Imperial Oil Limited 2025 Investor Day Transcript

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Peter Shaw: Good morning, everyone and welcome to our 2025 Investor Day. I'm Peter Shaw, the Vice President of Investor Relations at Imperial. I would like to start by extending a warm welcome to everybody that's joining us here in the room and also those that are joining us on the webcast. We certainly appreciate your interest in Imperial. A couple of house key items to start with. First of all, if there's an emergency, the emergency exit is just out this door to the left and the staircase is right here. And if for some reason that's blocked, then the other will go past the elevators and there's another exit on the right-hand side. For washroom out this door to the left for the women's and out the door to the right down the hall for the men's. And I'd also like to draw your attention to the cautionary statements that are included in the back of your presentation materials. We also posted those on our website this morning, and they're also available on SEDAR+ and EDGAR. These contain important information regarded foreign forward-looking statements, reserves, resources, risks, and uncertainties. Any forward-looking information that we provide today is not a guarantee of future performance and actual future performance. And operating results can vary materially depending on the number of factors and assumptions. Additional information about forward-looking information and those factors and assumptions is available in those cautionary statements.

And finally, I'd like to say that today's comments also include references to non-GAAP financial measures. The definitions and reconciliation of these items can be found in the supplemental information again, in the back of the presentation materials. I'd also like to note that today's session is being filmed and recorded. I'd also like to take a moment now to acknowledge that we are on the lands, on lands that have been and continue to be home to many indigenous people. Today we're meeting on the treaty lands and the traditional territory of the Mississaugas of the Credit on Treaty 13 and the traditional territory of the Huron-Wendat and the Haudenosaunee. Every day at Imperial at our operations across Canada, we recognize that we carry out our business on the traditional territories of indigenous people who have lived and cared for these lands for generations. At Imperial our reconciliation engagement efforts focus on growing our indigenous business partners across the value chain, incorporating indigenous input and traditional knowledge into our environmental management practices, increasing indigenous representation in our workforce, and enhancing our employee indigenous cultural awareness and education programs across Canada. I'd now like to take a moment to introduce our speakers that are here today. First, we have Brad Corson, Chairman and CEO, John Whelan, who is our new President, Dan Lyons, our Chief Financial Officer, Cheryl Gomez-Smith, who is our Senior Vice President of the Upstream, and Scott Maloney, who is the Vice President of the Downstream.

Now turning to the agenda that we have for you this morning; Brad is going to kick off with some opening remarks. Then we'll move to Cheryl Gomez-Smith who will talk about the Upstream update. Scott will cover the Downstream and chemicals update. We'll then take a short break and after the break Dan will come back and provide the financial update followed by closing comments from both Brad and John. We then have a lunch schedule or sorry, question and answer period for about 30 minutes. And if we don't get to all the questions, we just have the lunch afterwards, we encourage you to stick around and attend that and the more opportunity to interact with both our management team and board members and the IR team to answer further questions. And finally, I also wanted to point out, we have a couple of special guests with us actually seated back in the corner, John Floren and Miranda Hubbs from our Board Members with Imperial Oil. So, we thank them for joining us as well today as well. And with that, I will hand it over to Brad.

Brad Corson: All right, thank you Peter. And good morning, everyone. It's so great to see you, many, many familiar faces in the audience and a few new ones as well. Welcome everybody to our 2025 Investor Day and certainly thank you for your continued interest in Imperial. And I'm so excited to be with you today and share our story regarding Imperial's many competitive advantages and how the company is so well positioned for the future. And I hope you would agree that we've delivered exceptional results over the past five years. But most importantly, I hope you leave here today with continued optimism and confidence that we can and will deliver even more in the future. I'm also pleased to be here with the rest of Imperial Senior Leadership Team and further to Peter's introductions, I wanted to introduce Scott Maloney again to your far right. He was recently appointed Vice President of the Downstream replacing Sherri Evers, who many of you got to know. She recently took on a new and really big and exciting role with ExxonMobil in Houston.

Now Scott has been running our fuels value chain for the past year and a half and is very familiar with the business and Sherri leaves him some big shoes to fill, I'm sure you would agree, but I'm confident he's going to do great for us. And I'm also pleased to welcome John Whelan, who will soon replace me as chairman and CEO when I retire. And John and I have had the opportunity to jointly develop and work on the plans that we're going to share with you today. So, this isn't just my parting gift, John owns it and will carry it forward and I think that's really, really important. John and I have known each other for around 20 years probably, and our paths have crossed multiple times. He actually worked for me twice, over my 42-year career and we've also spent some additional time on joint leadership teams together. More recently, John worked for me directly here at Imperial as the Senior Vice President of our Upstream when I first joined Imperial as the CEO. So, with that wide range of experiences, and I'm sure John will spend a little more time on his background as well. I can certainly say that John is the best person to succeed me and lead Imperial into the future. And I have great confidence in John and know he is the right choice. And one final introduction, I'd like to make hopefully you got the chance to meet Spot the robotic dog, when you came in. He was at the far back. This is just one example of the many ways we are applying technology to improve our performance.

So once again, I'm thrilled to be back here in Toronto engaging with each of you in person on what will be my last Imperial Investor Day. Although last one may be on the stage, I'll continue as a shareholder like many of you. And so maybe I'll be in one of your seats in the future. But another great opportunity for me to share the Imperial story, to talk about the strength of our company and how we're positioned to deliver additional value to our shareholders.

So, as we get into today's discussion, let's start with a look back on our financial results over the past years, starting with last year on the first line and then a five-year view on the second line below that. As you can see on this slide, we've had very strong financial results across several key metrics including net income, cash flow from operations and free cash flow. And wow, over $20 billion of free cash flow generated over the last five years. These results are underpinned by many records we have set both financially and operationally. And you've heard me discuss those on many earnings calls. With our balance sheet in great shape, we return nearly all that free cash flow to our shareholders through dividends and share repurchases. Of course, we couldn't have achieved these results without strong operating performance. So, a big credit to our teams that delivered safe, efficient, and reliable operations that allowed us to maximize profitability across a range of economic environments.

You'll hear a lot more today about our future operating plans as we move through these presentations this morning. These plans will provide a strong foundation for our future financial performance and enable continued strength in total shareholder returns. Please indulge me in a couple of more financial performance charts. Our financial performance in 2024 allowed us to build on our industry leading track record of strong shareholder returns with $1.2 billion of dividends paid and $2.7 billion of share buybacks. This supported a total shareholder return of 20% last year. And as you've heard us discuss in the past, a reliable and growing dividend remains priority number one at Imperial when it comes to shareholder returns. I'm very proud to have recently announced the largest absolute quarterly dividend increase in the company's history from 60 cents per share to 72 cents per share representing a 20% increase. I'm also very proud to highlight that 2024 marked our 30th consecutive year of dividend growth. And with the most recent dividend increase announced with our fourth quarter results and paid just a couple weeks ago on April 1st, our dividend growth track record is set to continue in 2025.

So, zooming out for a longer-term view. Now I love this chart by the way. You can see on this slide that we've returned a significant amount of cash to shareholders over the last five years with our dividend increasing a whopping 227% and with 32% of our shares repurchased since 2020. The significant increase in our dividend and reduction of shares outstanding supported a total shareholder return of around 250% since 2020, including about 200% of share price appreciation up to the end of the first quarter of this year. Now it's clear that we've entered a period of greater macro uncertainty of late and that has affected economic growth projections, and you can see that reflected in various financial and commodity markets.

And of course, our share price is lower than what's shown there today. But as we move through the presentation today, you're going to hear about our strong financial position, our resilient business model, our economic growth projects, and our low break even, all of which will support our ability to execute on our corporate strategy in a wide range of operating and market environments, including where we find ourselves today. So, while there is ongoing volatility in commodity prices, I remain very confident in our ability to grow shareholder value over the long term. In fact, despite all the external market volatility we've seen, especially over the last couple of weeks, our investor day slides have not changed as we prepared for this event. And our key messages remain the same. We are staying the course, and I think that is very telling.

Now I'd like to shift gears and talk about a few of the many operations accomplishments from 2024. And while this is a look back, I do think it demonstrates the progress we've made and we're making on our strategic objectives across the business. I'm very proud to say that we achieved our highest annual upstream production in over 30 years last year, including our highest ever Kearl production. Moreover, we met our longstanding operating targets for Kearl of 280,000 barrels per day of total gross production and less than U.S. $20 per barrel unit cash costs, both huge achievements for us and our teams. Also, in the upstream, we successfully started up industry's first solvent assisted SAGD project SA-SAGD That's the Grand Rapids project you've heard us discuss. And of course, initial production is exceeding expectations. We also started constructing the E-B-R-T EBRT or Enhanced Bitumen Recovery Technology pilot at Aspen. This technology is a potential game changer for future in-situ development on our leases. In the downstream, we retained the number one Canadian retail market share and grew our branded network to 2,600 sites. Also, in the downstream, we progress construction of our renewable diesel facility at our Strathcona refinery. And across our operated assets in both upstream and downstream, we executed turnarounds ahead of schedule and below budget.

And finally, we evaluated low carbon solutions business opportunities in areas such as lithium and carbon capture. So, in sum, a great year for Imperial and its shareholders with many key accomplishments. And I hope these examples give you confidence in our company and our ability to deliver great results with more to come.

And now that we've covered some of our key recent accomplishment, let's start to look forward and focus on what drives global energy demand and the need for ongoing investment and how Canada is well positioned to support the required oil supplies in the future. This is really the long-term backdrop that informs our corporate strategy and capital investment plans and fundamentally is why we do what we do and why it is so important to society. Put simply, energy improves the quality of life. This has motivated me personally for 42 years. This is why I get up every morning and why we are so focused on everything we do and our strategy for Imperial.

And on this slide, which references ExxonMobil's global outlook, you can see the strong correlation between higher energy use and human prosperity. And in this case, as measured by the United Nations Human Development Index, which tracks life expectancy, education levels, and income per person. Rising energy use fuels higher incomes that enable people to own homes, purchase labor saving appliances, travel, obtain needed medical services to name just a few of the many benefits. The UN Human Development Index data also shows us that the opposite can be true. A lack of access to affordable reliable energy means diminished living standards. In short, where there is energy poverty, there is poverty of life. And using UN human development data from 2022, ExxonMobil determined that about four billion people live below the modern energy minimum, that's far below modern standards of living, which require reliable energy for housing, infrastructure, jobs and mobility. The implication for energy demand is profound as more of the world's population gains access to higher standards of living, there is significant potential long-term upward pressure on energy demand. So, while we just talked about societal implications for long-term energy demand, now let's look at the oil investment that's required and how Canada fits in. This chart shows projected supply and demand for oil on a global basis, again based on ExxonMobil's global energy outlook. The red line represents potential global oil demand. This view is stable around a 100 million barrels per day out to 2050 with oil remaining an important part of the overall energy mix. The solid blue areas represent supply at differing levels of investment.

The takeaway here is that significant investment is required just to offset decline in existing fields, let alone meet potential global energy demand. Specifically, Exxon's outlook shows oil production declines at a rate of about 15% per year, nearly double the IEAs prior estimate of about 8%. The increase is the result of the world's shifting energy mix toward unconventional sources such as U.S. tight oil. The implication is that with no new investment, oil supplies would fall by more than 15 million barrels per day in the first year alone. And at that rate, by 2030, oil supplies would fall from 100 million barrels per day to less than 30 million barrels per day. That's 70 million barrels short of what's needed to meet demand every day.

Now we think Canada's uniquely positioned from a global supply perspective with a large discovered resource base, long-term low decline production, and with strong frameworks for environmental protection, community engagement and governance. So bottom line, if the world continues to need oil and gas, then there's no better place to supply this than Canada. And obviously Imperial plays an integral role in Canada's oil supply. So now that we've covered the ongoing need for global energy investment and oil investment more specifically and talked about Canada's unique advantages, I'd like to transition to what this means for Imperial and our strategy to win. Now, as you can see on this slide, our strategy is focused first and foremost on maximizing the value of our existing assets with targeted optimization and strengthened reliability with continued structural cost improvements. Kearl's optimization journey is a great example of this.

And next, we invest in select high value opportunities to further strengthen our competitive position and profitability. Projects like Grand Rapids and Strathcona renewable diesel, which you're going to hear more about today. And at the same time, we're progressing future strategic growth options for undeveloped resources such as with the EBRT pilot at Aspen. And we're also assessing options within the energy transition landscape in areas like carbon capture. And finally, we're utilizing technology across the value chain to enhance our operations and unlock opportunities and leveraging our relationship with ExxonMobil, which is critically important to us. Overall, our strategic messages are very much in line with what I shared with you just two years ago at our last investor day. And I think that continuity, consistency of focus is really a good thing. Our corporate strategy is consistent, it's robust, but it's also adaptable and continues to position the company to win via increased cash flow generation and all supporting delivery of industry leading shareholder returns.

And while we're focused on maximizing the value of our current assets and progressing select growth opportunities across our integrated oil portfolio, I wanted to take a moment to discuss a relatively new component of our strategy, low carbon solutions. As you may recall, we established a new organization within Imperial back in 2023, which is tied very closely to ExxonMobil's low carbon solutions business. Here we are monitoring the energy transition landscape and assessing potential opportunities that leverage both companies' decades of energy experience in areas like subsurface technology, hydrocarbon processing, and large-scale capital projects to name a few. Which not only provide us with a competitive advantage, but also brings communities confidence knowing Imperial's track record in safety and responsible operations, which we will apply to this new industry. These opportunities exist in areas such as carbon capture and storage, advanced lower emission fuels, lithium and low carbon hydrogen. It's early days for sure, but we recognize the energy landscape is changing and we want to strategically position ourselves for profitable investment opportunities that compete for capital should they arise.

Moreover, Imperial has unique advantages, things like technology scale, project execution, integration and global expertise that meaningfully demonstrate the company differentiate us in this emerging business area. However, we also recognize that policy and regulatory support is also a critical consideration here and that will significantly influence the pace at which we proceed.

Sustainability is also a core element of our corporate strategy and plays an overarching role in guiding our decision making. Our sustainability priorities remain unchanged. They include climate, indigenous reconciliation, land and water and people. And starting with climate, we continue to look for ways to mitigate emissions within our own major operated assets while also helping our customers reduce their emissions. Another key sustainability priority for us is to strengthen collaboration and partnerships with indigenous communities. Indigenous leaders continue to tell us that one of the most meaningful contributions our company can make on the journey of reconciliation is to grow healthy partnerships between us and indigenous businesses. And that's exactly what we are doing. Since 2008, I'm very proud that Imperial has invested more than $6 billion with indigenous businesses with over $900 million in 2024 alone. We also strive to be responsible stewards of land and water by caring for the areas in which we operate. This is a continued area focus for us.

And finally, we remain focused on cultivating a strong workplace, developing our people and maintaining a strong culture are essential to achieving our long-term objectives. And so, I'm going to wrap up my opening comments with a few remarks regarding what you will hear today. So, at the highest level, you're going to hear about how Imperial is well positioned for the future with a focus on growing our competitive advantages and with business segment strategies that are designed to structurally improve our operations and cash flow. You're going to also hear about how we're augmenting our business strategies with investment in technology and innovation that supports advanced growth opportunities. And you'll also hear about how our strong balance sheet and our cash flow generation capacity supports execution of our business strategies and our commitment to return surplus cash to shareholders. And finally, you're going to hear about how we remain engaged in the energy transition with new technologies and support for our customer's emissions reduction goals. So, when you put it all together, you're going to hear about a very strong company that's getting even stronger and I'm very excited by that and excited for the future of Imperial and what that means for our shareholders. So, thanks again for being with us today. And now I'm going to turn it over to Cheryl. She's going to take us through our upstream. Thank you.

Cheryl Gomez-Smith: All right, thank you Brad, and good morning. I'm grateful today to be here representing the several thousand extremely dedicated and committed team members that make up our upstream and keep our business running safely, reliably, and profitably every day. Before we start, and since this is my first time at Investor Day, I'll introduce myself. My name is Cheryl Gomez-Smith and I've worked for more than 30 years with ExxonMobil in various engineering operations and leadership roles throughout the world, including the U.S., Nigeria, Qatar, Russia, and Kazakhstan. Though I'm primarily an up streamer, I've been fortunate to have a diverse mix of opportunities, and I now consider myself more of a “streamer”. It's been nearly a year for me at Imperial, I'm most excited about continuing to deliver exceptional performance as well as to be part of what comes next with our significant portfolio of upstream opportunities. We have line of sight to what needs to be done to be best in class. We are one team with one goal.

The agenda for today will be similar to what we've done with previous years, although I'll be providing more information about the defined path to increase production with lower unit costs. I'll start with the upstream strategy and a recap of our 2024 performance. I'll provide insights to our focus on unit cash cost reduction with a detailed look at specific assets focusing on Kearl and Cold Lake. I'll then close with an update on our E-B-R-T or EBRT portfolio, the pilot and significant potential of our undeveloped in situ portfolio. Our upstream strategy remains unchanged. We aim to be best in class focused on growing volumes and low unit costs. Reflected on this slide you'll see key elements of our strategy.

The first key advantage with Imperial Upstream is our portfolio of long life, low decline assets that offer decades of cash flow potential. Most importantly is our unwavering focus to deliver safety and operational excellence. We place highest priority on the safety integrity of our people as well as care for the environment and our assets. I'm proud within Imperial we've continued to realize a decrease in the number of safety incidents as well as the severity of those incidents. We've been progressing a shift from not only looking at safety as the absence of incidents, but the strength of safeguards and leadership effectiveness. For Imperial, it's not the absence of incidents or the strength of safeguards, we want both, and that's one of our and equations.

In December, we shared new unit cash cost targets of $18 per barrel for Kearl and $13 per barrel for Cold Lake. I'll share later about our plans to meet or beat those targets. Our capital discipline remains key to our strategy. We are pursuing only select capital efficient projects that create long-term value, and we have an exciting portfolio of opportunities to grow volumes. We continue to see an enormous potential through technology. Imperial has a long history of investing in both digital as well as research. We've invested more than $2.6 billion over the last 20 years in various types of technologies and we're obviously well positioned as we look across the spectrum of opportunities. Throughout today's discussion, you're going to hear me talking both about technology as well as transformation.

Before I leave this slide, I'll highlight one of the enablers to our strategy and that's our people and our organizational alignment. It's typical when I'm in the field, an operator or technician will pull me to the side and talk about how the work they do is saving time or it's saving money and/or where that enhanced level of collaboration is leading to innovation. Having this last person, last row level of clarity, connecting each person's work to our upstream strategy along with each individual exhibiting purpose, pride and care is what will make the difference. 2024 was an outstanding year for the upstream. You heard Brad mention we achieved many records and we're excited to build on this momentum.

Upstream produced 433,000 gross oil equivalent barrels per day representing the highest full-year production in over 30 years. We also delivered significantly lower operating costs across our major assets. At Kearl what a year. We achieved full year production of 281,000 barrels per day. We surpassed our unit cash goal of $20 per barrel and we actually came in at $19.67 a barrel. In 2024, we also completed the first sub 20-day turnaround for one plant.

At Cold Lake, we delivered on commitments and started transforming the asset with the startup of Grand Rapids SA-SAGD, increased full-year production by 10% from 2023 to 148,000 barrels per day. And for Grand Rapids SA-SAGD, we achieved first oil ahead of schedule and with strong production of 22,000 barrels per day in fourth quarter.

At Syncrude, we're continuing to see improvements gained through shareholder alignment, delivering solid performance of 75,000 barrels per day in 2024. And in the future opportunity space, we've started construction of EBRT, or Enhanced Bitumen Recovery Technology pilot. This is an exciting next gen technology that will continue transformation of our prolific inventory of high quality in situ opportunities.

This chart emphasizes our long-life stable production base with low decline over a ten-year timeframe to 2029, we continue low-cost growth. Production is predominantly represented by our core oil sands assets including Kearl and you'll see in the chart this is the dark blue wedge Cold Lake, which is a light blue wedge and our non-operated ownership in Syncrude, the orange wedge, all of which have low sustaining capital requirements, underpinning our production profile is a large reserve base. At year-end 2024, proved and probable reserves were approximately 3.3 billion oil equivalent barrels supporting decades of remaining life.

Our guidance for 2025 is in the range of 433,000 to 456,000 oil equivalent barrels per day. This 2025 guidance includes Kearl at 280,000 to 290,000 barrels per day. Cold Lake between 150,000 and 160,000 barrels per day and Syncrude 75,000 to 82,000 barrels per day. Zooming out, and if you look at the ten-year timeframe, we're expecting 25% volume growth in low-cost volumes, leveraging GHG Advantage Technologies. Our Upstream Imperial organization from the management committee to the haul truck driver at Kearl to the field operator at Cold Lake have rallied around the path to get to lower unit costs. This path to lower unit costs includes optimizing the numerator, which focuses on structural cost reductions as well as the denominator, which is growing volumes.

Looking at the lower left-hand chart, you'll see we've delivered $9 per barrel unit cash reductions at Kearl, and this is over the 2022 to '24 timeframe. And in that same timeframe, we've delivered $5 per barrel in Cold Lake unit cash reductions. And while I'm pleased with what we've delivered, I'm also excited with how we're delivering on those results and in fact, what's yet to come. We have a structured process to focus on the highest value items and we drive them too quickly. In fact, most of our efforts we complete within 12 weeks. We maintain a strong opportunity inventory informed by competitive analysis and benchmarking. One of our unique advantages is also our relationship with ExxonMobil. We continuously leverage and tap into their global expertise and learning. Finally, our entire workforce is engaged. We collaborate across assets, functions, and geographies. In the center part of the slide, you'll see more to the how we're delivering and in fact how we're driving to get to our new targets of $18 per barrel for Kearl and $13 per barrel for Cold Lake. I'll share more in the next slides.

Before we leave this slide, I want to emphasize that our transformation to lower unit costs, this is not an initiative. Continuous improvement is our culture. It's how we think, it's how we act and it's how we work. This foundation is what gives me confidence that we will achieve our targets. This foundation is also competitive advantage for Imperial where others are trying to catch up.

Imperial continues to unleash the power of digital advancements across the upstream and this this slide provides a spotlight to the portfolio of those opportunities. As I mentioned before, we have a unique advantage to develop and deploying our digital advancements. Not also do we have a dedicated in-house accelerator team who collaborate directly with our assets, but we also leverage the power of ExxonMobil. I'll draw your attention to the left-hand chart which highlights our goal of multifaceted results targeting OpEx savings, capital efficiencies and production efficiencies. We've been laser focused on this digital journey since 2018. In the chart you'll see what's been deployed in dark blue and that's what's underway in the medium in the light blue. As of 2024, I'm pleased to share that we've achieved more than $700 million cumulative annual value delivered from digital initiatives and that's shown by the yellow star. With the mix of what we've successfully deployed, we continue to iterate and work on and that's the dark blue plus initiatives in development, we expect to be delivering more than $1.2 billion of annual value by 2027.

The lower right-hand list and you'll see there in dark blue identifies a few of the 50 initiatives that have been deployed or expanding. We've successfully deployed several robotics and drone technologies, including our fully autonomous truck fleet. With our fully automated fleet, we're improving safety by removing the worker from the hazard while offering efficiencies and work execution. Leveraging our prior investments in telecon infrastructure and data pipelines, we've also deployed data science and analytics to increase productivity and improve surveillance of our assets. The upper right-hand list looks to the future where we will continue to iterate on these deployments to extract more value from our expanding capabilities. As an example, we're expanding generative AI capabilities, and this is where we're chatting with our own data to allow operations to gain real-time insights to drive better and faster decisions.

On this slide you'll see a mix of digital technology which we've deployed or expanding. For each, we've highlighted the annual value, which can be cost savings and/or volumes growth. And I'm going to spend a little bit of time talking about each one of these areas. So, starting at the left, and this is advanced controls and analytics. At Kearl we built a model with advanced analytics to improve or selectivity. In the cartoon, which is a lower left hand, you'll see an optimized shovel plan delivered by the model. The green squares identify areas that previously may have been disposed of waste, but the model enables us to capture this as additional order to the plant. The red squares identify lower quality material that is now more appropriately disposed as waste and in fact, maximizes recovery. This optimized plan brings more predictability. We improve the ore quality of the plant and extract even more barrels at negligible cost while using existing fleet. Moving to the right, robotics, and these are a couple of my favorite examples, hopefully you met Spot this morning. We're leveraging Spot at Cold Lake to conduct routine inspections and surveillance. Some examples are heat exchanger optimizations, we're monitoring oil water tank interfaces and conducting heat trace surveys. This leads to maintenance optimization, elimination of downtime and operator efficiency improvements. In fact, we estimate Spot can conduct almost 70% of some operator rounds allowing us to reallocate operator and maintenance resources to higher value work. We currently have two Spot's at site. We have two more inbound for delivery at this quarter, so we're well on our way to having a litter. Holly, which is the robot in the lower left-hand photo, autonomously performs Kearl truck and undercarriage inspections while the trucks themselves are being refueled autonomously. Moving more to the right, you'll see for all assets we're not only using digital field asset to make better and faster decisions to increase production, but in the example shown, we built a machine learning platform that is a single pane of glass for operators to manage tasks more efficiently.

At Cold Lake, we're also leveraging remote piloted drones to drive savings associated with pump jack maintenance, operator utilization and spill reduction. And we're just on the verge of these drones becoming AI enabled. On the far right you'll see a couple examples where we have improved reliability. At Cold Lake, we've modernized our pump jack reliability program including AI enabled sensors to automate pump jack speed from maximum uplift and optimize power draw. And in the bottom right photo for Kearl, we're deploying high fidelity inspection technology that enables better tracking of hydro transport line degradation modes. We're also taking the opportunity to digitize this data and improve analytics to drive earlier insights and prevent loss of integrity incidents. Onto Kearl. Kearl delivered outstanding results in 2024. Internally, we like to say Kearl crushed it. In 2024 Kearl achieved its highest ever annual production of 281,000 barrels per day and were rapidly improving competitiveness.

The upper left-hand chart you'll see this was an increase of 11,000 barrels from 2023 and included gains from maintenance and reliability debottlenecking and optimization, plus mine infrastructure and fleet expansion to support higher volumes. And as I mentioned, all of this is anchored in our culture of continuous improvement. For 2024, our unit cash costs for $19.67 a barrel. Looking ahead to 2025 and beyond, we'll carry this momentum forward as we achieve higher volumes at lower unit costs, achieving 300,000 barrels per day and $18 per barrel unit cash costs. So, what gives us the confidence to achieve 300,000 barrels per day? If you look at the chart in the lower right-hand side, you'll see Kearl's recent performance, which includes periods of time at or above 300,000 barrels per day. You'll see in 2024 we had more than 150 days above 300,000 barrels per day. In addition, we have a well-defined path to get to 300,000 barrels per day. Back to the upper left-hand chart, you'll see that we have three key buckets along with mine optimization that'll get us to that 300,000 barrels per day.

The first bucket is in recovery, and this is enhancements targeted to recover more barrels from what we feed through the plant and includes a suite of recovery projects. For the second bucket, we'll continue to focus on productivity and reliability. And the third bucket, which I'll talk to more includes a turnaround step change. We'll not only be extending the interval between each turnaround, but we'll also be reducing the duration of each turnaround. I'll share more about these opportunities on the next slides.

So, our first step to get to 300,000 barrels per day is via enhanced recovery at every stage of the mining process. Left hand chart provides a very high level Kearl process flow chart and on this flow chart you'll see four numbers with call outs to enhance recovery efforts, which I'll describe in more detail. The first call out is to ore selectivity. We have a number of projects to enhance ore body definition, improve ore waste selectivity, and enhance execution projects. And this is one of the examples that I shared with you on the previous digital slide. In addition, we have a machine learning model for ore characterization. This improved -- overall improved ore characterization will improve recovery, minimize waste of the plant and reduce fines.

Process aids are the second call out and if you look at the picture, this is an illustration of our secondary process aid chemical skid at Kearl. We've added automation with advanced process controls and digital tools for real-time optimization. One example includes targeted use of chemical to improve our primary separation cell performance, when we process higher fines or challenging ore.

The third call out, is related to our flotation column cells or we call them KFCC. Picture, you'll see the flotation column that was delivered at Kearl in the fourth quarter. This project is in execution with startup in fourth quarter of 2026. KFCC enhances aeration in the mixing of middlings. So, think of this as emulsion of fine solids and clays and un-aerated bitumen to improve and when you get that aeration with the bitumen, it releases it from the solids. For this project, we are adding column cells and parallel with existing mechanical cells to increase overall recovery and add redundancy.
Call out number four is for our CST or Core Sands Tailings recovery. In the picture you'll see our pilot from 2024. This project is in development. CST functions very similar to KFCC but targets a much more challenging feed stream. CST has bitumen content of less than 1%. The principle is to enhance interaction between the air bubbles and bitumen to recover more bitumen.

Next, I'm going to highlight a few of the efforts to not only the full potential of our Kearl equipment, but also how we're increasing overall uptime of the system. The left-hand side starts with our haul truck fleet. Kearl was the oil sand's first fully automated truck fleet with the automated haul system or AHS or fully leveraging the benefits of automation including safety, efficiency and cost effectiveness. In terms of productivity, we realized nearly 20% productivity since 2022. There's been several areas where we've realized these gains, but the highlight three.
One of them is increased payload where we're providing shovel operators with real-time load monitoring tools. We're unlocking truck speed via enhanced surveillance monitoring and road condition management, and we've defined optimal road networks to minimize haul distances. With transition to the fully autonomous fleet, we're able to do more with less. For example, with a 2024

fleet size similar to that which we had in 2022. In 2024 we moved more than 20% more tons of material per hour.

Middle column highlights our mine material design improvements focusing on shovel teeth and in the photo, you'll see an example of our improved tungsten carbide weld overlay material on shovel teeth, which with optimized design enhances the service light or think of the wear rate as well as improves overall digging efficiency. With these optimizations, we're getting at least twice longer life of our teeth. Another example of material improvements includes our ore processing plant primary crusher teeth. We used to replace 264 OPP crusher teeth every day. With material and design improvements, we've extended our crusher teeth replacement to every two months.

Right hand column highlights where we're making strides to improve capacity and wear rate on our hydro transport lines through upsizing and design changes. In the photo you'll see our K2 plant hydro transport lines. Through upsizing and design improvements, we will extend and double the interval between each plant maintenance event. This additional capacity will also add redundancy to our plant. In the future, when we have a hydro transport line down for maintenance, which could be planned or unplanned, the impact of this downtime will also be reduced by 50%. So, the headline is that by optimizing our hydro transport lines, we will deliver higher volumes at lower unit cost.

The final step for Kearl to get to 300,000 barrels per day focuses on our turnaround optimization. And in the photo, you'll see our K1 slurry prep plant and tower from our May 2024 turnaround. Bottom two left hand charts highlight the progression of our turnaround intervals for each plant. Prior to 2021, we were executing two turnarounds per year. One on either plant with a 70-day annual duration or production downtime impact. In 2021, we extended the interval between plant turnarounds to two years while also compressing the schedule. 2024 we achieved our first night sub 20-day turnaround and we achieved a 19.7-day turnaround for the K1 plant.

Looking at these charts, you'll see that from 2021 to 2024, we've had more than a 50-day duration reduction in annual turnaround duration and during that same time we reduced our turnaround

OpEx spend by $100 million annually. Perhaps more exciting is that we're still on the journey to optimize our turnarounds at Kearl. Starting in 2027, we're going to transition to a four-year interval between each turnaround. Extending the turnaround interval results in increased plant availability and leads to increased production. With these extended intervals, we will also maintain our facility integrity as well as our strong risk management.

Per external benchmarking, Kearl is currently an industry leader and turnaround duration. With continued optimization and transition to this four-year turnaround cycle, we will be positioned that much more ahead of the pack.

I'll shift now to Cold Lake. Cold Lake continues to execute on our transformation strategy, increase volumes and drive towards industry leading unit cash costs. We're building on a very strong foundation of reliability and maintenance improvements, debottleneck and optimization to enable -- to achieve lower unit cash costs, we're introducing lower cost advantage barrels into the mix. Finally, we're leveraging our competitive advantage. We have a very long resource base with more than 50 years of remaining production.

As evidence of our continued success, in 2024, we delivered a full-year production of 148,000 barrels per day. Grand Rapids Phase 1 SA-SAGD produced above expectations, and it rates continuously above 20,000 barrels per day. And our 2024-unit cash costs were $14.75 cents a barrel, which was a 14% reduction versus that in 2023. More great results to come as we look at our path to 165,000 barrels per day and even lower unit cash costs.

If you look at the top production graph, we're building on a history of innovation and technology to continue to grow our volumes. Starting at the bottom you'll see the dark blue base, which is our cyclic steam stimulation or CSS where we're continuing to leverage existing steam capacity. In light blue we're building base volumes with cost advantage infill strategy, solvent deployment through laser and production optimizations. We're also growing volumes and that's what you see in the orange through capital efficient investments that leverage existing infrastructure as well as SAGD and SA-SAGD. Looking at the lower right hand bar charts, you can see this transformation to advantage technology more clearly. In 2020, our Cold Lake production was primarily via cyclic steam simulation technology with little advantage production.

There's increased application of solvent technology in 2025 and by 2030 we're transitioning to more than 40% advantage technologies including laser, SAGD and SA-SAGD. We're also continuing structured efforts to reduce unit cash costs through technology, maximize utilization and cost discipline. The result is higher volumes at lower cash costs targeting $13 per barrel by 2027 as shown in the lower left-hand chart.

On this slide I'll highlight where and how we're optimizing Cold Lake base to maximize value. I'll start with an orientation to the map. You'll see five Cold Lake plants with icons showing where we're leveraging the different technologies for advantage production growth. For our base production, strategic and measured investment is required. First, we want to make the most of what we have targeting investment to reuse existing kit and increase utilization. Second, we have projects to offset base decline including laser, compact rig drilling and Warmflow each adding about 10,000 barrels per day at $10,000 to $15,000 per flowing barrel. Laser technology uses existing wells and add solvent in mid-to-late life. Compact rig and filling leverages existing surface infrastructure with a benefit of very quick turnaround from drilling to production. And Warmflow is infield drilling below existing CSS steam chambers leveraging existing reservoir heat to deliver low-cost barrels. This technology requires no existing additional steam and uses existing pad infrastructure. We are capturing existing heated bitumen.

On the map, you can see these technologies are applied across the field, specifically targeted where they can each be applied optimally. Building on this maximization theme, we're increasing overall interconnectedness of Cold Lake while simultaneously shifting from CSS to SAGD. And you saw this on the chart on the previous slide. As of 2024, our overall steam-to-oil ratio or SOR was

4.4. By 2030, we anticipate our SOR to be closer to 3.5 and that's more than a 20% improvement in SOR driven by optimization of steam placement and a pivot to solvent technologies. On the next slide, I'll share more to SAGD and our SA-SAGD opportunities.

So, this slide provides more to the transformation with a focus to SAGD and SA-SAGD. Starting in the left-hand side with Grand Rapids SA-SAGD. This was the first commercial application of solvent assisted SA-SAGD and industry. With this first pad we at more than 20,000 barrels per day while exceeding the 15,000 barrel per day design basis. And in the chart on the lower left, you'll see the dark -- the blue line is our actual production and that's benchmarked against the dash line. You'll also see for the first few months in 2025, we're continuing to exceed expectations. Through GRP1, we've demonstrated SA-SAGD technology application and the potential, thus increasing our confidence in future developments and our path to 165,000 barrels per day. The next three Grand Rapids pads are currently in development. We will fully leverage plant capacity, and they will offer significant inventory to sustain production at low sustaining capital. Leming SAGD, which is steam-assisted gravity drainage. This is a niche opportunity in the Clearwater Reservoir and in fact we're going back to the central part of the field where CSS piloted in 1970s where we have very thick reservoir but lower recoveries.

Facility construction for Leming is nearly complete and we're targeting first oil before year end '25. We're also progressing Cold Lake's first commercial Clearwater reservoir SA-SAGD development at Mahihkan with a 2029 startup. Key enabler for these growth volumes will be to convert the Mahihkan CSS plant to a solvent enabled SA-SAGD plant. We're expecting 30,000 barrels per day peak for Mahihkan SAGD and these SA-SAGD development will also offer significant inventory to sustain production at low capital. Through Brownfield expansion, utilizing existing plants across the asset, we're on track to deliver more than 50,000 barrels per day of SA-SAGD production by 2030. With our significant acreage and Cold Lake as well as resource spanning both the Clearwater and Grand Rapids reservoir formations, we have a pipeline of SA-SAGD projects with development plans well into the 2050s. Cold Lake is a resilient strategic asset that requires transition to solvent step change technologies. With the history of innovation of Cold Lake, there's more to come as we continue to evaluate and develop this pipeline of SA-SAGD opportunities.

Syncrude. Our joint venture asset operated by Suncor, delivered a solid year in 2024 and we continue to see improvements driven by improved shareholder alignment. In 2024, our share of Syncrude production was 75,000 barrels per day aligned with full-year guidance. There was also an 8% improvement in unit cash costs versus that of 2023. Syncrude realized cost efficiencies of a $100 million Canadian and that's imperial share annually during the 2021 to 2024 timeframe. And there's projections for those cost efficiencies to grow to upwards of $200 million Canadian oil share per year by 2027. For Syncrude, there's also emphasis on sustaining volumes and lowering cost structure with a continued focus on mining performance and reliability. And there's near term investment in Mildred Lake Extension to maintain bitumen supply to the upgrader. For 2024, we're targeting 78,000 barrels per day, which is the midpoint of guidance. At Syncrude, we're building momentum following the operator transition. The must wins are to close the unit cost competitive gap and continue to leverage shareholder alignment.

We're excited with a portfolio of upstream, low cost, high value, and short payout opportunities and we're investing for value growth. Looking at the green wedges on the chart on average over the next five years, we will be spending approximately $400 million Canadian per year on the following key work efforts. Kearl secondary recovery optimization and further definition on beyond 300,000 barrels per day and Cold Lake continued transformation with Leming SAGD redevelopment, Mohican SA-SAGD, and the next set of Grand Rapids SA-SAGD paths. Overall upstream capital increases in the near term due to a bump in required sustaining capital and this capital really sets the foundation for decades of higher production at lower unit costs, including Kearl input tailings and mine progression, Syncrude Mildred Lake extension and Cold Lake, selected infill and high value drilling. With our sustaining capital, we're investing more to continue the value maximization journey at Kearl and Syncrude as well as to support the positive transformation at Cold Lake.

After '25 to 2026, we expect our total upstream capital moderate with sustaining capital also moderating back down to liberals similar to that as in 2024.

Our vision is long-term cash generation and profitability. Our upstream plans not only achieve this goal, but also drive us towards industry leading unit cash performance. Further, we have a pipeline of highly accretive growth opportunities for which I'll share more on the next slide. I'll draw attention to the chart on the left. Upstream delivered strong operating cash flow in 2024 around 4.7 billion. We've included a five-year average outlook for operating cash flows at $60, $76 and $100 per barrel WTI. And you'll see across this range of prices, our outlook is for robust cash flows. I'll also highlight that based on the same market conditions as in 2024 at U.S. 76 WTI, we would on average generate an additional 600 million of cash from operating activities per year. With our low breakevens and accretive projects, our upstream assets are highly resilient across all prices, price ranges, including low prices. In as financial section, Dan will cover more to our improved cash flows.

I've talked about existing assets, and I want to close by highlighting our significant and attractive portfolio of future growth opportunities. We are constructing the enhanced bitumen recovery technology pilot or EBRT. EBRT is a transformational technology that can unlock our portfolio of in situ resources to be even more globally competitive, more capitally efficient and highly resilient. EBRT is a short-term, small-scale pilot on Imperial's Aspen lease and in the Fort McMurray region of Alberta. We're anticipating startup of the pilot in 2027, and construction is well underway. We started drilling the single pad of three well pairs in March and anticipate pipelines to be complete in second quarter of this year. Module and central processing facility construction will progress through 2025. The pilot is a staged approach to de-risk the technology and this is a step we've taken with all our technologies.

There's three key items that we will look to validate during the pilot and that includes production uplift, overall operability and solvent recovery. EBRT is exciting as it will deliver higher volumes and does so using less steam. Looking at the left-hand production plot, we anticipate more than twice the volumes from an EBRT well versus that of SAGD. Not only are we anticipating higher volumes, but EBRT will also deliver more capital efficient, lower unit cost and GHG advantage barrels.

Imperial's prolific in situ portfolio of opportunities is a differentiator. You've heard us talk about EBRT at Aspen and that's the opportunity we've progressed the furthest. However, early work on Clark Creek and Corner has us equally excited. It's early days, but we believe that each of these assets has the potential to support up to 150,000 barrels per day of bitumen during their estimated 25 to 50-year operated life.

Greenfield development would be through a staged approach and think of the 2030s to 2040s. I'm looking forward to providing you with updates on this very exciting pilot project.

In conclusion, I'll reiterate a few messages. We have world class upstream assets in our portfolio, each with decades of life. Our strategy includes maximizing value by growing volumes, lowering unit cash costs, and applying advantage technologies. We see robust cash flow and resilience going forward. We're pursuing select capital efficient projects to deliver Kearl at 300,000 barrels per day and $18 per barrel unit cash costs and continuing to transform Cold Lake on the path to 165,000 barrels per day and $13 per barrel. Finally, we're progressing construction of the EBRT pilot with advantage production, stronger economics and lower GHG intensity, which can be applied to our significant portfolio of future in situ opportunities. Built on a foundation of continuous improvement, we have a strong strategy and high confidence roadmaps to continue to deliver. I couldn't be more excited about the future and what's next.

Thank you. And now I'll turn it on to Scott.

Scott Maloney: Alright, thank you Cheryl and good morning, everyone. My name is Scott Maloney, Downstream Vice President. As Brad mentioned earlier, I was managing our fuels business for

Imperial since 2023, and I've been with ExxonMobil and Imperial now for 23 years. Today I'll provide an overview of our Downstream and chemicals business, covering our strategy, structural advantages, our refining performance, an update on our renewable diesel project, capital plans and profitability. Before I jump into material, I'd like to draw your attention to the background picture on this slide that happens to be our Calgary fuels terminal, where last year we celebrated the opening of our renewable diesel offloading and blending capability, an exciting accomplishment for our midstream business, and just one of the examples of the ways we're growing our biofuels offer to customers and expanding our logistics capability.

All right, so I'll kick it off with an overview of the downstream and chemical strategy on this slide. First and foremost, we're focused on delivering industry leading performance and safety, reliability, and operations integrity across all of our sites. That will always be first thing we do. In the Downstream, we spend a lot of time talking about winning. What does that actually mean to our business? How do we win with ourselves? How do we win in the marketplace? And our relentless focus on continuous improvement enables us to maximize utilization at the lowest cost of supply.
And then we leverage our structural advantages to make sure we're getting value for that in the marketplace to maximize our profitability.

We continue to make selective investments to increase our competitiveness and logistics capability. We're utilizing digital solutions and technology to improve our efficiency and reduce costs, and we're leveraging our strong brands loyalty programs and heritage with Esso and Canada Hockey has enabled us to provide a desirable offer to our customers and consumers. And finally, I'll spend some time today talking about how we are poised to compete through the energy transition with projects like a renewable diesel unit startup.

The strength of our Downstream and chemicals business is underpinned by our structural advantages. We have several of those on our slide. Our integrated business model provides many benefits. The Upstream and Downstream integration provides a financial hedge against crude price volatility. We can run equity crudes from Cold Lake, Syncrude, and Kearl at all three of our refineries. As Strathcona, we can utilize our diluent production and blending capability to completely cover Cold Lake's diluent needs. That improves our natural hedge position against those prices, when that's the most valuable disposition for our products. We run our two Ontario refineries as an integrated site providing capital efficiencies and greater flexibility via the transfer of streams back and forth. The full integration of our Sarnia refinery and chemical plant provides a material feedstock advantage and cost efficiencies as well.

On proximity to crude and feedstocks, our assets are conveniently located in proximity to North America's least expensive crudes in Western Canada, and we can access those via pipeline to all three of our refineries. We're also right next to Canada's large and urban markets enabling high value sales to those markets. In fact, we can actually run 100% Western Canadian crudes through our refineries if that's the best disposition for us. It provides an advantage over those refineries further east; they can't access that crude via pipe like we can. Enabling access from our refineries to large urban markets is our coast-to-coast network of advantage logistics consisting of pipelines, rail, marine, and truck terminals to serve high value markets across Canada. On strong market position, I'm very proud to represent the number one Canadian retail market share in Canada with the Esso and Mobile brands making up more than 23% market share. We are partnered with PC Optimum Canada's most powerful loyalty program, and we offer high value products such as premium gasoline, advertised diesel and specialty polyethylene in our chemicals business to support this profitability.

All these advantages put us in a very good position to maximize earnings in the attractive Canadian market, which you'll see on the chart on the right. The bar charts show the advantage mathematically. What we've done is we've taken the average and we're comparing the Canadian crack, which we've modeled as a 50/50 mix of the Edmonton market and the Toronto market. And we've compared that against the U.S. crack, which we've represented as a 50/50 mix of New York Harbor and the Chicago markets.

And for both, we use the same crude price basis of a light conventional suite. And what you can see is that there's a structural advantage in Canada that has been with us for the past ten years and its material. Just like any market difference that will contain some volatility from day to day. But over the long term, we believe that structural advantage will remain, and we are well positioned to capture it being Canada's largest refiner with highly integrated assets, advantage logistics, and a strong market position. Moving to an update on Canadian demand, the chart on the right shows our Canadian fuel demand outlook to 2035. We're using ExxonMobil's Global outlook to underpin our view on this slide. As you can see in the chart, the ten-year total fuel demand outlook is actually fairly robust. You only see a modest decline of around 6% and what changes is the mix of fuels over the next ten years with growth in the biofuels shown in that green wedge and that's really what's growing. Starting with gasoline. Gasoline, when you look at the stats scan data for supply for 2024, the overall Canadian gasoline market is actually relatively balanced. And if you exclude the Atlantic supply, which volume actually typically goes to supply the Northeastern United States.

The overall picture is actually under supplied in gasoline in Canada. And Imperial is a significant gasoline supplier in those advantage markets. Looking out to 2035 finished gasoline demand is projected to moderate down with electric vehicle uptake, and we're positioned to grow market share in that scenario, given our advantaged assets, logistics, customer base and strong grants. When you look at distillate, both traditional and bio, the outlook is actually relatively stable. We only have it down 1% in this chart at 2035. The distillate fossil fuel layer declines slightly over time with the biolayer increasing steadily. And the jet area, today Canada is actually short jet, imports are required to meet demand on both the East Coast of Canada and the West Coast of Canada. We're a significant jet supplier nationwide and we also have a large market share at Canada's largest airport right here in Toronto Pearson. So, we're put in a pretty strong position in jet. Looking forward, we see total jet demand, including SAF as that comes on, eventually increasing with increased air travel. We actually have it up 4% in this timeframe in jet.

Overall, we see bio content, ethanol, biodiesel, renewable diesel, and SAF demand continuing to grow steadily over time. And that's really being driven by the carbon intensity standards and regulations at the Canadian federal level as well as the provincial level. With the investments we've made in the Strathcona renewable diesel facility and co-processing at our sites as well as the biofuel blending and distribution network we have, we are well positioned to capture growth in this market.

In summary, the demand outlook is fairly robust. Given Canada's vast geography though, maintaining market share requires efficient and cost-effective logistics, which is what we use to serve our customers. We can access these high value markets now and into the future as the markets evolve.

So here is a map of all of our assets, and as you can see on the slide, we have a robust network across Canada and cover the full value chain from our upstream assets to the downstream, our midstream logistics, our strong retail network. We can supply the country from coast to coast and have an efficient supply chain into the largest demand centers in Canada. And when we look at our business, we have two advantage manufacturing hubs, one in Western Canada and the other one in Eastern Canada.

In Western Canada, we're strategically located next to advantaged crudes and feedstocks, as I've mentioned before. Our new renewable diesel plant will be advantaged from a cost perspective embedded directly into our Strathcona refinery. Our plant is located where we have strong connections to the largest industrial demand centers for mining, rail. We have well-established pipeline and rail supply networks enabling efficient and effective supply to all these Western Canadian markets.

In Eastern Canada, our two refineries are optimized as a single complex with complimentary assets. They're configuration advantaged with the only coker in Eastern Canada and a chemical plant connected to our Sarnia refinery. We've efficient Western Canadian crude pipeline connectivity and as mentioned, we can actually run 100% Western Canadian crude through pipelines to our facilities in the East as well. These assets supply the largest demand hub in Canada and Toronto, and we are the lowest cost best connected supplier to the market. We have the most pipeline capacity in Toronto with a pipe directly from our Sarnia refinery into Toronto and another pipe directly from our Nanticoke refinery right into Toronto as well. And all that volume serves our customers in Toronto through our proprietary Finch terminal, which happens to be the largest proprietary throughput globally in the broader ExxonMobil network.

In addition to our refineries, we have some of the best midstream logistics in the industry. Our truck terminals are in high demand centers, in some markets, the only truck terminal available and we have flexible rail and truck loading facilities. Cost efficiency has really been a focus area for us in the midstream business and our internal analysis leveraging industry benchmarking data shows that we are an industry leader in cost performance in this space. We have done this by bringing maintenance work in-house. We've reduced costs by optimizing processes and implemented multiple reliability and utilization initiatives. Things like our load arm reliability, offloading capacity, and maximizing trucks getting through our terminals.

So, in summary, the vast network that you see on this page is the foundational element of how Imperial has had a resilient downstream business for many, many years. This network, along with our ability and knowledge of how to optimize it, is unparalleled in the business and underpins why we see a successful future in Canada.

Transitioning to our feed selection and manufacturing processes, the chart in the middle shows a breakdown of the crudes we run and the resulting product slates. For crude collection, we can actually choose from a wide variety of crudes that we run in our refineries. Really what we're trying to do is take advantage of not just the cheapest crude, but the crude that is best fit for the yield profile of the products we're trying to make.

And we choose those products based on the season we're producing, and the uplift of those products can generate in the marketplace, whether that's gas, diesel, or jet. You can see we've got crude flexibility in both lights and heavies with efficient pipeline connectivity at all sites. That gives us the ability to run the most effective option whenever we need it.

On the next bar you can see the breakdown of our production. The shaded areas are really meant to show you the flexibility we have in being able to choose different products coming out of the refinery. For example, you can see that that jet area for us is a flexible area and when we've seen demand drop off like we did in 2020, we were able to unmake all that jet we needed to and put those molecules into higher value diesel outlets and we didn't have quality giveaway when we did that, given the flexibility we have in our sites. We also have close to 30 KBD of gasoline and diesel flexibility, which gives us the ability to maximize uplift based on market conditions. Finally, on the chemicals bar on the right, our chemicals facility based in Sarnia produces polyethylene for methylene, which is a profitable product for us in the chemicals part of the business. We also produce solvents and intermediates for alcohols and plasticizers there. What we've shown here are the feedstocks we use to make these products.

The bottom part of the stack bar represents a unique advantage that no one else possesses in Canada and that we've linked the refinery with a chemical plant. We seek to get maximum advantage by having these two businesses work together. The refinery streams, including the off gases that come from a refinery, make up more than 50% of all the feed for our chemical plant. That provides us with a significant advantage versus buying these feedstocks from third parties.

In addition, we've been able to combine a lot of other services to run the refinery and the chemical -- the management teams are combined, the maintenance services are combined, and the support services all work as one, reducing the overall operating costs. This enables an advantage setup versus a standalone chemical plant competitor. Fundamentally, we've got a low-cost reliable chemicals business that continues to benefit from structural advantages such as our integration with our Sarnia refinery, access to those low-cost feedstocks, proximity to our customer base and high value products.

Moving on to refining performance, the chart on the top right shows a refinery throughput and utilization. We continuously work to improve to get the most out of our assets. And that light blue line at the top of the chart shows our utilization percentage, which has continued to ramp-up achieving 92% in 2024, that's 9% higher than it was in 2019. Not only have we improved our utilization, but we've also increased our crude throughput capacity during this time by 11 KBD in 2019 to 434,000 barrels today. When we set new records, we go back and reevaluate how big our facilities are, and we've updated the nameplate capacities accordingly to keep pushing us year after year. We've done this by debottlenecking our asphalt unit at our Strathcona refinery and expanding our crude processing limits on various units across all of our sites.

The chart on the bottom right shows our Solomon benchmarking performance. The latest Solomon study included 90% of total North American refining capacity and 85% of total Canadian refining capacity, which is shown by the gray circles, once we've excluded our own refineries. As the chart shows, we are very proud of our efforts and we're a leader across not just Canada but North America, including the largest refineries in the North Americas, in the Gulf Coast area. I'll share a few comments on the turnaround performance metric in particular as that is one area where we spent quite a bit of time in the last several years. We're really happy to make it to that quarter, first quartile results and turnaround performance. It's been a journey that we've had over the last several years to get there and we've continued that journey as well. In 2024, we executed all our turnarounds ahead of schedule and below budget.

To achieve this, we really leverage technology. We use 3D scanning tools and digital reality to build engineering work practices. We use 3D unit models for virtual assembly of key components to enable right the first-time installation. This reduced the probability of delays and additional costs.

Turnaround performance is also an area where one of our greatest strengths comes through. The huge amount of support we get, both technical and operational from ExxonMobil. Being a global leader in refining, we have the benefit of utilizing their best practices, including sharing their expertise to efficiently conduct our large turnarounds. And that's exactly what we did last year at our sites in Nanticoke and Strathcona. Looking to 2025 and beyond, we remained focused on operational excellence, turnaround execution and cost leadership in this space and of course maintaining those first quartile results.

Alright, now moving on to the marketing portion of our business. One of my favorites actually is I spent quite a bit of my career in and around this part of the business and it's a great place to be with Imperial and Canada. We have globally recognized brands with recognize brands, with Esso and Mobile known for quality, convenience, and a customer centric approach. We have the number one Canadian retail market share, as I've mentioned previously. Our branded wholesaler method of business under retail allows us to work with some of Canada's best retailers that have the expertise in this space and it's a capital efficient model for us. We work with them to provide strong brands, a loyalty program, credit card offers and advertising and promotional campaigns to bring more consumers into the sites. And it's working. We have grown our site count by 35% since 2016 to 2,600 sites today. One particular area of value that we provide is related to that loyalty partnership with Loblaw. We have partnered with them for a very strategic reason. Their PC optimum loyalty program is Canada's most powerful. PC Optimum has over 18 million members and is used by over 70% of Canadian households. That's about half of Canada's overall population. And as you can see from the great picture on this slide, that's a shot of a local community ice rink branded with the Esso logo. And if you actually look closely enough, you might recognize a few faces in that picture. And if you want to win bonus points, you might notice that that's actually outside of Edmonton's ice rink. Sure to get a lot of views over the next few weeks as the playoffs take a hold here in Canada. Essos heritage with Canada Hockey creates a meaningful linkage with consumers as they choose where to fill up every day.

Spending a minute on lubricants on this slide. Mobil 1 recently reached a major milestone in 2024, 50 years of excellence celebrating Mobil 1 as the number one synthetic in the world. That's five decades of powering performance, supporting racing, and building a community for our shared love of cars. Not to be outdone by Mobile 1, Mobile Delvac for truck eEngines is celebrating its 100th anniversary this year. Leveraging these powerful brands in the strong national distributor network with Mobil field technical support and expertise allows us to win in the Canadian lubricant market. And finally, on asphalt, we take advantage of the fact that our equity crude produced at Cold Lake can be run at our sites in both Eastern and Western Canada in an efficient way. And we produce asphalt at both our Strathcona refinery and our Nanticoke refinery. And what that does is it provides options for our customers to minimize their logistics costs where they source their asphalt needs. In summary, our strong brands, product offer and marketing programs enables our customer success in the marketplace.

Alright, next I want to talk about our Strathcona Renewable Diesel project. Something I know many of you have questions about, really exciting times up at Edmonton and actually just this week John and I were up at Strathcona checking on the progress of this facility, really getting close up there. So really exciting. On the left side of this slide, you'll see a picture of the renewable diesel facility that was actually taken in January of this year. Since then, construction has continued to progress with mechanical completion wrapping up shortly, at which point we'll begin project commissioning and startup activities with first production expected mid-year of this summer. This facility has several key advantages that sets us apart. First, it's a totally new unit with new tanks that you can see in the picture, feedstock tanks, the finished product tanks are the ones painted green, but the advantages, it is fully integrated within Strathcona's refinery and their infrastructure and utilities. It's also fully embedded within our business teams, our maintenance programs, our processes and procedures utilizing the same planning, optimization and logistics tools. Second, we have large scale with the largest capacity renewable diesel production in Canada. Third, the facility is closely located next to the farms and crush plants that grow and export canola oil today.

The feedstock we use will be pulled from this export layer and our proximity provides cost and logistics advantages versus other feedstocks.

Another differentiator we have is the proprietary catalyst technology. We will use ExxonMobil catalyst to dewax this material. Dewaxing breaks up the wax molecules that are inherently found in vegetable oils and allows the finished product to work at very cold temperatures where they would otherwise start to create cloud point issues and gelling. This allows us to use our product in year-round use, which is unlike most of the imported RD today, which is actually only blended in the warm summer months. Finally, the facility has enhanced rail logistics, which allows for efficient receipt of feedstocks and movement to the market. We increased our railroading capacity at Strathcona to 150 rail cars a day in anticipation of this project. All these advantages combined to make the project structurally advantaged and well positioned for the future and evolving fuel landscape.

One more slide on this project. Building on the advantages of the project are strong underlying market fundamentals. There is increasing demand for renewable diesel in Canada above current production capacity driven by layered provincial and federal regulations, increasing demand from customers to meet their emissions reduction goals. The map illustrates the physical flow of canola seed, oil and renewable diesel. Today canola is grown by Canadian farmers and sent to Canadian crush plants to make oil and meal. The length is exported shown by the yellow arrow commonly to the United States.

The feedstock we run will be pulled from that export layer at export parody pricing. Renewable diesel imported to Canada today is typically manufactured in the Gulf Coast and commonly sent via Marine up to the Vancouver area as indicated by the large blue bar on the left-hand side of the slide. The project economics were built simply on strong make versus buy economics. Commonly in the chart on the bottom right shows our buildup of that margin. Our cost of production is the feedstock cost plus the operating costs. The yellow bar on the left shows our feedstock cost, which is typically built up of the price of canola oil. And that's based on a Chicago soybean oil futures market. Adjusted for quality to get from soybean to canola oil, plus a freight cost to deliver it into Strathcona. The cost to import shown by the blue bar is the alternative sale price of renewable diesel from the Gulf Coast plus freight to Canada. That price is typically built up by taking a diesel market marker such as NYMEX heating oil or U.S. Gulf Coast quote. And adding the value of compliance in this case D4 RINs or California's low carbon fuel standard as California is typically the alternate disposition for a lot of its renewable diesel that's produced. You then add the freight to get it to Canada and to get the imported value of RD. Our margin is simply the difference between the cost of production and the value of RD. We have modeled numerous scenarios and when taking into account the advantages I explained on the prior slide, we are confident our renewable diesel project will provide strong double digit returns with the potential to grow as the market evolves. As we have mentioned in prior reviews, we're finalizing readiness across our operations as well as feedstock and hydrogen supply.

We are confident we have everything in place to start up mid-year and ramp up production over time considering supplier capabilities and demands from our customers. In summary, we can produce our own renewable diesel for cheaper than we can import it. Given our structural advantages, we see this project delivering strong returns across a wide range of scenarios and positive cash flow the day we start up.

On this slide, I'll cover our capital portfolio out to 2029. Our average total capital spend in the downstream from 2020 to '09 is about $400 million with growth making up about 30% shown in green and the remainder sustaining capital. The green hash section shows the increase in capital spend for Strathcona's renewable diesel facility and you can see that from '22 to '25 when we start up. The rest of the green growth bar consists of smaller projects focused on high return investments and logistics and feed stock optionality, similar to the projects I mentioned to you earlier today. The other bucket is sustaining capital shown in blue, which consists of projects to sustain our operations and position us to meet upcoming emissions regulations. In summary on this slide, we maintain a disciplined approach to capital. Our downstream business is structurally low capital business focused on selective high return projects to maintain and grow our competitive advantage.

Alright, so moving on to profitability. On the left you'll see our annual net income back to 2019. What's interesting about this time period is that you get a view of our profitability at the bottom, mid and top of cycle. And clearly you can see that the resilience of our business as we are profitable throughout.

Going back to 2020, we're actually quite proud of those results. It's a period where a lot of our competitors in the downstream were negative on net income. It's another example of our flexibility and cost competitiveness allowed us to adjust to market demands and shows the true resilience of our business. Our strategic assets, utilization focus, and reliability allowed us to take advantage of a higher margin environment in '22 and '23 to generate those exceptional earnings results. In 2024 was another great year for us, delivering net income of $1.7 billion. The margin environment in 2024 was actually about the same as it was in 2019. And when you compare our earnings in 2019 versus 2024, the increase is reflective of our continuous improvement on cost management and refinery and midstream logistics asset utilization to generate an improved return built on a structurally improved business that will take with us out into the future.

Alright, in summary, the resilience of our downstream and chemicals business is underpinned by our structural advantages. In fact, we've delivered positive annual earnings in the downstream for the past 35 years. I won't cover every bullet, but I want to leave you with a few of our key advantages.

Our highly integrated assets span the entire value chain from our upstream assets to our downstream and chemicals businesses, to our midstream organization, retail sites, and sales and marketing teams. We have an efficient coast to coast logistics network that supplies the highest demand centers in Canada. And we have strong brands and loyalty programs where we leverage our number one brands to win in the marketplace. So, with that said, I want to thank you for your time today and actually right now we're going to transition into, about a ten-minute break. So, we'll take a break now and reconvene right after that. Thank you.

Dan Lyons: Hey, good morning, everybody. welcome back from the break. I hope, you all got a chance to see Spot out there over the break and I asked the guys to program him to bite any equity analyst who had a sell on us. I hope that programming worked out well and there wasn't any, you know, biting the wrong people. Anyway, we can go to the next slide Ian. Before jumping into maybe more of my normal presentation, I thought I'd talk a little bit about the current business environment and you know, how I think we're really well positioned to do well. You know, it's been a little bit now, but the TMX startup has really been a big structural shift for the industry. And for us, we've seen tighter and less volatile heavy differentials. And we've also seen, you know, for us what matters is kind of the heavy light spread.

The difference between WCS and MSW because we primarily sell heavies and buy lights, so we like wide lights and narrow heavies, right? So as that spread between the two comes in, that's really beneficial for us. And what's happened with TMX is the heavy spread has come down, the light spread has kind of stayed more or less the same. And, over the last number of years that heavy light spread, WCS, -MSW has been ten, 20 bucks, you know, close average and probably close to 15, and now it's under ten right now. It was like seven for the May trade cycle, a bit over seven. So that narrowing is really drops right to the bottom line for us. That's quite advantageous for us in this current environment.

Tariff risks have been in the news quite a bit, maybe a little less the last few days. You know, we haven't been directly impacted on the things we make, but as some of the equity research has put out, you know, we're quite -- we have a natural hedge with our upstream in our downstream. Again, if the heavies widen out, the lights will widen out then and we'll basically offset. So, we're well positioned for that particular risk.

Forex has been fairly supportive for us. It's got, you know, Canadian dollar strengthened a bit recently, but still relatively supportive environment for us. And I think as we'll talk about in a minute, we're quite resilient to volatile commodity prices. We have a low break even and we have an industry leading balance sheet.

So with that, let me move to kind of a longer-term look and in this slide, you know, I've used a similar slide in the past really as an attempt to kind of list some of the key attributes that support and underlie our strong financial performance over the last number of years and should allow us to continue that strong financial performance going forward. You look on the pie chart there in the upper left, you can see we're quite integrated and balanced between upstream and downstream, and that gives us a lot of resilience as I just talked about. And each of the elements, each of our sub-segments of the business, is advantaged in and of itself beyond just the integration. In the upstream, you've heard from Cheryl about all the low-cost growth we've had and our plan to continue to have high return, low capital projects that are really resilient across a range of prices. We have, you know, long life load decline assets in the upstream that'll literally be reproducing at high volumes, you know, decades from now.

In the downstream as Scott talked about, advantage margins and logistics and the chemical side. You know, Scott talked about our integration at that Sarnia site, our low-cost feed and the lower operating expenses we get in our chemical business. Brad talked a bit at the beginning about low carbon solutions. It's a nascent area for us, but we have strong competitive advantages in technology, project execution as well as integration. And we have a pragmatic, a thoughtful approach to that business, but we have some real advantages that could lead to some strong returns, if the right projects come along. And of course, we have a relationship with ExxonMobil, which allows us to benefit from their technology knowhow, their global scale and expertise that benefit us across all of those segments. And, you know, going to the lower right part of the chart we're built for the cycle. We start with disciplined investment. Our investments are, you know, high return and they're resilient to low price environments. We have an industry leading balance sheet, a little graphic there on the lower left shows that we have the best balance sheet in the industry. I'll talk a little more about our low corporate break even. So, we really are resilient on the downside, but we also have unhedged production and benefit tremendously when prices are higher, particularly, you know, with the Alberta loyalty scheme, we really have significant upside at those periods when all prices are high.

And as Scott talked about, we have flexible refining both in our crude slates and our product slates to adjust to market conditions. So, the tagline is up there on the top left, we really do have a resilient business model with upside leverage.

Next, I will, go through our capital allocation priorities. And it's really, these have not changed. It's the reiteration of what we've been saying for a long time. Quite consistent with prior presentations and all the meetings we've had over time. Our capital allocation starts with a reliable and growing dividend. As Brad noted earlier, we've had 30 years of consecutive increases. And you can look at our compound annual growth rates in that chart on the upper left, both five and ten-year. We are significantly ahead of our competition. You know, after our reliable and growing given income sustaining capital, we have relatively low requirements. And we'll talk a little bit more about that. And then next of course, in line in our capital allocation is high return, capital efficient projects, investments in our core assets. And then, you know, my favorite part is returning surplus cash to shareholders. You can see on the graphic on the left there, since 2018, we've reduced our share count through buybacks about 40%.

Now, I took over this position at Imperial in 2018. Cause and effect, I'll let you make your own judgements there. But, clearly a focus for us. Generate the cash and put it back to the shareholders. And of course, when you look, you know, potential M&A and things like that, we certainly have the optionality and the financial strength to invest in any highly attractive opportunity that's out there. But as -- and again, same messages before, no change. We have a high bar for M&A. It has to be in our wheelhouse. We have to bring competitive advantages. It has to be accretive; it has to compete with our internal opportunities as well.

So, if we go to the next slide, just talking a little bit more about shareholder returns, because it's a lot of fun. We returned over 20 billion since 2020. And getting back to when people arrived, that's when Brad showed up. So again, maybe there's a correlation there. You can see on the chart there, on the upper left, the annual distributions buybacks and dividends. And, if you look at the lower left, you can see relative to our peers, when you look at operating cash flow, we return a higher percentage than industry by really a strong margin. We've paid of that 20 billion, about four billion in dividends. You know, where the dividend in the first quarter of '20, was 22 cents. In the first quarter of '25, it was 72 cents. So that's, you know, over triple. So, a growth rate of, 227% in the dividend over this period, we bought over $15 billion in shares, you know, annual NCIBs typically, we're set to renew.

We plan to renew our NCIB this year in late June, as soon as we can, as usual. And of course, once we've exhausted our NCIBs, if we have additional surplus cash, we've done SIBs, a number of them over the last few years. And the last point on this chart, just to brag a bit, we won -- we are a recipient of 2024 of the TSX top 30, recognition based on outstanding share performance over the prior three years. So, we're very proud of that.

If we go to the next page, just a little -- I won't talk a lot about cash operating costs because you've heard the story from Cheryl and Scott in some detail. You can see on the left the plot of the cash operating cost by year for the last three years. If you, you know, going through the points on the right, you know, Scott talked about all the Solomon data and how we're leading our peers and the things listed there, process utilization, energy efficiency, et cetera. And we're continuing, you know, we're not stopping there. It's continuous improvement, you've heard throughout the presentation. We continue to not only improve those metrics but hopefully continue even to improve our competitive position further.

In the upstream, you know, we've grown volume each of the last, three years, especially if you exclude the XTO divestment and our cash operating expenses in the upstream have come down each year. So that does wonders for unit cash cost. And, as has been mentioned, we retrieved the milestone of $20 per barrel U.S. at Kearl that we've been working toward for quite a while.

And looking forward, we're certainly continuing to pursue further structural expense reductions. You've heard a lot about turnaround optimization in the upstream, the downstream, digital initiatives and all of the work at Kearl and the Cold Lake transformation and the new unit cash cost targets that we put out for Kearl and Cold Lake.

Now talking about capital expenditures. Again, you've seen these numbers earlier on for the upstream and the downstream. So, I'll just talk in summary. Our sustaining capital over the next five years will average about $1.4 billion. And you see the temporary increases in '25 and '26, largely driven, as was talked about earlier by Kearl and Syncrude mine progression, but you look out to '27, '28, '29, we moderate significantly and are back in that $5 per barrel, you know, sustaining capital for the upstream that we've been in historically. Looking at growth capital about 500 million a year over the next five years. And we've talked about those projects, Kearl secondary recovery, Leming SAGD, the SA-SAGD projects at Grand Rapids in Mahihkan as well in the downstream smaller numbers focused on logistics and feedstock optionality.

Now, if you go to the next page, it kind of brings it all together. I think the chart speaks for itself, but I'll talk about it anyway. And you can see we put the, you know, you can see the cash, the free cash flow at various U.S. dollar WTI prices, and using sort of, you know, trend line, you know, downstream chemical margins as well in there. And you can see our ability to generate cash at a wide range of prices, free cash flow. And you can see further that it continues to improve. We've talked about that. You see those red diamonds that was from our last investor day.

So, you know, all the volume growth, the unit cash cost reductions, all allow our business to generate higher levels of cash flow at any given price environment. And if you look at the break-evens on the right there, cash flow from ops, U.S. dollar WTI break-even of under $25. And when you look at sustaining capital and dividend included, it's under $35. And that's despite, you know, pretty substantial dividend growth over the last number of years. And of course, you know, our work, again, on the volumes on the unit OpEx have really helped that. And when it comes to the sustaining capital and dividend break-even, obviously our share buybacks are very supportive, you know, lowering the absolute amount of the dividend by taking out shares. So, in summary, you know, we have a robust free cash flow outlook across a range of, you know, market scenarios and as we talked about with the capital allocation priorities, and I think we've demonstrated over time, we intend to return that free cash flow to shareholders as we generate it. Next chart is just the recap of our corporate guidance. It hasn't changed. So, I won't go through that. And now I'll turn it back to Brad. Thank you.

Brad Corson: All right, thanks Dan. And, you know, I'm going to make a few closing remarks, but I want to quickly get the podium in John's hands because I think you're anxious to hear some of his remarks and thoughts as he steps into the Chairman and CEO role very quickly. But I'd like to spend just a few minutes reflecting on the past five years and with my time as Imperial's Chairman, President, and CEO. And, you know, first reflection is, wow, it's hard to believe it's been five years now. The time has gone quite fast. It's been extremely satisfying for me to see the journey that the company has taken and what we've been able to achieve as an organization. So, I'm hugely proud of that. It's just been an immense privilege for me to lead this company. I would say through one of the most pivotal times in our 145-year history. Financially we experienced, I experienced first-hand the worst year in the company's history during COVID.

But then as a demonstration of our resilience, our strength, our capabilities, we turned that around and have continued to set records and we immediately rebounded from the worst year and have delivered the best years in the company's history. And that's what makes me extremely proud.

You know, it wasn't long after I arrived and literally just weeks into my new role that we faced the challenge of the pandemic. You know, I vividly remember in those early days running the company from my dining room table, because we had significant restrictions within the Alberta province about, you know, returning to work and things like that. And as two of our directors know quite well, you know, we had multiple board meetings virtually, and, you know, we even did our investor days virtually. So, it was a difficult time, you know, for me, for the management team, for the company. But you know, through that adversity, I believe Imperial strength and advantages became even more evident. And we demonstrated our company's resilience and ability to quickly recover.

And so, while there was a lot of darkness around us, our company and the people shined bright throughout that period. And since then, we've consistently delivered strong operating performance across our integrated business model. And I believe that has also differentiated Imperial over this timeframe. The investments we've made to grow our volumes and lower unit costs have structurally improved our cash flow generating capability and supported significant shareholder returns, as Dan has just described. And then beyond the numbers, we've worked hard to strengthen and nurture relationships with a broad range of stakeholders. And that's something I'm particularly proud of.

A key example of that would be the Pathways Alliance. And while that work is not done, I'm very proud of the collaboration with our industry partners on such an important long-term objective for our company and for our industry, and really for Canada.

And lastly, throughout my time at Imperial, I've been super impressed by the people, the depth of our organization. And I hope you can readily see today the strength of our management team as well. And the seamless transitions we have implemented as our team evolves from Simon to Cheryl in the Upstream, and now Sherri to Scott in the Downstream. And of course, from me to John as currently President and soon will be Chairman and CEO of this great company. And equally important are the more than 5,000 employees working hard every day to make this company a success. All that together just gives me great pride. And so, I'm very honored to have led Imperial over the past five years, and I'm equally confident in the team that will lead the company into the future. And a special thanks to all of you in the room on the webcast, our key shareholders, our covering analysts, for all the support you've given me, the trust you've given me, and the confidence you continue to demonstrate and show in the future of Imperial. Thank you. Thank you from the bottom of my heart. I really appreciate it. And so now without further ado, I'd like to pass things over to John Whelan.

John Whelan: Well, thank you Brad, and good morning, everybody. It was great this morning to reconnect with many of you again and meet some of you for the first time. And I really look forward to working with you as we move forward. Let me start by saying that I am truly humbled and excited, to return to Imperial in this new role. As a Canadian, to have the opportunity to lead this company, a company with such a long, proud Canadian history, a company that's truly part of the fabric of our nation. It's an absolute honor. I also recognize I have some really big shoes to fill. As Brad mentioned, we have known each other for over 20 years, and I know he's a great leader and a great person. And I know you all have seen that. Imperial's performance under Brad's, leadership has been outstanding, and he has left the strong foundation for continued outstanding performance as we go forward. For those of you who may not know me or my background, I grew up in St. John's, Newfoundland and Labrador, and I started my career in Drayton Valley, Alberta with Mobil Oil Canada almost 36 years ago.

Since then, my experiences have included a very broad range of technical project operations, commercial planning, managerial type positions across Canada, the United States, and in Norway. And as some of you know, I previously stood on this stage or one very close by and presented our 2018 and 2019 Investor Day updates for the Upstream when I was the Senior Vice President for the Upstream between 2017 and 2019. And through that period, we also went through a period of record growth, including, the increased production and reliability at Kearl, which set the stage for further record performance improvements that you heard about today. In our November 2019 Investor Day, I shared the Kearl 280 KBD $20 a barrel vision, leveraging supplemental crushers plant and mine improvements, autonomous haul trucks and digital. And to see that plan being delivered and now forming the foundation for further growth going forward, makes me extremely proud. And it is a testament to the people of -- and the Imperial team. And it's -- that speaks to our focus and our commitment of delivering on commitments. When we get here and we share with you what we're going to do, you can count on us. We will deliver what we share and make sure we deliver and bring true our commitments. And that is something that I will continue to focus on as we move forward.

So, while my experience at Imperial at that time was focused on the Upstream, as part of the management committee, I had the opportunity to contribute to the strategic direction of the company, and including, you know, downstream and chemicals. And in 2017, I led Imperial's strategy development, which we shared in our 2018 Investor Day. So, through those experiences that provided me with an in-depth understanding, you know, of our unique advantages and the assets across our integrated value chain, that we continue to leverage and maximize the value from today and we will be going forward. So, I'm now returning to Imperial. I was outside of Imperial for five years back with ExxonMobil. I was in the ExxonMobil Upstream Organization as a Senior Vice President for Conventional and Heavy Oil. And in that role, I led business units in the U.S., in Europe, in Africa, Russia, and in the Caspian Middle East and Asia Pacific regions. And also very proudly, my portfolio included Canada.

So, I've remained extremely close to this team over the last five years, and it is a great honor to come back and be part of the Imperial organization directly as we move forward. I am super excited about the opportunities we have in front of us. I know firsthand the talent and the dedication of the Imperial team, and I know the high-quality assets that we will continue to build on to ensure the company's success in the future. Referring to what's on the screen, this is really a kind of a summary of the compelling story for Imperial and why we have confidence in the future of this organization, this company. And it starts with our assets, high quality, long life, low decline upstream assets, which continue to improve through our optimization efforts, including growing volumes and lowering unit cash costs. We have our downstream, advantage downstream and chemicals assets where we maximize value through integration, logistics and our strong brands. And in an environment of uncertainty we have, and we will continue to identify and execute low cost, high return growth opportunities that support a robust business model well into the future. Our drive to increase shareholder value is underpinned by an industry leading balance sheet, disciplined financial management, and an enviable long-term shareholder return policy.

And with that context, we're taking a pragmatic value-driven focus on sustainability, underpinned by technology and innovation, assessment of low carbon solutions and collaboration with industry and governments. And most important, as Brad highlighted, very nicely, we have the best team in the business. World class capabilities built over generations, developed through cross-functional experiences and the added benefit that our people get from global exposure through the ExxonMobil relationship. So, building on our strong past and all of these elements that I've just spoke about, we have confidence, and we will ensure a bright future for this company. Again, you can count on us. If I jump now to, you know, kind of come towards the end of our formal remarks today and a return to our strategy to win, Brad spoke about this page earlier, but I wanted to bring it back to highlight my alignment with his comments and our strategic approach to winning. Of course, we all developed what you heard today as a team, so I've been involved in that, but I wanted to reemphasize that. For us, winning means responsibly delivering leading cash flow growth and unmatched industry leading total shareholder returns. And I thought I would share with you not to reiterate what's on this page, but share with you how I think about winning and you'll see that it's very aligned with what you heard today. And for me, winning starts with taking full advantage of our unique competitive advantages, advantages others do not have. And it starts with technology where we have a long-standing commitment to research and developing innovative game changing technologies. And then scale. Leveraging the size and breadth of our organization with the application of consistent approaches to accelerate effectiveness, efficiency, and innovation. Integration, capturing the synergies across our business lines and our value chains to improve margins and reduce costs.

And you heard a lot about that today. And then there's execution excellence. Consistent focus on doing the right things, the right way to the highest standards, and delivering industry leading safety, integrity, reliability, and project development. Last but not least, again, people. I mentioned this already. We have the best people, the best team in the business, world-class capabilities developed over challenging cross-functional experiences to deliver industry leading results. Nothing good -- look, nothing good happens in our company without our people. And amazing things happen because of our people. And then leveraging those five competitive advantages and our relationship with ExxonMobil allows us to significantly enhance all of those advantages. For example, we have full access to ExxonMobil's suite of technology. We have access to their execution processes and practices. And you can imagine the scale benefit it gets us to be part -- to have that connection with ExxonMobil. So that relationship brings these competitive advantages to another level for us. Nobody has the advantages we have. So, building on those advantages, then we'll continue to focus on five strategic priorities. The first is leading performance.

Being the industry leader in operating and financial performance. Next is being the essential partner, driving win-win solutions with customers, partners, and stakeholders like our indigenous communities. Driving advantage portfolio, having assets and products that outperform competition and grow value in a lower emissions future. Innovative solutions comes back to technology again, developing, applying new technologies, products and approaches, and then providing meaningful development for our organization. Having a diverse, engaged, empowered organization with unrivaled opportunities for personal and professional development. Those are our five strategic priorities. So, with these competitive advantages as our foundation, the strategic priorities to guide us as we go forward, I want to emphasize, we will continue and remain laser-like focused on maximizing the value of our base assets and being the most responsible operator with a laser-like focus again on safety, operations integrity, environment, reliability, and cost structure. And all of this is what will ensure we responsibly deliver leading cash flow growth and unmatched industry leading total shareholder return. Now, of course, the key to all that will be consistent and strong leadership. As Brad has done over the last five years. I am committed to making shareholders, stakeholders, and our employees proud. And I'm going to do that by focusing on five things. First, it's setting high standards in the organization. Creating clarity, we live in a complex world and a complex business, but creating clarity of what our mission is, inspiring and motivating our organization, promoting innovation and competing to win each and every day.

So, I hope this gives you a sense how I think about the business and winning. It's leveraging our competitive advantages, our strategic priorities to guide us and help us prioritize our resources and leadership, strong, consistent leadership to unlock the full potential and deliver even more than we think is possible. And as Brad mentioned, we have the best leadership team in the business. You saw them all today, you know them and is very clear their capabilities. All of that on the foundation of a proud industry leading team, and a focus on being the most responsible operator. And this page, I haven't spoken to the individual bullets, but this takes that philosophy, that thinking about the business and applies it to the opportunities and gets specific about our strategy to win as we go forward. So, with that, on behalf of Imperial Oil, myself, our management team, I'd like to express our sincere thanks for your ongoing interest in and your support of Imperial Oil. Thank you for joining us today. I look forward to working with you all, and I'm going to hand the floor back to Peter, as we go into our Q&A session. Thank you.

Peter Shaw: Thank you, Brad and John. so, we'll now start the Q&A session. Jason has the microphone, so if you want to flag him down to ask your question, we would ask that you wait to get the microphone so that everybody on the webcast can hear the question. We'd ask you to introduce yourself and if you could please limit your questions to one question plus a follow up so that we can get to as many as possible in the time remaining. Once we conclude the Q&A, as a reminder, we do have the lunch, which is another good opportunity to continue to interact with our management committee and ask further questions and continue the dialogue. So, thank you very much, and Jason, kick us off.

Manav Gupta: Morning. Manav Gupta, UBS. Thank you for the detailed presentation. We are in a very strange environment of macroeconomic uncertainty, and you did talk about your resilience. Can you, give us more details of how you plan to handle the macroeconomic uncertainty, whether it's our integrated business model or how you can work around some of these tariffs to better navigate these challenging times?

Brad Corson: Yeah, Manav, thanks for the question and I'll lead off, but I'd encourage any of the management team to jump in. And I think, you know, to navigate this uncertainty, it starts with having a strategy that is resilient over a wide range of scenarios, including the scenario we're in today. And as you heard, over the last several years, we put special focus on improving our cost structure and by lowering our cost structure, by lowering our break-even and now we have a break-even that, including sustaining capital. And the dividend is less than $35 a barrel. That puts us in a very strong financial position to weather the volatility that we experience today.

And I reflect back on, you know, where we were with COVID. And at that point in time, you know, we approached it with a similar philosophy, but in addition to what I just talked about, we also had, and we do have today, a very strong balance sheet. You know, we had significant cash on hand, we were very disciplined with how we used our cash, and that allowed us to avoid some of the short-term, reactive decisions that many of our competitors needed to make to survive. You know, many of our competitors, they had to cut or suspend their dividend, they had to take on additional cash, they had to take on additional debt. And even today they're still recovering from those decisions. We were in a better position, and as you know, we did not take on additional debt. We did not cut our dividend, and we stayed the course, but being very disciplined about cost and that discipline has continued even in much more favorable environments that we've experienced the last several years. And that now positions us even better today than where we were back in 2020. And so, it's really those foundational elements that are going to guide us through this uncertainty but fundamentally stay the course.

Manav Gupta: A quick follow-up Brad, we have seen very strong operational performance at both Kearl and now Cold Lake. One area where Imperial has not exercised its strong balance sheet is opportunistically doing bolt-on. So, I'm just trying to understand, if the right opportunity presents itself and it meets your high threshold bar, would the company be open to small bolt-on deals? Thank you.

Brad Corson: Yeah, thanks for that question. And you know, I've talked about M&A in the past, and I reflect back five years ago, coming from my prior ExxonMobil role, which was very much focused on M&A, and that created this expectation day one that we were going to do a bunch of M&A. But as you've seen over the last five years, we have not, that doesn't mean we haven't looked at things. We continue to have the aperture open, we continue to evaluate opportunities, but the bar is very high for us to take on some new acquisition, because as you've just heard today, we have significant opportunities within our existing base assets, you know, like Kearl, like Cold Lake. We're going to continue to grow those volumes in a very, very profitable way. And then you heard about what we're doing at Aspen, which for me, Aspen is the benchmark for any M&A opportunity because we have this great growth opportunity in the portfolio today, and we're obviously on a course to develop it. So, you know, anything else we would want to bring into the portfolio is going to have to compete against Aspen, compete for capital. And as we've looked at things in the past, we haven't seen anything that has met that benchmark. But that doesn't mean we're not looking, and we'll continue to look, but the bar is high.

Gregory Pardy: Yeah, thanks Brad. Greg Pardy from RBC. That's actually a great segue because if I look at, you know, the slides, obviously there's one slide on Syncrude, and I guess I have, you know, two questions. Number one is, what strategic role, you know, does a 25% interest in Syncrude play within the portfolio, either from a reserve standpoint or product diversification standpoint? And then secondly is what's needed to really crack the nut? Maybe a question for Cheryl, but what's needed to really crack the nut in terms of operating costs, you know, increased profitability and so on. Thanks very much.

Brad Corson: Yeah, thanks Greg. And may maybe we'll just start with Cheryl to talk about Syncrude, you know, kind of strategically how does it fit? What value do we see from Syncrude? And then, you know, what opportunity do we see to enhance that value?

Cheryl Gomez-Smith: Sure. And maybe I'll start with talking about Syncrude. And if you think about Syncrude and just the age of a mine as a mine progresses and as it matures, there's obviously cost headwinds. And so, the opportunity when I think about that for Syncrude is how to offset those headwinds and leverage the scale that exists. And you heard me mention some of the things that I talked about, which are digital, which is productivity, which is maintenance and reliability and so forth. All of that is what -- and the focus is really on structural cost reduction. So that's the way that we look at what Syncrude is doing to be cost competitive, it's going to be on those structural cost reductions. And I think that's where having the partners and a reminder that there's four of us with Syncrude and leveraging on our expertise and bringing that to bear in terms of influencing the operator and so forth. You know, the other part I'll say from just a strategic part, we do learn from each other in that space. And so, I think that is from some cross-functional sharing and improving both from the Kearl standpoint as well as from Syncrude, and those are some opportunities.

Brad Corson: Anything else, John, you want to add?

John Whelan: No, I think Cheryl said it well. I mean, I do believe, you know, we have seen some improved performance with the operator, but I think ourselves together with the other, you know, we're used to working in environments like this where we're not the operator, but we have an ownership. It's, you know, in the oil sands it's not as common, but globally, we have experience of doing that. And I think, ourselves and the other minority shareholders are making a big difference in terms of influencing the performance of the asset. And, you know, you're still competitors in some ways, but there's many things we are more than happy to share, you know, how we're doing things. And we think that is driving performance improvement at Syncrude.

Brad Corson: Thank you.

Doug Leggate: Thanks, everybody. It's Doug Leggate from Wolfe Research. And first of all, to both you, Brad, and to John, congratulations to you guys. We'll miss you. We'll miss you, Brad, but, looking forward to working with you, John. I wonder if I could ask a couple of questions, it might actually be for Dan. My first question is on the dividend break-even chart. The $35 per barrel break-even or less than, it doesn't give a year. So, I'm wondering, in that assumption, assuming it's over the plan period, what are you assuming for dividend growth over that period?

Dan Lyons: Yeah. In this chart -- well, this chart, it is just a number on the chart. Is all we give you, less than 35 bucks. But as we calculate that, we look at the next five years is what we're doing. And that's the time period. We have sort of, you know, we have the crude oil prices that are listed and there's, you know, a bunch of footnoted assumptions and its sort of trend line downstream and chemical margins, you know, and those are worth about ten bucks in the breakeven, you know, having that integration. And you're right, year by year, it'll change depending on your dividend increases. But, you know, I would say at the current dividend level, and, you know, assuming no NCIBs were south of $35. And I would say another way to look at it, if -- you know over the whole period, and I would say another way to look at it, you know, if we, you know, continue with our share buybacks, with our expectation, even with, you know, relatively robust increases, we're under 35 bucks. So, it's -- so I hope that answers your question.

Doug Leggate: Well, we could maybe throw in the NCIB and SIB comments. If you could elaborate on this environment, is that something you feel capable of doing on the SIB specifically?

Dan Lyons: Yeah, well maybe start with the NCIB. You know, we definitely plan to renew our program here in late June as soon as we're, you know, as soon as the one-year passes. You know, and regarding, you know, returns of cash in general, including the SIB, it's really driven by our cash balances as we said a lot of times. You know, we will generate the cash and then we'll return it relatively expeditiously. And the charts I went through showing that, I think, it's clear. It's clear we do that, but we don't bet on the come, you know, we're not going to get ahead of ourselves and assume prices are going to be something we don't have the cash yet. There's a case for that as you've made before, but it's not our approach. So, I would say I can't tell you anything about the timing of the SIB or potential SIB. It'll really be driven by cash balances.

Doug Leggate: That was really not my second question. My second question is -- that was a part B maybe. My second question is really; I think in December when you gave the strategy outlook.

Dan Lyons: Yeah.

Doug Leggate: The initial early look, there was a lot of confusion that probably hurt the stock around the sustaining capital for the long-life assets. And obviously you did say that it steps up in '25 and '26, then it drops back down again. How are you defining sustaining capital? Because why would that not then morph into more growth capital definition as opposed to if it's dropping back again, sustaining capital we always thought would be kind of flat. So just for, you know, for the sake of any further, any future confusion on that, maybe you could just elaborate as to why you didn't categorize '25 and '26 as growth capital? Thank you.

Dan Lyons: Yeah, look, it's always a bit hazy. You know, we tend to -- anything that sustains volume, you know, all the mine progress -- you know, at Cold Lake, infield drilling, et cetera, and at Kearl, you know, mine progression, you know, tailings, which can be a little lumpy. You know, we kind of -- we throw -- we call that sustaining capital. But, you know, the truth is, as Cheryl alluded to, particularly at Kearl, to achieve the higher volumes we're targeting in the future, you need to do things in the mind that, you know, we kind of bucket them as sustaining, but they're really enabling the growth. So, we haven't, you know, changed our definition. If you were really trying to parse it, you could probably call some of that increase in '25, '26 growth. Because if we weren't planning to grow, we'd do less of it. You know, truck are sustaining, for example, right? A lot of those things. So, it's a little murky. We don't try and overwork it, though maybe we got to be a little more careful going forward. But I think, as you see in this profile we put out, you know, longer-term, you know, $5 a barrel, Upstream sustaining CapEx is a pretty good number, but you know, it will, based on the nature of projects, you know, over time, sometimes go up, sometimes go down.

John Whelan: I think it can be a little lumpy, like you said. I mean, it is on average, it'll be at that sustaining level. But I think the tailings is a great example. There are times when you need to open up a tailings area, an in-pit tailings area, so you have to invest a bit more for a couple years to open it up, and then you fill it, and then you're not investing in that. So, you have to open the next one. So, you can see how, you know, you can get a little bit of lumpiness in the sustaining capital, is not dead flat, you know, all the time. And that's actually the most efficient way to execute the work. because then you're executing the work just in time when you need it versus, you know, you could keep it flat, but then you would be pre-investing in things.

Dennis Fong: Thanks. I guess it's still morning. Good morning, everyone. Dennis Fong at CIBC. I wanted to dive a little bit more into the upstream side of the business. In one of the slides, you've highlighted a U.S.$13 per barrel target for the Cold Lake business. But that target's in 2027 and kind of the chart grows through 2030. Can you describe or, kind of outline some of the opportunity set as you increase the proportion of advantage technologies as where that kind of -- we'll call it cash cost could eventually get to?

Cheryl Gomez-Smith: So, great question, and I'll tell you, go back to kind of the fundamentals, which is we're working on the numerator and the denominator. So, at Cold Lake, we want to attack it from the structural cost reductions as well as growing volume. So, it's a yes and/or both, if you will. So, the volumes, as I mentioned, are going to come through that SA-SAGD, Laser, SAGD and then the cost reductions are very similar to what you heard me talk about for Kearl, which is we're going to continue to look for those maintenance and reliability improvements. We're going to look for the optimizations, we're going to look for the productivity gains, and then the fourth part on debottlenecking what we have. So, the more, with my existing kit, I can change the name plate capacity or do more with less. That helps us not only increase the throughput with volumes, but also on the structural cost reductions. So, it's all of those spaces that we'll be taking it to for Cold Lake.

Dennis Fong: Great, thanks. And then shifting over to Kearl, looking at autonomous hall, you've kind of layered in obviously a lot of benefits that you've seen thus far. I think one of the standouts there is that 20% improvement in payloads. Can you talk toward, and I mean that that seems a lot larger than maybe the U.S.$1 per barrel that we might have been quoted in previous investor days. Similar question, can you talk towards where you see the optimization at today and maybe where the goal could eventually be as you further utilize this technology?

Cheryl Gomez-Smith: Perfect. Yeah. So, I would say it's when we did the project, we were looking for perhaps a 15% increase in productivity. You know, all kind of the first primary driver was safety. And as I mentioned before, we've seen those safety gains. And some of that comes from just the GPS and how the autonomous haul trucks work. Productivity, we were targeting 15% and now we're seeing 20% productivity increases. And of course, you know, that comes from -- you hear me talk about payloads, truck speed and optimal road networks. The next space, we're looking at autonomous dozers. So, we're leveraging what we've learned from the AHS space on trucks and looking for what's next. And it's really going to be -- and you heard me mention some other spaces with digital with Spot, and it's going to be continuing to leverage our digital technology, AI enabled sensors combined with our autonomous trucks. That's going to get us to those next steps. So, what I would say is, we have learned a significant amount from our AHS trucks, and they've exceeded expectations. So now we're looking at where can we apply that next.

Neil Mehta: Thank you. Neil Mehta here from Goldman Sachs. And Brad, congratulations on your retirement. And John, congratulations on taking on this new role. I want to spend some time on downstream. You talked about as Strathcona comes online, you expect a cash flow on day one. And we've seen in the U.S., it's been a really tough backdrop for renewable diesel. And I think the setup here in Canada is just structurally different. So just can you help us understand, what gives you confidence on positive cash flow? And that's the follow-up too, as you think about downstream, you show on slide 38, the structural advantage that Canada has relative to the U.S. How much of that is crude versus how much of that is product? What are the biggest risks to that arbitrage getting competed away and what's your confidence that it can hold?

Scott Maloney: Sure. Yeah, I'll go ahead and take that one. So, first on the renewable diesel market, it is a structurally different, you know, market in Canada versus the U.S. What you've really seen over time is as supply has really ramped up in the United States, it's actually outstripped the demand. And so that's why some of the U.S. commentary has been struggling with those suppliers' renewable diesel not having an outlet for it. In Canada, it's a slightly different market. We haven't had the same sort of supply in Canada. And what's happening in Canada is you've got regulation support that is increasing demand for renewable diesel out into the future years. And so, what's behind our project is simply the fact that we'd rather not import from those layers in the U.S. And the assessment there is, can we actually do it more efficiently than even their stressed, you know, supply production without the demand. Even with that, we feel like we can manufacture it cheaper within Canada versus importing it from the Gulf Coast.

And we've -- as I mentioned, we've looked at that across a number of scenarios, both from the cost of the feedstock side, which also has supply demand fundamentals and policies associated with that, and the importing RD price on the right-hand side as well. And so, we feel like across all those scenarios, we're going to be profitable, with import -- with making versus importing. And then we have a long run in Canada as well. As we start to see that demand for renewable diesel continue to increase, we feel like that's an opportunity for us to get to maximum utilization of our 20 KBDA capacity up there. On the second question, related to the higher margins within the Canada marketplace, you know, I would say that it's actually a split, a little bit crude, but also products, I would say it's actually more on the product side than the crude side. Because when you think about the Western Canadian crude, that's actually flow into our refineries very conveniently via pipe, but it doesn't take too much longer to get via pipe to the U.S. Midwest refiners. And so, the difference there is that there's other barriers to entry within the Canadian marketplace. And that really gets back to our logistics capability and our midstream assets. Because even if they can make it at the same price, even if they can make it slightly lower because they have massive scale in their refineries, they still have to have somewhere to take it across the border in the North. And so, what's beneficial for us is we've built up those logistics' assets over years and frankly decades to be able to efficiently get the finished product from our manufacturing sites directly to the markets. And then we have terminals in those markets to be able to efficiently supply our customers. So, when you think about those U.S. refiners that may be have an inclination to start sending it North, well now they have to think about the logistics to get it there, then they have to develop their customer base and find the right sort of midstream assets to be able to get it to them efficiently. And so that's what really insulates the Canadian market a little bit more versus the U.S. supply into there.

Jason Frew: Any other questions? Going once, twice? Wow!

John Whelan: Maybe I'll just make a comment on just building on some of the questions I heard and a couple things about, you know, the current environment that we're in. I feel like we've been preparing for this for years and it's building on what Brad said. You know, you do get the question, are you reacting today's environment, I would say we've been reacting to you know, a commodity business for years and preparing, and what was it going to be? OPEC producing more barrels? Was it tariffs? Was it differentials change, whatever. But we're preparing for this all the time and that's what gives us the resilience in the current environment. So, I just wanted to come back a little bit to that because that's exactly how we'll continue to run the business, driving for a low-price resilient business that is, you know, that can weather different commodity environments. So that was really important.

The other one, and these are just a bit -- a couple things that just triggered in my mind with the questions. The other thing I think that's very unique with our assets, particularly in the upstream, is this, you know, long life plateau assets. It's just a playground for technology and continuous improvement. And, you know, a small percentage improvement on, you know, a big business over a long time, generates a huge amount of value. And depending on the type of assets you have, and I've had some in my, you know, experience in the past, which are shorter life declining assets, you don't get the luxury to be able to apply those things. And that's why we put so much energy in it. So, I'm reflecting a little bit on Cold Lake. You know, we started Cold Lake up 50 years ago with a pilot. We're halfway through the resource. And so yeah, we got a plan now that we've talked about the 165 getting to 13, we've always had these types of plans to drive it and make it better and better. And we'll, you know, we're laying out the one that we're focused on today. But Cold Lake started with a very, you know, low recovery, trying to prove out the technology, much higher recoveries today, new technologies coming to bear. And when you have this long-life significant resource, it's hugely valuable. Just a few thoughts that, you know, from some of the discussion we had.

Peter Shaw: Thanks, John. Well, that wraps up the formal presentation, the Q&A. As I mentioned, there are some folks on the phone. So, we thank you for joining us today. And for the folks in the room, we certainly hope that you have the time to join us for lunch and continue the conversation with the management team, our board members, and the IR team as well. If there's anything that you want to ask us, feel free. We're always there to answer your questions. Thank you again for joining us.