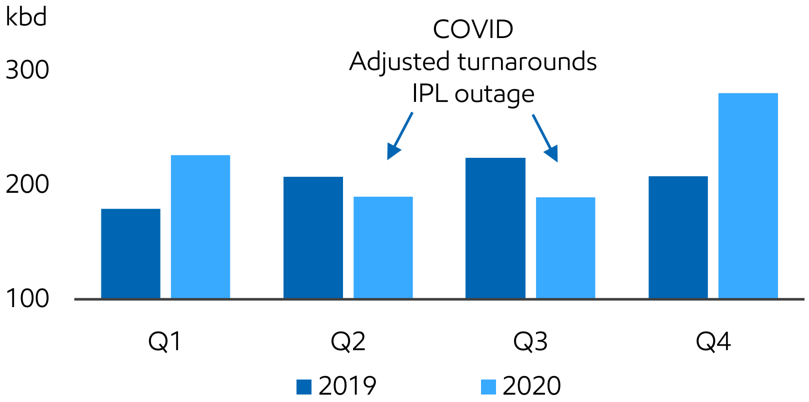

### Enhanced Bitumen Recovery



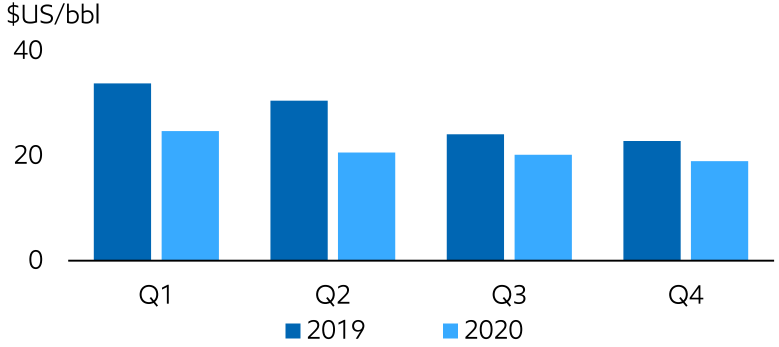
# Kearl 2020 performance

## Supplemental crushers delivering significant value, demonstrating potential

### Production




### Unit P&M expenses

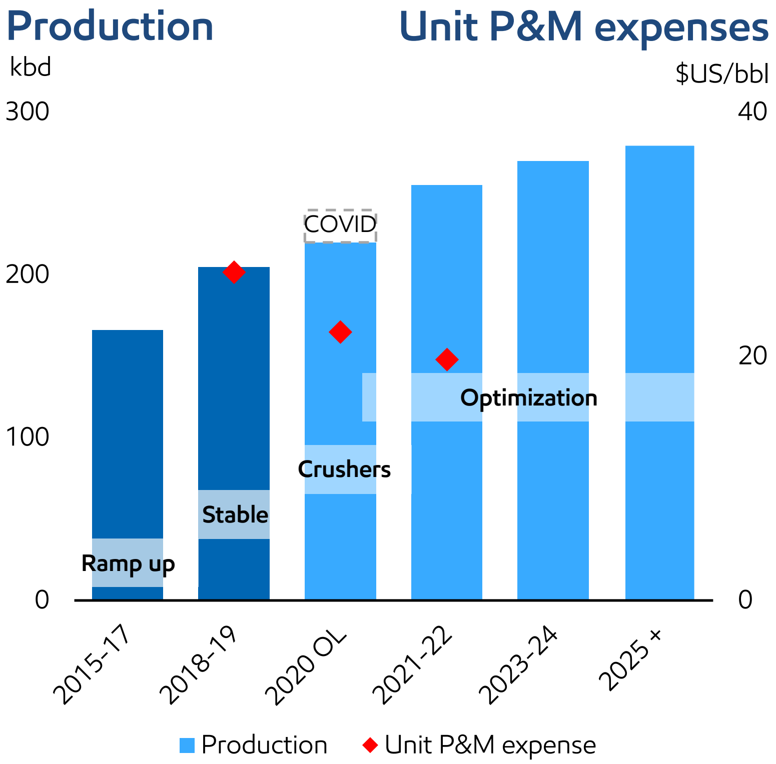



*Production 100% interest, before royalties*

- 2020 performance exceeding expectations
  - >85% plant availability
  - Bitumen recovery improved 2% vs. 2019
  - Supplemental crushers avoided >30 kbd downtime
- Record-breaking production
  - Monthly production record 301 kbd in October
- Relentless focus on reducing unit P&M expenses
  - Oct. YTD ~$US 21/bbl
  - Q3 averaged ~$US 20/bbl
- Now targeting below $US 20/bbl in future years

# Kearl journey

## Stable, reliable operations enabling optimization phase




*Production 100% interest, before royalties*

- Reliability focus delivering improvements
  - Resolved significant reliability 'bad actors'
  - Extraction and froth treatment upgrades
  - Supplemental crushers enabling 240+ kbd
  - Improved mine fleet availability and utilization
- 255 kbd, $US 20/bbl in 2021, ahead of prior view
- Clear pathway to 280+ kbd
  - Turnaround interval extension (2022)
  - Plant debottlenecking
  - Enhanced mine planning and bitumen recovery
  - Digital initiatives

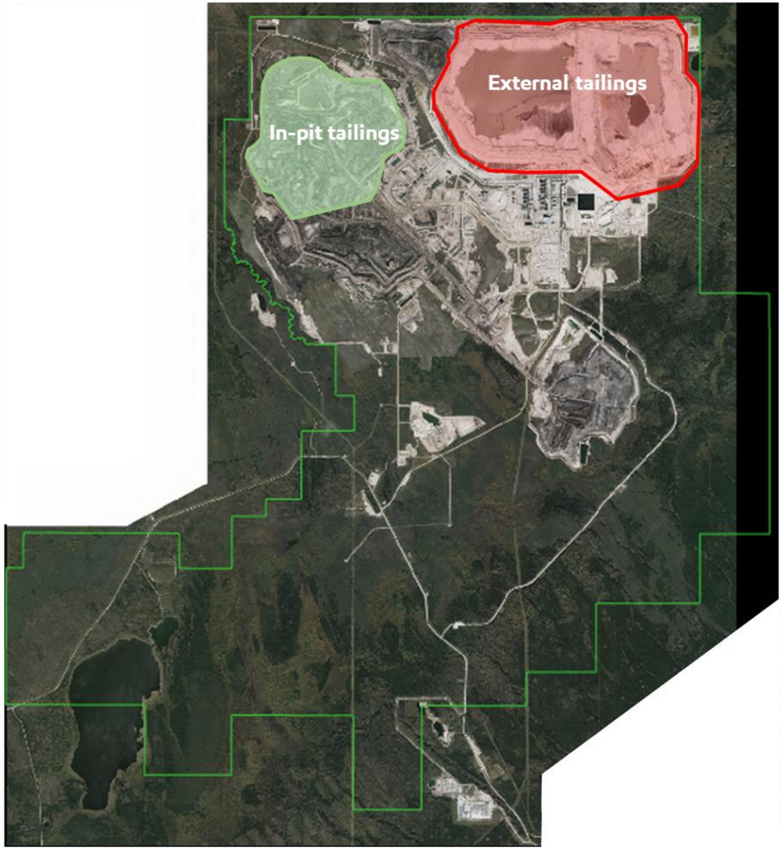
# Autonomous haul update

## Fleet conversion improves profitability and safety


- First automated 797-model haul trucks in ore globally
- Most ultra-class autonomous trucks in oil sands
  - 22 trucks converted, target of 25 by YE 2020
- Fully-automated north mine advance
- Unit expense savings ~$US 1/bbl
- Targeting fully autonomous fleet by 2023

# Kearl in-pit tailings project

## Sustaining production at lowest cost

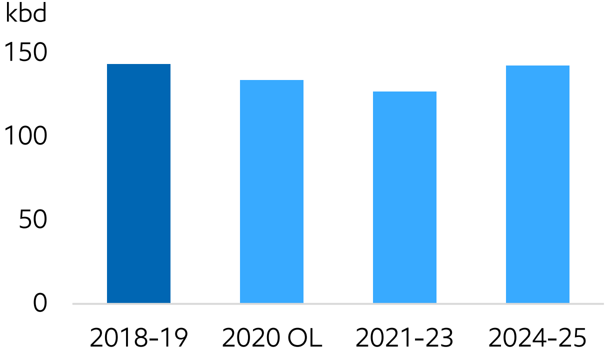



- Transition to in-pit tailings when external tailings reach capacity in 2023
- Safest and lowest-cost solution, minimizing land disturbance
- ~ $750 million capital through 2025
- Extensively cost-benchmarked, competitive with industry norms

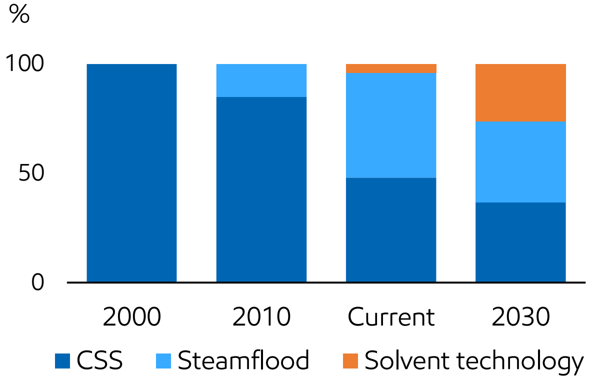
# Cold Lake strategy

## Maintain strong cash flow generation and reduce GHGi

### Production




### Recovery method of production




- Resilient cash generation through cycles
  - Positive cash generation in 2020
  - Strong action to reduce costs; paced capital spending
  - Maintained unit P&M expenses flat vs. 2019, ~$US 13.50/bbl
- Focused on base performance
  - Volumes near term at ~130 kbd
  - Optimizations and reliability enhancements
  - Digital initiatives
- Long-term strategy
  - Maintain optimum utilization of existing infrastructure
  - Sequence development of the highest-value resource
  - Minimize energy, GHGi through solvent technologies

# Select Cold Lake capital investments

## Production of 140 kbd by 2024

### Infill drilling

- Access adjacent reservoir
- Flexible location and timing
- 3 Mahihkan pads, 26 wells in 2020
  - Peak production of 8 kbd

### Mahkeses LASER

- Solvent injection into existing wells
- Injection to start Dec. 2020
- $17,000 / flowing bbl/d capital intensity
- Production uplift of ~11 kbd

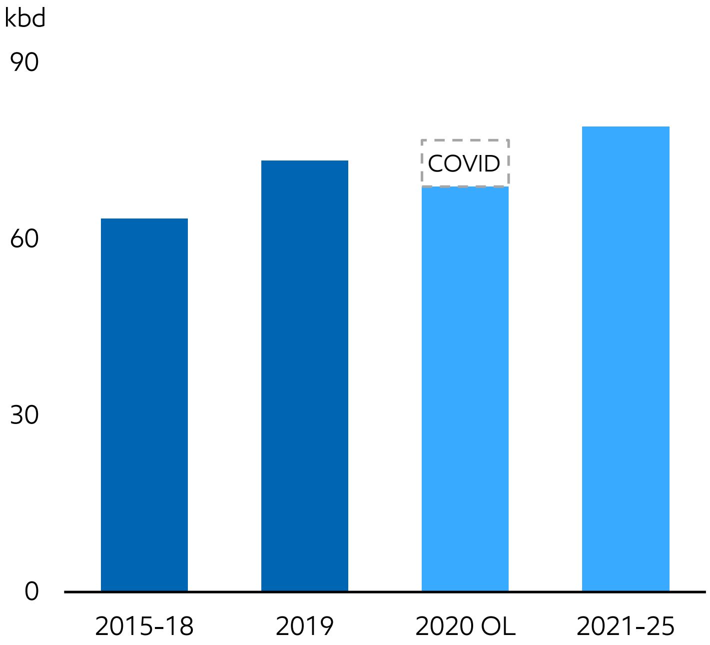
### Grand Rapids Phase 1

- SA-SAGD leveraging existing Nabiye infrastructure
- ~ 15 kbd, start-up 2023
  - Paced execution vs. prior outlook
- Lowers Cold Lake cash cost by $US 1/bbl

# Syncrude strategy

## Reliability focused, supported by collaboration

### Production

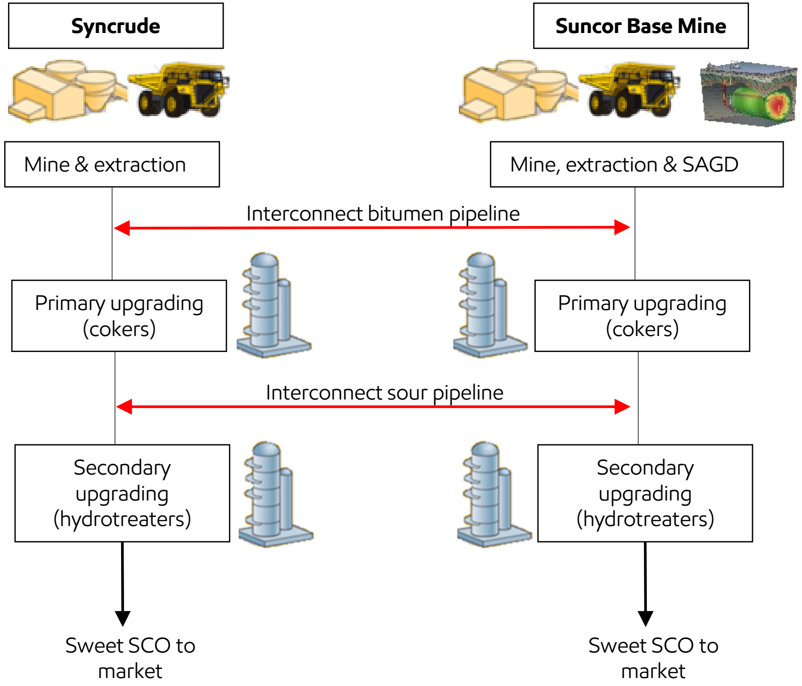



- Strong partner engagement and collaboration
- Capturing reliability investment benefits
  - 2019 second-best year in asset's history
- 15% combined capex and expense reduction in 2020 vs. 2019
- High-value synthetic crude production
  - Integration with Strathcona refinery
- Targeting <$US 30/bbl unit P&M expense

*Production Imperial share, before royalties*

# Syncrude interconnect pipeline

## Maximizing value through owner collaboration




- Project commissioning Q4 2020
- Asset integration drives incremental value
- Flexibility during turnarounds
  - Bitumen imports during mine and extraction downtime
  - Bitumen exports during upgrader downtime
  - Sour gas-oil imports during coker downtime

# Future resource optionality

## Material and diverse portfolio of organic growth opportunities


- Large inventory of opportunities
  - In situ development: Aspen, Corner, Clarke Creek, Clyden
  - Unconventional
- Strategic approach to future development
  - Minimal investment while maintaining optionality
  - Mature next-generation in situ technologies
- Major investments on hold, pending:
  - Strengthening base assets through capital-efficient optimizations
  - Competitiveness with internal and external opportunities
  - Market, take-away capacity, and regulatory environment

# Upstream summary

## Best-in-class producer; maximizing value

- Focus on maximizing value from existing assets and incremental efficient growth
- Kearl volumes and cost improvement outpacing prior outlook
- Realizing ~$150 million per year in digital value
- Capital plan down significantly from prior outlook
- Large portfolio of investment options

# Break

# Downstream and Chemical Outlook

**Jon Wetmore**

*Vice President, Downstream*

# Downstream strengths

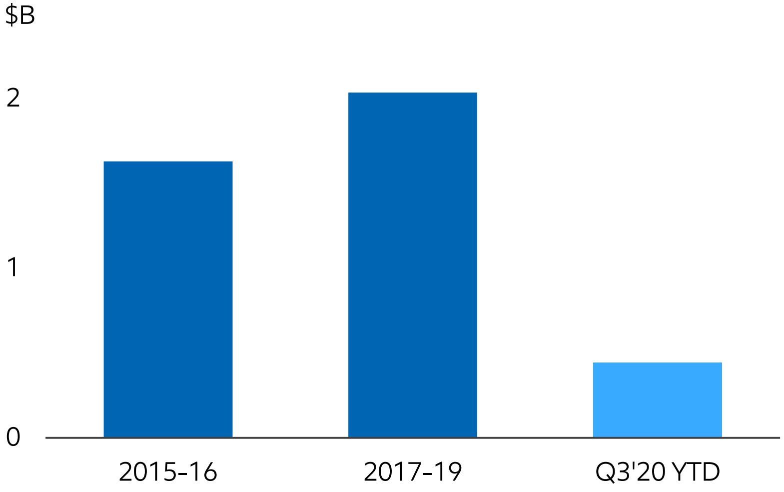
## Leveraging assets, logistics and sales to drive cash generation

- Industry-leading refineries running advantaged crudes
- Profitable markets accessed by industry-leading logistics
- Product slate and sales portfolio enable broad market access
- Superior brands and offers attract the highest value customers
- Market leader in gasoline, jet fuel and asphalt

# Downstream cash generation

## Focus on efficiency, optimization and margin enhancement

### Average annual cash from operating activities




- Refinery margin enhancements through selective investments in refinery yield and crude slate
- Focus on value-added channels improves sales volumes and margins

### Canadian demand (~% of normal)

| | Car | Truck | Plane |
|---|---|---|---|
| October 2020 | 80 - 90% | 85 - 95% | ~40% |
| June 2020 | 75 - 85% | 85 - 95% | 25 - 35% |
| April 2020 | 50 - 60% | 70 - 80% | ~20% |

# Canadian downstream market environment

Advantaged markets; Imperial well-positioned

## Market environment

- Large geography, dispersed demands
- Imports have limited reach
- Structural short in Ontario
- Western Canadian crudes provide cost advantage
- Net export market favours domestic sales

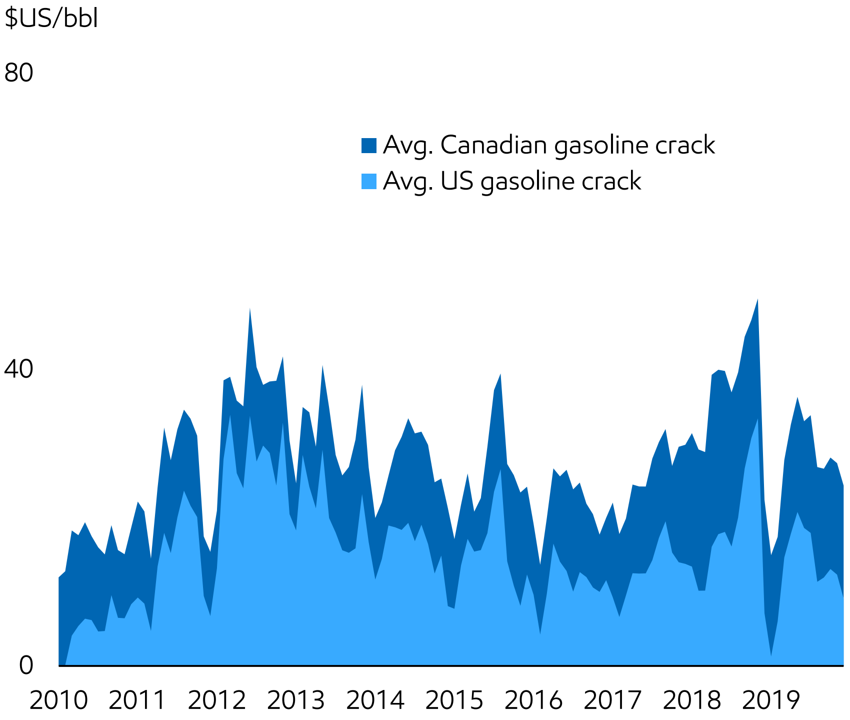
## Imperial position

- Access to cost-advantaged logistics
- Improved product margin as market trades at import parity
- Favourable supply/demand balance in core, growing market
- Access to 100% Canadian crude
- Product sales exceed production; long-term customer base

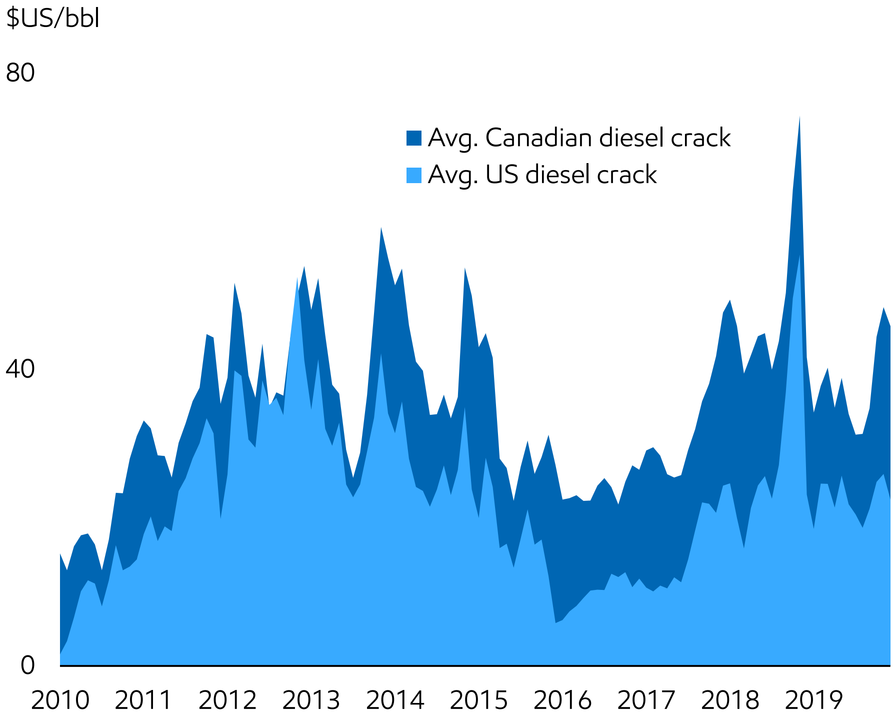
# Canadian product margins

## Favourable and growing unit margins contribute to integration benefits

### Average monthly gasoline crack



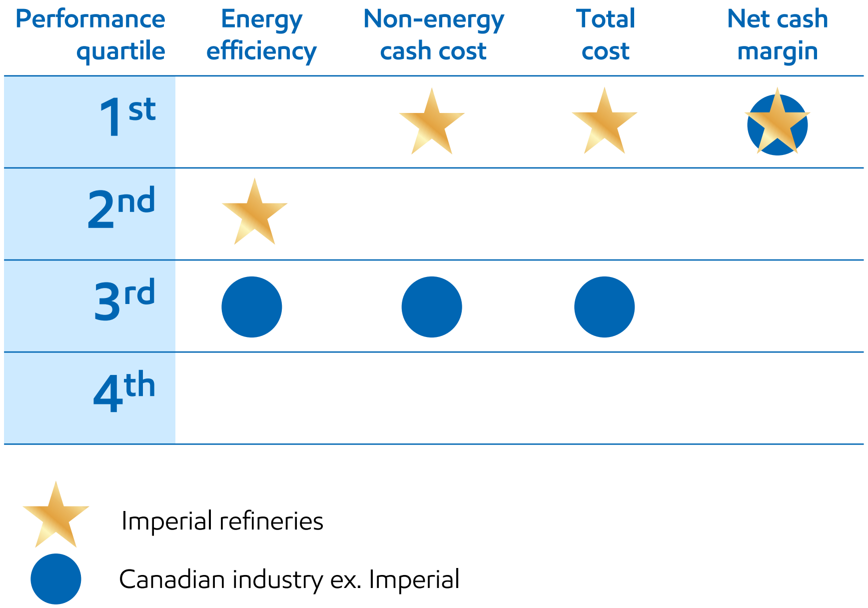

### Average monthly diesel crack




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

# Canadian refining leadership

## Leader in North American refining; applying global best practices

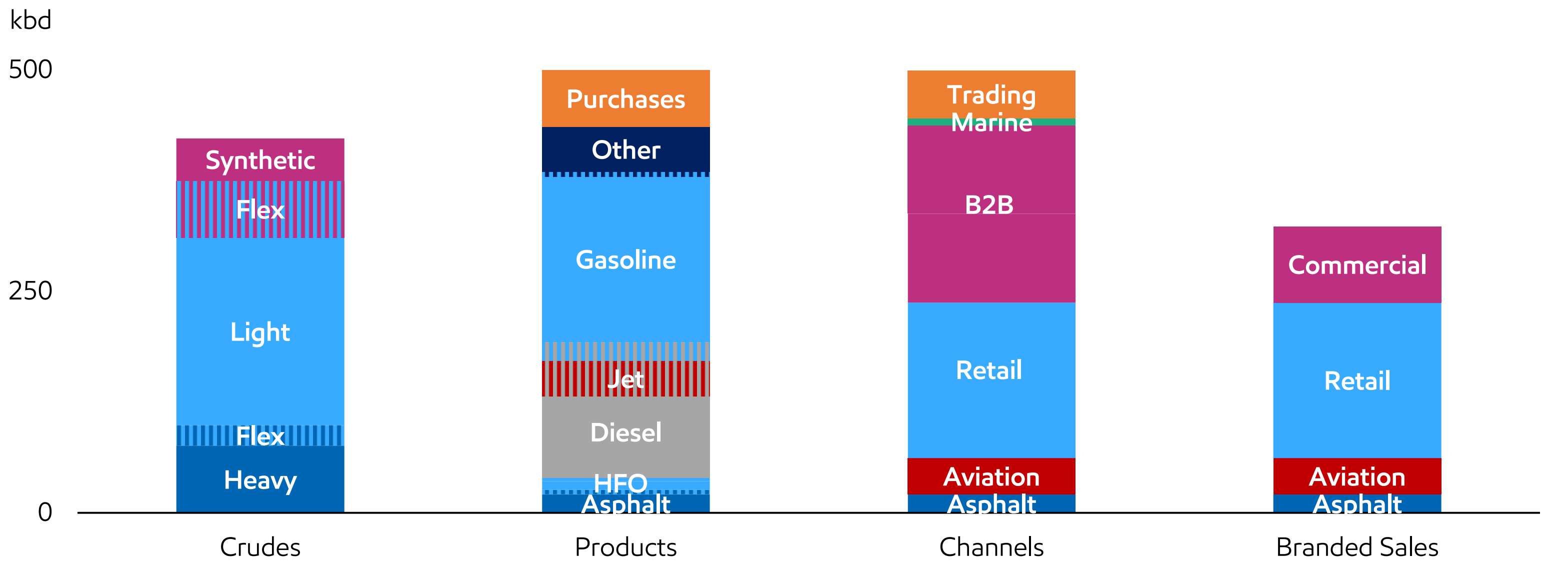



*Source: 2018 Solomon survey; includes 99 refineries in North America (14 in Canada)*

- Cost leadership
  - Top quartile Solomon performance across portfolio
- Size leadership
  - Largest refining footprint in Canada
  - Sarnia/Nanticoke complex >50% of Ontario refining
  - Strathcona largest refinery west of Quebec
- Technical leadership
  - Over a century of experience, with access to ExxonMobil expertise
- Location advantages
  - 100% Canadian footprint
  - Production located near key supply and demand centres

# Downstream value chain

## Imperial's downstream participates in the full value chain to end consumers



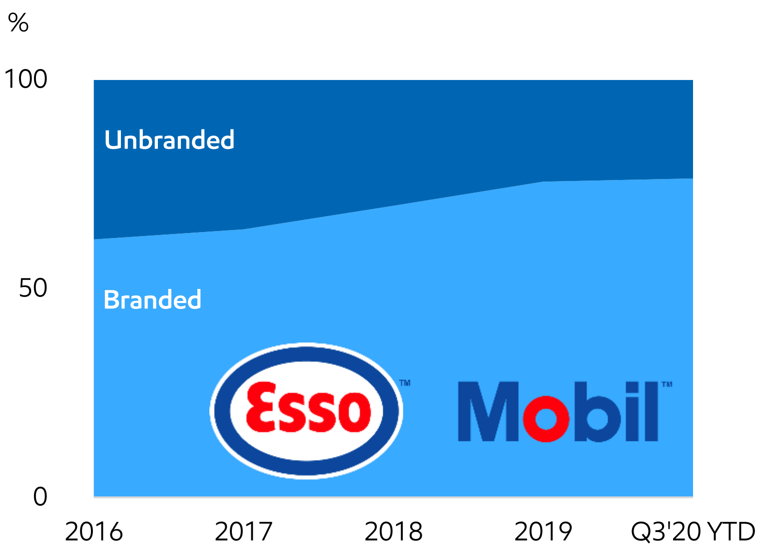

Crude selection | Logistics | Refining | Distribution | B2B sales | Branded retail

# Fuels, lubricants, and asphalt sales channels

## Leading brands, products, offers, dealers and customers

- Branded Wholesaler relationships in Retail
  - Efficient growth with specialist retailer partners;  capital avoidance
- Lubricants use globally recognized brand and field technical support from specialized salesforce
  - Sarnia Research laboratory support for unique Canadian applications
- Canada's largest asphalt producer and market share, integrated with high-quality Cold Lake crude
  - Sarnia Research uniquely supports variety of North America's paving requirements
  - Significantly more profitable than heavy fuel oil

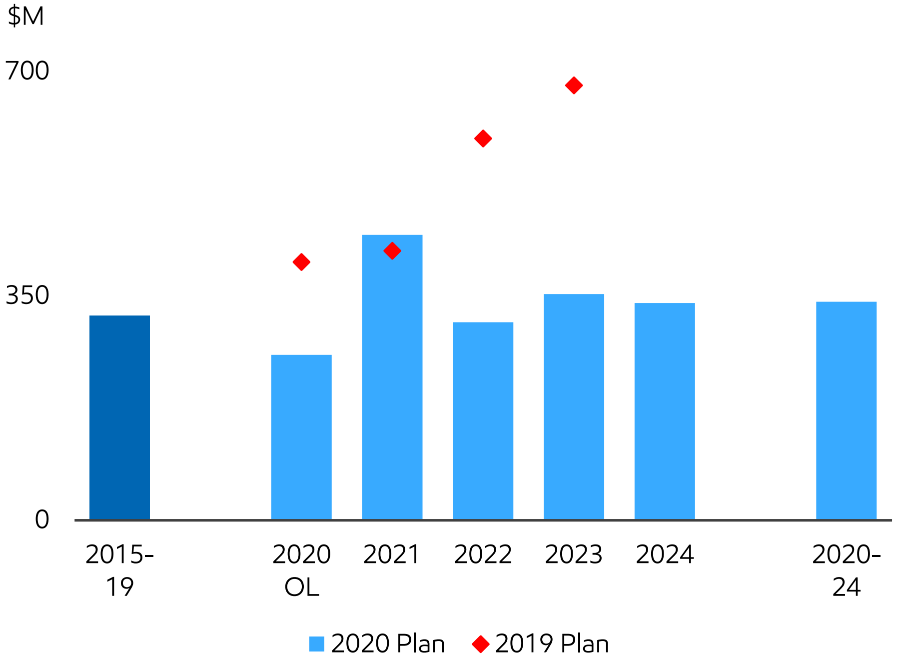
### Sales volumes



# Downstream investments

## Efficient, strategic investments in low-capital, high-return business

### Capital expenditures




- Selective investments in refinery slate, production, efficiency and resiliency
- Support and enhancement of strategic logistics
  - Efficiency capture
  - Market opportunities, access and reliability
- Regulatory compliance and opportunities
  - Biofuel infrastructure
  - Cogeneration
  - Energy efficiency
  - Emissions reductions

# Strathcona cogeneration

## Increases efficiency, reduces cost and emissions

- ~$200 million investment
- 41 megawatt capacity
  - 75 - 80% of site power
  - Up to 50% of steam
- ~112,000 tonnes annual GHG emissions reduction
  - Nearly 24,000 cars removed from roads
- Reduces electricity price exposure
- Total of almost 600 megawatt cogeneration capacity across Imperial assets

# Sarnia products pipeline

## Secures efficient, reliable and safe capacity

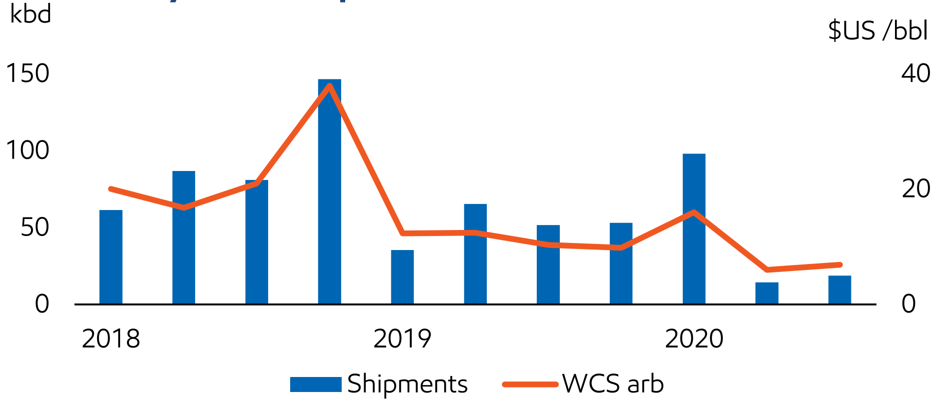
- ~$400 million investment
- In service early 2022
- Secures key infrastructure for growing Toronto-area fuel supply
  - Eliminates bottleneck in growing market with structural short
  - $40 million annual efficiency savings

# Edmonton rail terminal

## Efficient, strategic egress and optionality

- Provides strategic optionality and risk reduction
- Transport flexibility provides increased market access for upstream production
- Advantaged with low fixed costs and highly efficient and integrated supply chain
- Dual-service rail carriers
- Excess capacity available for third-party throughput

### Quarterly ERT shipments




# Downstream's total package

## Coast-to-coast reach, leveraging strategically advantaged assets and brands

# Imperial's downstream advantage

## Well positioned for future market success

### Market evolution

- Pipeline capacity additions
  - WCS/MSW spreads tighten to transport parity
  - Enbridge Mainline light/heavy balancing
- Biofuel penetration impacts refinery utilization
  - Inefficient refineries at greater risk
  - Resilient jet, asphalt demands
- Heightened incentive to maximize production to reduce unit costs
  - Greater exports into US
  - Domestic Canadian demand extremely valuable
- Pressure on smaller/less-efficient refineries
  - Scale, access to capital, regulatory requirements

### Imperial position

- Favourable light crude refining economics
- Benefits both upstream and downstream
- Efficient scale and operations provide resiliency
  - Logistics enable efficient blending and sales
- Strong domestic demands and markets
  - Long-term strategic relationships, nationwide access
  - Net sales exceed production
  - Strength in growing Ontario market
- Large refineries; integration advantage

# Imperial Chemical produces high-value products

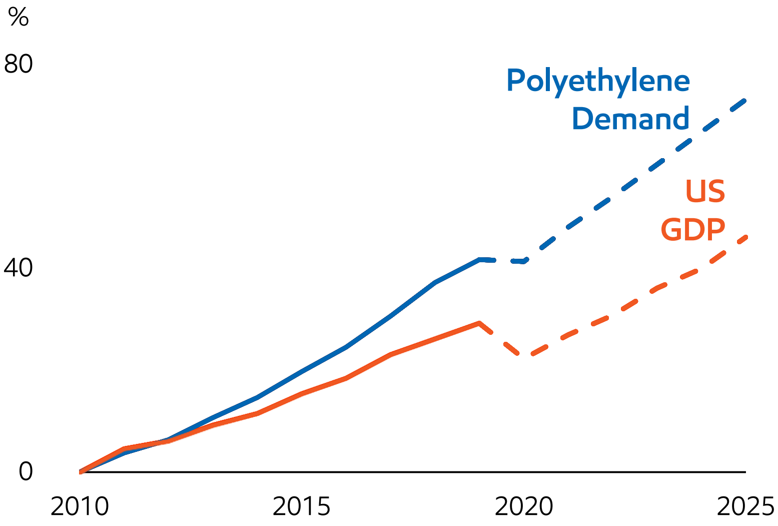
## High-density polyethylene used in variety of durable products

- Key end uses
  - Injection molding (pails, containers, crates)
  - Rotational molding (storage tanks, toys)
- Superior customer service
  - Consistent resin quality, reliable supply
  - Highly-regarded technical service
  - Specialty products

# Chemical site integration drives efficiency

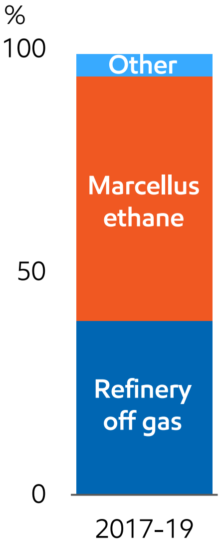
## Long-term strength with increasing demands

### Demand change from 2010

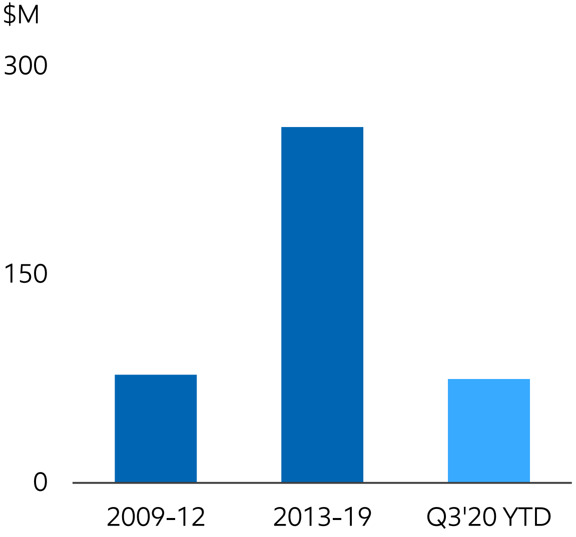



*Source: IHS Markit*

### Feedstock



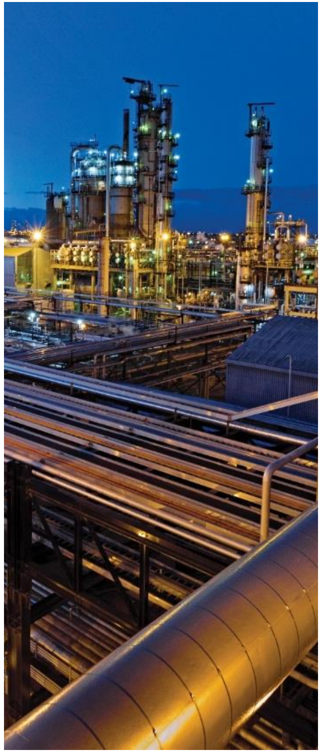

### Average annual cash from operating activities




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

# Downstream and Chemical summary

Sustainably advantaged assets and offers; strategically positioned for the future



- 100% Canadian refining
- Leading market share in most segments
- Efficient pipeline access to Canadian crude
- Highly integrated assets minimize costs
- Coast-to-coast logistics enhance customer offers
- Long-term, value-added customer relationships support volume and margins

# Financial Outlook

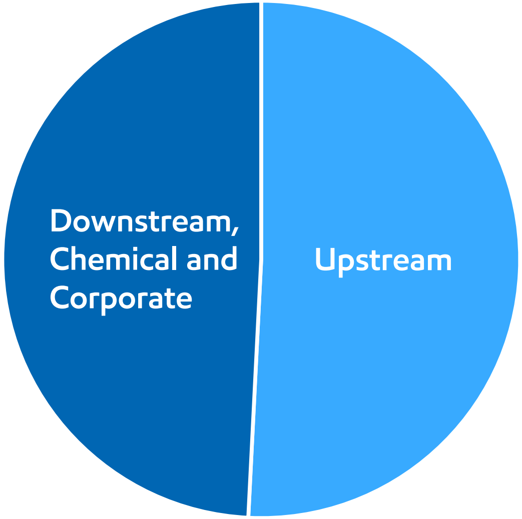
**Dan Lyons**

*Chief Financial Officer*

# Financial profile

## Resilient with upside leverage

**10-year average, % of cash from operating activities**



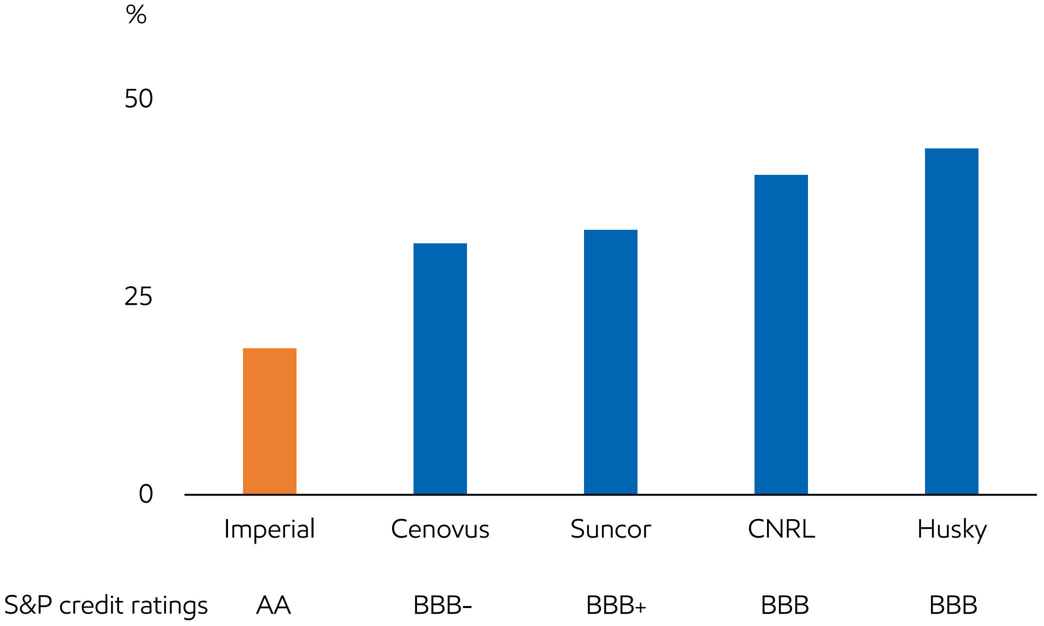

- Integrated, balanced business model
  - Growing production, long-life assets
  - Advantaged refining, leading fuels marketer
  - Integrated logistics
  - Attractive Chemical business
  - ExxonMobil relationship / scale / expertise
- Strong balance sheet
- Low corporate breakeven
  - Volume growth
  - Reduced costs
- Well positioned for recovery
  - Unhedged production
  - Flexible refinery production

# Advantaged access to capital

## Supported by industry-leading credit rating

- Debt-to-capital has remained at a low level, absolute and relative to peers
- No additional debt to date in 2020
- Multiple sources of low-cost liquidity
- Support for key priorities – sustaining capital and dividend
- Optionality to pursue potential highly-attractive growth opportunities

### Sept. 30, 2020 debt to capital

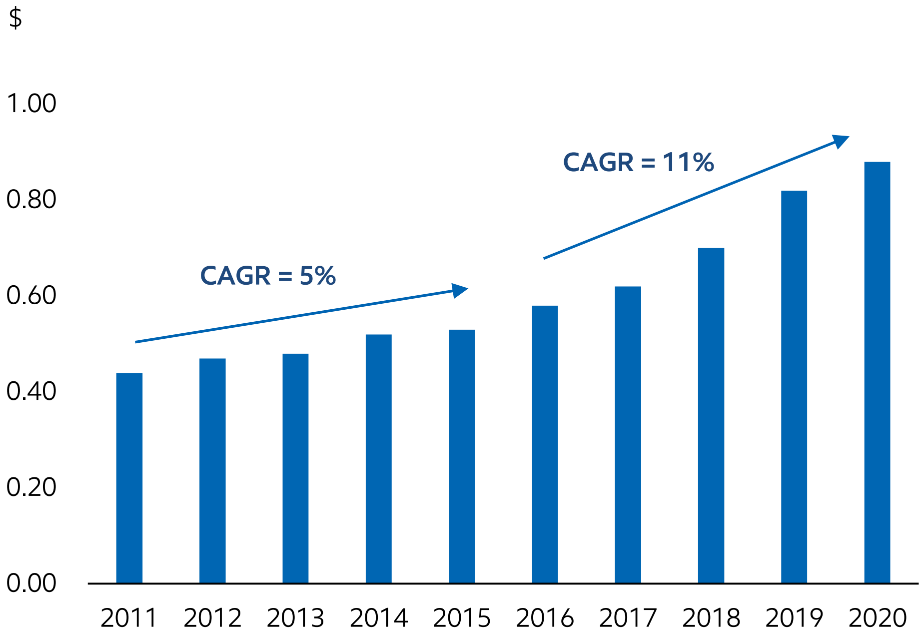


# Capital allocation priorities

## Focus on returning excess cash to shareholders

- Reliable and growing dividend
- Strong balance sheet
- Sustaining capital
- Select investment in existing assets
- Share buybacks / special dividends
- Highly attractive growth opportunities

### Dividend per share

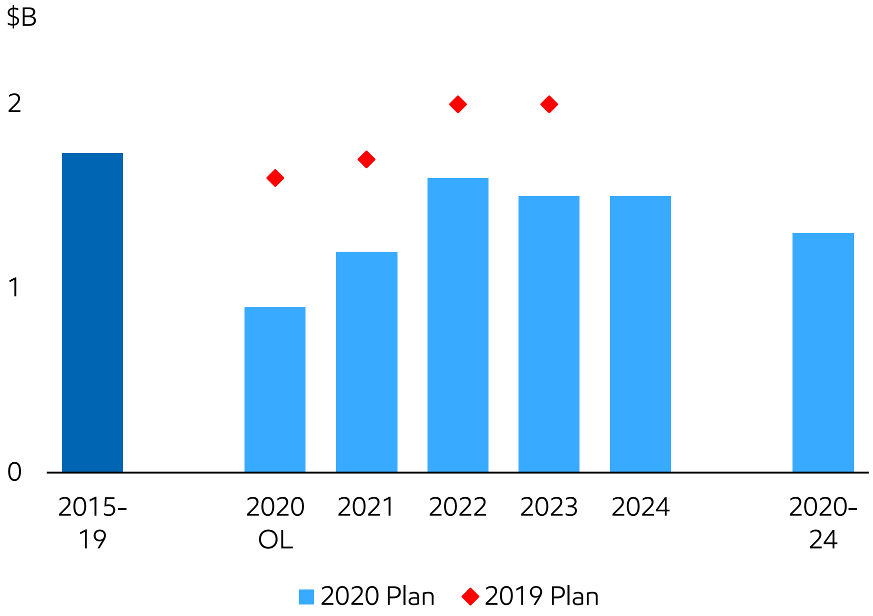



*Paid basis*

# Capital expenditure outlook

## Focus on sustaining capital and select growth

### Total annual capital expenditures

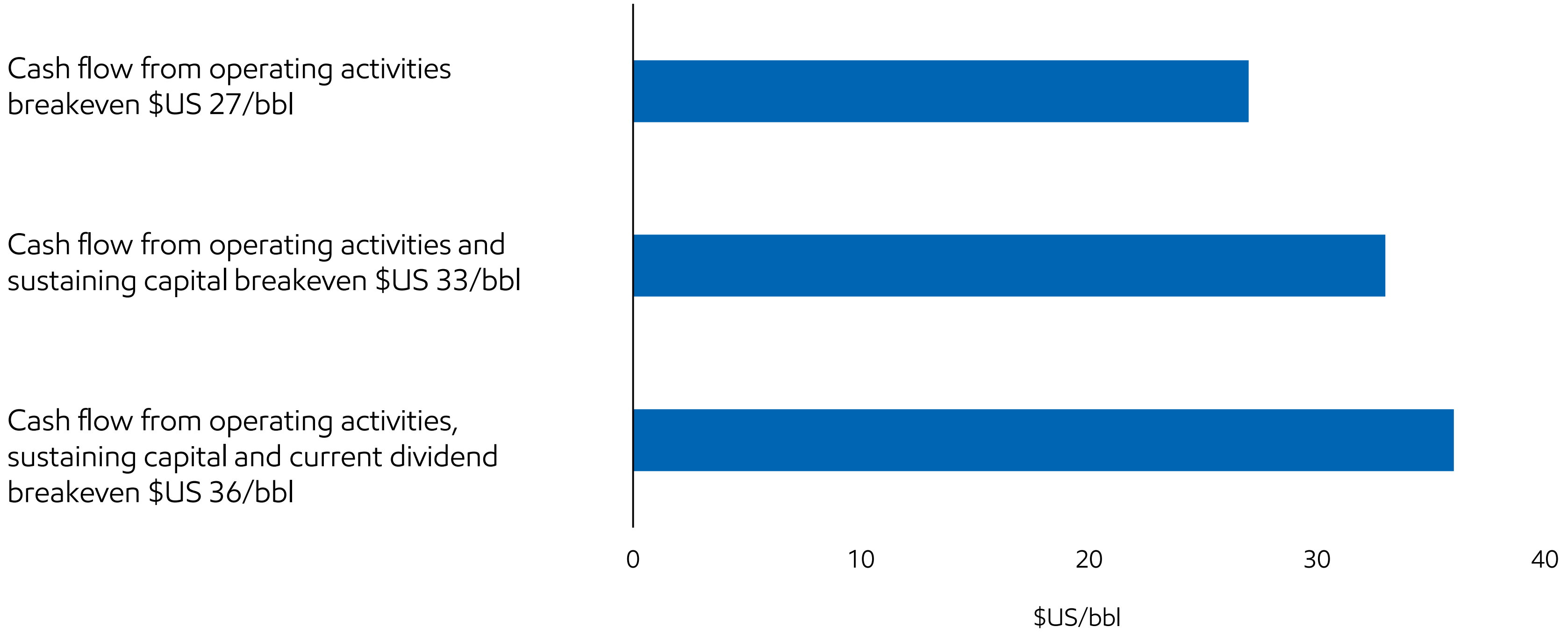



- 2021 target of $1.2 billion
- 5-year average down 30% vs. prior year view
- Sustaining capital averages ~$1.1 billion
  - Includes larger one-time investments (MLX, Kearl tailings)
  - Approximately 70% is Upstream
- Growth capital averages ~$0.2-0.3 billion
  - Enhance existing assets
  - Grand Rapids
  - Kearl pathway to 280+ kbd

# Corporate WTI breakeven

## Resilience at low prices

### Estimated WTI breakevens

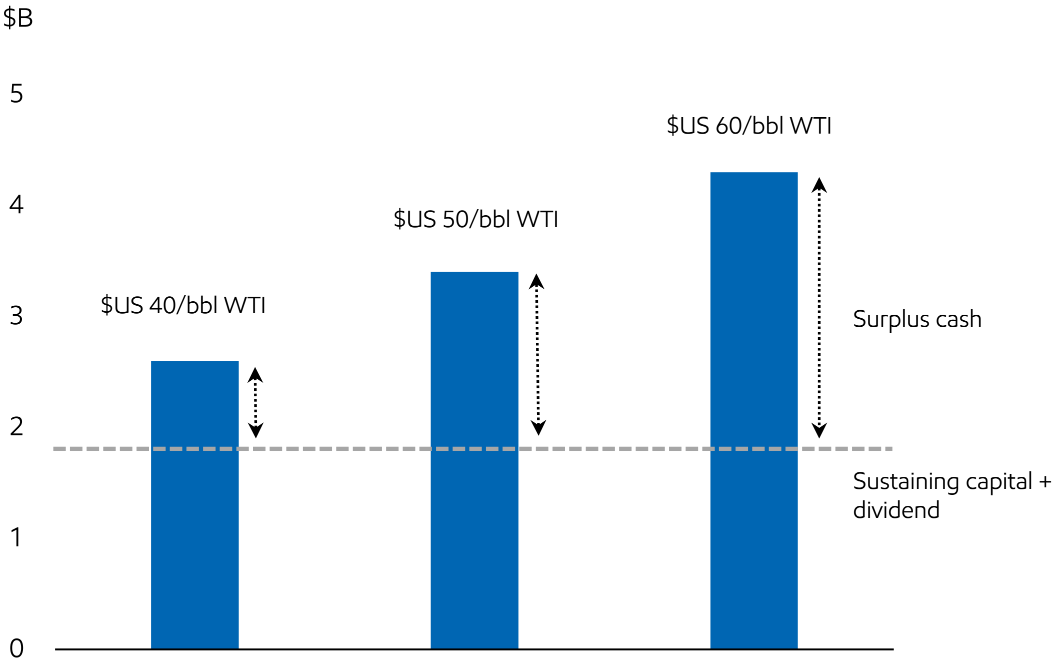



*2021-2025 period average, $US 10 WCS differential, $US 0.75 FX rate, downstream margin normalization over time*

# Significant leverage to higher prices

## Substantial cash available for return to shareholders

### Cash flow from operating activities




*2021-2025 period average, WCS differential varies with WTI price case ($US 10/$US 40, $US 13/$US 50, $US 15/$US 60 respectively), $US 0.75 FX rate, downstream margin normalization over time*

# Summary of 2020 and 2021 guidance

| Annual guidance | 2020 OL | 2021 FC |
|---|---|---|
| Total capex $B | 0.9 | 1.2 |
| | | |
| Upstream production kboed | 395 | 415 |
| Kearl kbd (gross) | 220 | 255 |
| Cold Lake kbd | 135 | 130 |
| Syncrude kbd | 70 | 75 |
| | | |
| Refinery throughput kbd | 340 | 375 |
| Refinery utilization % | 80 | 89 |

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

# Closing remarks

**Brad Corson**

*Chairman, President and Chief Executive Officer*

# The Imperial advantage

## Robust through the cycle

| | |
|---|---|
| Commitment to deliver winning shareholder value | ✓ |
| High-quality, long-life assets | ✓ |
| Integration supports resilience through market cycles | ✓ |
| Industry-leading balance sheet strength | ✓ |
| Focus on operational excellence | ✓ |
| Unparalleled history of technology leadership | ✓ |
| Synergies across full value chain | ✓ |
| Commitment to returning cash to shareholders | ✓ |

# Our winning strategy

## Focus and deliver

- Focusing on the 'core'
  - Get the most out of existing assets
  - Target industry-leading reliability, cost structure
  - Capture value from integration
  - Progress towards ESG targets
- Return more cash to shareholders
  - Deliver healthy free cash flow
  - Strong, growing, sustainable dividend
  - Share repurchases, cash management
- Ensure capital discipline throughout the cycle
  - Debottlenecking
  - Selective high-return growth – organic/inorganic
- Remain nimble
  - Ability to pivot as market dynamics change
  - Flexibility comes from strong balance sheet, low cost, high reliability

# 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, target, estimate, expect, strategy, outlook, future, likely, may, should, will and similar references to future periods. Forward-looking statements in this report include, but are not limited to, references to the significant potential of high quality assets, a resilient business model and being well positioned to drive shareholder value; plans to deliver shareholder returns and an ongoing ESG focus; ability to manage through a challenging environment and accelerate out of the downturn; the global and local energy outlook and mix, and recovery from COVID-19; the company's strategy for a lower-carbon future, target for reducing greenhouse gas emissions intensity by 2023 and the impact of new technologies on greenhouse gas emissions intensity reductions; developing pathways and solutions to a net zero future; the triple win strategy of reducing environmental footprint, capturing business efficiencies and social innovation; upstream focus on best-in-class producer and maximizing cash flow; production growth anticipated for 2021 and to 2025; the potential to generate significant upside cash from operations; projected capital expenditures from 2021-2024, including impact on volume growth and maintaining low sustaining capital; the selection of future investments and their impact on delivering value; the value and impact of digital technology and innovation activities; Kearl future unit cost targets; Kearl production outlook of 255kbd for 2021 and pathway to 280kbd; autonomous haul conversion target and projected unit costs savings; the Kearl in-pit tailings project; the Cold Lake long term strategy, production outlook of 140kbd by 2024 and the timing and impact of select capital investments; Syncrude production and unit cost forecast and timing and impact of the interconnect pipeline; the strategy for upstream organic growth opportunities; downstream strengths to drive cash generation and focus on efficiency, optimization and margin enhancement; benefits from integration and being well positioned in the Canadian downstream market for future success; the impact of sales channel strategy; downstream capital expenditure outlook to 2025; the timing and impact of the Strathcona cogeneration project, Sarnia products pipeline and Edmonton rail terminal; Chemicals long term strength and demand growth for key products; the company's financial profile being well positioned for recovery and advantaged access to capital; capital allocation priorities and focus on returning excess cash to shareholders; total annual capital expenditure outlook, including sustaining and growth capital averages; corporate WTI breakeven estimates and resilience at low prices; potential cash flow from operations at various prices; and 2020 and 2021 annual guidance and priorities.

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 demand growth and energy source, supply and mix; commodity prices, foreign exchange rates and general market conditions; production rates, growth and mix; 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; cost savings; progression of COVID-19 and its impacts on Imperial's ability to operate its assets, including the possible shutdown of facilities due to COVID-19 outbreaks; the company's ability to effectively execute on its business continuity plans and pandemic response activities; the performance of third-party service providers; the adoption and impact of new facilities or technologies, including on capital efficiency, production and reductions to greenhouse gas emissions intensity; refinery utilization and product sales; applicable laws and government policies, including taxation, climate change, production curtailment and restrictions in response to COVID-19; financing sources and capital structure; and capital and environmental expenditures 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, and petroleum and petrochemical products and resulting price, differential and margin impacts, including foreign government action with respect to supply levels and prices and the impact of COVID-19 on demand; general economic conditions; currency exchange rates; political or regulatory events, including changes in law or government policy, applicable royalty rates, tax laws, production curtailment and actions in response to COVID-19; the receipt, in a timely manner, of regulatory and third-party approvals; availability and performance of third party service providers; availability and allocation of capital; third party opposition to operations, projects and infrastructure; environmental risks inherent in oil and gas exploration and production activities; environmental regulation, including climate change and greenhouse gas regulation and changes to such regulation; the results of research programs and new technologies, and ability to bring new technologies to commercial scale on a cost-competitive basis; transportation for accessing markets; unanticipated technical or operational difficulties; operational hazards and risks; project management and schedules and timely completion of projects; reservoir analysis and performance; cybersecurity incidents; and other factors discussed in Item 1A risk factors and Item 7 management's discussion and analysis of Imperial's most recent annual report on Form 10-K and subsequent interim reports on Form 10-Q.

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.

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.

The estimates of various classes of reserves (proved and probable) and of contingent resources in these materials represent arithmetic sums of multiple estimates of such classes for different properties, which statistical principles indicate may be misleading as to volumes that may actually be recovered. Readers should give attention to the estimates of individual classes of reserves and contingent resources and appreciate the differing probabilities of recovery associated with each class.

All reserves and contingent resources estimates provided in these materials are effective as of December 31, 2019, 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, 2019.

Except as otherwise disclosed herein, reserves and contingent resource information are an estimate of the company's working interest before royalties at year-end 2019, 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.

Imperial

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140 YEARS
1880-2020

# Q & A