Imperial Oil Q4 2021 Earnings Call

Tuesday, 1st February 2022

Welcome

Dave Hughes

Vice President, Investor Relations, Imperial Oil Ltd

Thank you very much. Good morning, everybody, and welcome to our fourth quarter earnings call.

I will start by introducing you to the management team we have in attendance: Brad Corson, Chairman, President and CEO; Dan Lyons, Senior Vice President of Finance and Administration; Simon Younger, Senior Vice President of the Upstream; Sherri Evers, Vice President of Commercial and Corporate Development; and Jon Wetmore, Vice President of the Downstream.

I will quickly go over the cautionary statement. Today's comments include reference to non-GAAP financial measures. The definitions and reconciliations of these measures can be found in attachment six of our most recent press release and are available on our website with a link to this conference call.

Today's comments may also contain forward-looking information and any forward-looking information is not a guarantee of future performance, and actual future financial performance and operating results can differ materially depending on a number of factors and assumptions.

Forward-looking information and the risk factors and assumptions are described in further detail on our fourth quarter earnings press release that we issued this morning, as well as our most recent Form 10K. And all of these documents are available SEDAR, EDGAR and on our website, so I would ask you to please refer to those.

Before I turn it over to Brad for his opening remarks, once he has done and he and Dan go over our financial and operating performance for the quarter, we will be moving to the Q&A session as usual. With that, I will turn it over to Brad.

Introduction

Brad Corson

Chairman, President and CEO, Imperial Oil Ltd

Good morning, everybody, and welcome to our fourth quarter 2021 earnings call. I hope each of you are doing well and are in good health to start the new year.

As we bring 2021 to a close, well, at least from a reporting point of view, I would like to repeat something I said on the third quarter call: Wow, what a difference a year makes.

Strong End of 2021

I am very pleased to report that we finished the year strong, with another quarter of solid operating performance and strong financial results. In 2020, we focused heavily on ensuring Imperial was well positioned to take advantage of the market recovery through ongoing focus on reducing our cost structure, improving our reliability, and progressing high return, brownfield projects. You can now see the benefits of those efforts in our 2021 results, as we continue to make the most of the improving and attractive business environment. This performance was reflected in all business lines, although we did see some pretty challenging weather to close out the year.

As it has all year, this performance allowed us to return a material amount of cash to shareholders in the quarter and, in fact, to accelerate the pace of these returns, resulting in around $3 billion for the full year – the highest level in the company's history.

Throughout 2021, we continued to manage the ongoing challenges due to COVID-19. Our focus on maintaining the health and safety of our workforce was key, not only in minimizing disruptions to our operations but also, and most importantly, in ensuring the wellbeing of our people.

From a business perspective, we saw a continued demand recovery throughout the year and significant improvement in commodity prices, both of which are reflected in our results.

Over the next few minutes, Dan and I will detail the results of what was a very strong quarter.

Fourth Quarter Results

Now, let us turn more specifically to the fourth quarter results. Earnings for the fourth quarter were $813 million, and our cash from operating activities was over $1.6 billion, both somewhat lower versus the third quarter. Earnings were negatively impacted by approximately $160 million in one-time, non-cash events. Cash flow excluding working capital effects was up more than $100 million, reflecting our strong operating performance and the strong commodity fundamentals in the quarter.

Crude prices continued to strengthen through the quarter, while both Downstream and Chemical margins remained strong. Our Upstream continued to perform very well, delivering its highest annual production in over 30 years. Our Downstream performed well also. We saw utilization of 97% for the quarter, and higher product sales as demand continued to recover.

Our Chemical business closed out the year with another strong quarter and delivered the highest full-year earnings in over 30 years. As expected, polyethylene margins did soften somewhat in the quarter, but remained strong and supported the best ever full-year earnings for this business.

In total, our strong cash flow generation in a period of strong commodity prices was underpinned by continued strong operational performance. We were able to take advantage of attractive markets for crude, refined products and chemicals.

All of this contributes to a very strong cash position, which continues to allow us to deliver on our priority of returning cash to shareholders. In the quarter, we returned $950 million to our shareholders in the form of dividends and accelerated share buybacks. For the year, we generated about $5.5 billion of cash from operating activities and around $4.5 billion of free cash flow. We put this cash to good use. Early in the year, we announced the largest quarterly dividend in the company's history and re-instituted our share buyback program, which we suspended in 2020 due to the business environment brought on by the pandemic.

In the fourth quarter, we announced an acceleration of the renewed NCIB. All of this resulted in the return of nearly $3 billion of cash to our shareholders in the year.

2021 marked the 27th consecutive year of dividend increases, and you would have seen us continue this trend with the announcement this morning of another significant dividend increase of 7 cents per share, which is around 26% – our largest dividend increase in history. This equates to a 55% increase since the beginning of 2021 and represents an increase of almost 80% since the beginning of 2019.

Going forward, following yesterday's completion of our accelerated NCIB and today's announcement of a sizeable dividend increase, we remain committed to returning surplus cash to shareholders and are actively evaluating our next steps in this area, including a potential substantial issuer bid. We are unwavering in our commitment to a reliable and growing dividend and delivering further shareholder value and returns.

I will now turn it over to Dan to go through our financial performance for the quarter in more detail.

Financial Performance

Dan Lyons

Senior Vice President of Finance, Imperial Oil Ltd

Thanks Brad. Getting into the financial results for the full year, we recorded net income of almost $2.5 billion, an increase of around $3.2 billion excluding the one-time $1.2 billion non-cash impairment charge related to our unconventional business that we recognized in the fourth quarter of last year. For the fourth quarter of 2021, our net income was $813 million. Excluding identified items, net income increased almost $800 million from the fourth quarter of last year. This increase was primarily driven by stronger realizations in the Upstream and improved margins in the Downstream and Chemicals.

If we look sequentially, our fourth quarter income of $813 million is down about $95 million from the third quarter of this year. As Brad noted, the fourth quarter results include a number of unrelated one-time, non-cash charges totaling about $160 million.

Looking at each business line, the Upstream recorded net income of $545 million, up $20 million from our third quarter net income of $524 million, as a result of higher realizations and volumes, partly offset by higher operating expenses, driven in part by mine progress spend at Kearl and higher energy costs. Upstream results included a number of one-time charges of about $85 million.

The Downstream recorded net income of $250 million, down $43 million from net income of $293 million in the third quarter. Downstream results included a number of one-time charges totaling around $75 million.

Chemicals continued to demonstrate strong performance in the fourth quarter, with net income of $64 million, down about $60 million from the third quarter of this year as polyethylene prices moderated from the extremely strong levels seen in the third quarter.

Moving on to cash flow, in the fourth quarter we generated over $1.6 billion in cash flow from operating activities, an improvement of about $1.3 billion from the fourth quarter of 2020.

Our free cash flow for the quarter was just over $1.2 billion. Looking at the full year, our strong results and capital discipline delivered free cash flow of almost $4.5 billion. As we start 2022, strong commodity prices, along with our continued cost and capital discipline, position us well to generate very substantial free cash flow going forward.

Moving on to CAPEX, capital expenditures in the fourth quarter totaled $441 million, up from $195 million in the fourth quarter of 2020. Full-year capital expenditures were in line with revised guidance at just over $1.1 billion. Capital spending in 2021 was focused on progressing key projects such as Kearl in-pit tailings infrastructure and the Sarnia products pipeline. We also continued to invest in improving volumes through projects like the solvent-assisted LASER project at our Mahkeses Cold Lake plant and improving the efficiency and cost structure of our operations by continuing to invest in projects like our autonomous haul truck fleet and related infrastructure, as well as installing our first boiler flue gas heat recovery unit at Kearl.

In December, we announced our 2022 capital guidance, at $1.4 billion, reflecting our strong ongoing capital discipline.

In the Upstream at Kearl, capital spending includes the ramp-up of the Kearl in-pit tailings project, ongoing investment in our autonomous truck fleet and installing additional boiler flue gas heat recovery units.

At Cold Lake, we will work on developing phase one of our Grand Rapids project, continue to progress solvent-assisted LASER, as well as in-fill drilling and well work.

In the Downstream, spending includes the completion and commissioning of the Sarnia products pipeline and spending on the Strathcona renewable diesel project. We will have an opportunity to discuss these plans in more detail at our Investor Day.

Shifting to shareholder distributions, as I mentioned earlier, we generated about $4.5 billion of free cash flow in 2021. This performance supported record returns of almost $3 billion of cash to shareholders, including returns of about $950 million in the fourth quarter alone. We repurchased 17.5 million shares for $761 million in the quarter under an accelerated program, bringing our full-year buyback to 56 million shares for over $2.2 billion. We paid dividends of $188 million in the fourth quarter and a total of over $700 million for the full year.

Despite these record distributions, we ended the year with about $2.2 billion of cash on hand. Consistent with our previous announcement, we continued our accelerated NCIB purchases in January 2022 and completed this program on January 31st. We also declared an increased dividend of 34 cents per share, payable on April 1st. Furthermore, as Brad mentioned, in light of our current cash balance and the strong business outlook, we are actively evaluating options for additional shareholder returns, including a potential substantial issuer bid.

Now I will turn it back to Brad to discuss our operational performance.

Operational Performance

Brad Corson

Chairman, President and CEO, Imperial Oil Ltd

Thanks Dan. As we switch our focus to operations, I would sum up the fourth quarter as being another strong quarter operationally across all business lines. In the Upstream, we averaged 445,000 oil equivalent barrels per day, which is an increase of 10,000 barrels per day versus the third quarter, but is down 15,000 barrels per day versus the fourth quarter of 2020. This decrease year-on-year was due mainly to an early start to winter. In fact, Alberta saw several weeks of extreme Arctic temperatures in the last half of December and early January, which, as you know, presents some operational challenges, particularly in our mining operations.

At our Investor Day in late 2020, we communicated our intent to focus the Upstream organization's efforts on maximizing the performance of our existing asset base. Given how the assets performed in 2021, I would say we are on that strategy and achieving it, and it is also paying off for us. In fact, our full-year 2021 production was 428,000 oil equivalent barrels per day, which is the highest in over 30 years and exceeded our guidance for the year.

I would also note the current market environment and the strong commodity prices we are seeing. While in the fourth quarter there were a number of factors which drove the WTI-WCS spreads wider, such as the phased start-up of Line 3 and other smaller disruptions, we are now seeing narrower spreads and are well positioned to continue to benefit from this.

Now, let us move on and talk about Kearl. Production at Kearl in the fourth quarter averaged 270,000 barrels per day gross, which was down 4,000 barrels per day versus the third quarter and 14,000 barrels per day lower than the fourth quarter of 2020. As I mentioned, Western Canada saw an early start to winter, feeling the effects of a deep freeze that started late in the fourth quarter and extended into the new year. And as we have talked about in the past, extended periods of extreme cold weather can be challenging for our operations, particularly mining. The result of these weather challenges was lower-than-expected production in the fourth quarter at Kearl, with an estimated impact of around 13,000 barrels per day in the quarter, or just over 3,000 barrels per day on a full-year basis. The impacts of the extreme cold weather continued to linger into January, but I am pleased to say that as of now, our operations have essentially returned to normal.

I would also like to take a moment to recognize the tremendous dedication of our workforce, whose efforts to safely maintain our operations in these extreme conditions and mitigate the production impacts are a huge credit to the organization.

Despite the weather impacts, total full-year production for Kearl was 263,000 barrels per day, the highest in the asset's history. This compares to 222,000 barrels per day in 2020, an increase of 41,000 barrels per day for the year. Kearl continues to deliver on its production and reliability commitments, including the elimination of the second annual turnaround a full year ahead of schedule.

Looking forward, we continue to be excited about Kearl's potential as we make progress on our accelerated journey to 280,000 barrels per day. Despite the slower start to the year, we reiterate our 2022 guidance of 265,000-270,000 barrels per day, reflecting the next step in production growth at the site.

I would also note that this 2022 guidance reflects one major planned turnaround, expected to be executed in the second quarter of the year.

I would like to wrap up our discussion about Kearl with some comments about unit costs, another positive reflection of the asset's performance. As I mentioned on our third quarter call, continued pressure from higher energy prices and the strength of the Canadian dollar presented some challenges in meeting our unit cash cost target of US$20 per barrel. In 2021, higher energy costs and the strength of the Canadian dollar represented approximately an incremental $2.50 per barrel relative to 2020. However, if we normalize for energy costs and FOREX, both items outside our control, our unit cost would have achieved a reduction of almost $1 per barrel from 2020 and been below the target of US$20 per barrel.

Close management of unit cost continues to be core to our approach to maximizing profitability at Kearl and we remain focused on achieving further unit cost reductions as we go forward.

Now, let us talk about Cold Lake. Cold Lake has been a really positive story throughout 2021. Production for the quarter averaged 142,000 barrels per day, which was up 7,000 barrels per day versus the third quarter and 6,000 barrels per day higher than the fourth quarter of 2020. This strong performance reflects the benefits of our continued focus on production optimization and reliability. And while Cold Lake experienced the same extreme cold temperatures in December, it did not have a material impact, given the nature of this operation.

For the year, production averaged 140,000 barrels per day, exceeding our updated guidance of 135,000 barrels per day. Our full-year production at Cold Lake was driven by a significant improvement to the base performance, highlighting the effectiveness of our strategy to focus on reliability and optimization. We also saw the benefits from recent drilling investments in our operations, which contributed almost 2,000 barrels per day of production for the year.

We are looking forward to continuing to benefit from these improvements in the coming year, and for 2022 we have issued guidance of 135,000 to 140,000 barrels per day for Cold Lake, which includes a typical plant turnaround in the second quarter.

At Syncrude, Imperial's share of production for the quarter averaged 79,000 barrels per day, which was up slightly from 78,000 barrels per day in the third quarter, but down 8,000 barrels per day from the fourth quarter of 2020. Unplanned downtime, coupled with extreme cold weather, presented challenges for these operations in December, as detailed in the statement issued by the operator, Suncor, earlier in January. We estimate the impact to be close to 5,000 barrels, our share in the quarter. Imperial's share of full-year production averaged 71,000 barrels per day, an increase of 2,000 barrels per day versus 2020. As the ownership continues its focus on improving asset reliability, we reiterate our guidance for 2022 of 75,000-80,000 barrels per day. This guidance reflects the impacts of planned maintenance in the second quarter and a major coker turnaround in the third quarter.

2021 also marked a change in the operating structure at Syncrude and we remain confident that this change will better support the continued focus on improved reliability and cost performance for this asset.

Moving to the Downstream, we refined an average of 416,000 barrels per day in the fourth quarter, which was up 12,000 barrels a day versus the third quarter of 2021 and up 57,000 barrels per day versus the fourth quarter of 2020, reflecting the strong operating performance and the continuation of demand recovery we have seen throughout 2021.

The fourth quarter throughput equates to a utilization of 97%, which is the highest fourth-quarter utilization in over 30 years. This represents a 3% increase over the third quarter, bringing our full-year utilization to 89%, which is right on the guidance we provided for 2021. For the year, throughput was 379,000 barrels per day, up 39,000 barrels per day versus 2020.

Looking forward to 2022, we have a fairly light turnaround year planned, supporting our increased guidance for 2022 of 92-94% utilization.

Looking at cash operating cost, our Downstream business continues to do an exceptional job in managing its operating cost. Full-year cash operating costs were down $70 million compared to 2020 and down even more when normalizing for the rising energy prices we saw in 2021. This decrease is especially notable because over the same period our refining throughput increased by 39,000 barrels per day and our petroleum product sales grew by 35,000 barrels per day.

So, we are refining more barrels and selling more product and we are doing it at a lower absolute cost. Again, this was a year of significant turnaround activity and higher energy costs.

Petroleum product sales in the fourth quarter were 496,000 barrels per day, up 11,000 barrels per day from the third quarter on continued strong demands; and up 80,000 barrels per day from the fourth quarter of 2020, reflecting significant recovery from the pandemic-related softness of 2020.

We continue to see industry demand trends pretty consistent with what we saw through 2021, with gasoline and diesel demands hovering around 90-95% of historical levels and jet continuing to improve, averaging around 70-75%. However, as mentioned, jet continues to be somewhat volatile as we experience subsequent waves of COVID-19 and the associated restrictions related to travel. Also of note is that our jet sales volumes continue to track about 10% ahead of industry, predominantly related to competitive gains we were able to capture in 2021, increasing our overall market share.

With respect to Downstream margins, unlike crude prices, our fourth quarter crack spreads continue to hover around the middle of the five-year band, which reflects fairly steady improvement over early 2020 at the onset of the pandemic. Despite ongoing demand volatility, our continued focus on reliable and efficient operations ensures we are capturing as much value as possible in the current Downstream pricing environment.

Looking forward to 2022, the outlook is positive as we continue to see improvements in the market environment, driving further strengthening of our Downstream business, which supports our continued journey back to typical earnings and cash flows for this business segment.

I will wrap up our operating results with Chemicals. 2021 was an incredible year for this key part of our business and I just cannot say enough about how pleased I am with the performance it delivered, making the most of capturing a very favorable market environment. The fourth quarter was another solid quarter. Earnings in the fourth quarter were $64 million, supported by continued strong production, reliability and margins. Fourth quarter earnings were down $57 million versus the third quarter, which I will remind you was the highest quarterly earnings in over 30 years. This reduction was driven largely by expected softening of polyethylene margins. While margins did soften somewhat in the quarter, they still remain quite strong and that sets the Chemical business up well for a strong 2022.

Full-year Chemical earnings were $361 million, $74 million higher than the previous full-year record of $287 million, set in 2015, an outstanding year for our Chemicals business, which continues to be a differentiator for us. The integrated nature of our business supports a long history of profitability, even in a year like 2020, and we expect this to continue, even as we see polyethylene prices normalizing somewhat.

Just before wrapping up, I wanted to highlight a couple of other important items of note. First, we announced our plans to market our interest in XTO Energy Canada a few weeks ago, which, as you will recall, is our unconventional business. We have been quite open recently about where this business fits into our longer-term Upstream strategy, and our decision to market the assets is fully consistent with this. To be clear though, no decision has been made to sell these assets but in our view, we felt it was appropriate to test the market in the event there is an opportunity to generate increased value through a potential sales transaction.

I also wanted to highlight the announcements we made recently on Imperial’s plans for further reductions in greenhouse gas emissions intensity over the next decade, to help support Canada’s Net Zero goals. Imperial has set a 2030 goal to reduce Scope 1 and Scope 2 greenhouse gas emissions intensity of our operated oil sands facilities by 30% compared with 2016 levels. This targets builds on our previous 2023 commitment, which we are well on track to deliver. I am quite proud of the progress we have made to date in reducing the intensity of our greenhouse gas emissions at our operated oil sands assets, and our recent announcement is another step in our journey to Net Zero at our operated oil sands assets by 2050.

In closing, another strong quarter, which brings to a close a year of very strong results, both operationally and financially. As you have heard me say before, the decisions we have made and the work the organization has done over the past several quarters is allowing us to take maximum advantage of the prevailing market conditions. This performance supports our ongoing commitment to drive increased shareholder value and our continued commitment to shareholder returns. As you heard Dan and I mentioned, in 2021 we returned nearly $3 billion to our shareholders via our reliable and growing dividend and share buybacks. We are also excited to reinforce our commitments to sustainability, not only with our recent announced greenhouse gas intensity reduction target but with our participation in the Pathways initiative, an unprecedented industry alliance. Our long-term focus on reducing our environmental footprint through investments in things like solvent technologies and carbon capture and storage underpin our confidence in meeting these goals.

Looking forward to 2022, we continue to see support for commodity prices and fully expect to deliver another year of strong operational performance, underpinning our ability to take upmost advantage of the current market conditions. We will continue our focus on reduced emissions and sustainability, including our plans for renewable diesel at our Strathcona refinery. We will remain disciplined with respect to spending levels, both operating and capital, and we will also continue to return cash in excess of these needs to our shareholders.

Finally, I would like to thank all of you for your continued support. I hope you are as excited about 2022 as we are. Thank you and back to you, Dave.

Q&A

Dave Hughes: We are going to move to the Q&A now. We did have a couple of pre-submitted questions from Phil Skolnick at Eight Capital. The first one: What are you and Exxon Mobil looking for in order to make a decision on marketing the XTO assets? Would you consider selling it in pieces?

Brad Corson: Yes, thanks for that question, Phil, and as you know, we announced earlier, in January, our intention to market those assets jointly with Exxon Mobil and, in fact, we have progressed those activities now, have the data room open. There is a lot of interest. Our decision around marketing was really driven by the strategic work we have done over the last couple of years, where we have prioritized our focus on certain assets in our portfolio and really prioritized our capital as well. Through that work, we have concluded that we have higher value opportunities with our core mining assets and as such, you will recall we took an impairment decision in late 2020 for some of the unconventional assets that we had not included in our development plans. So again, this is really a continuation of that strategy.

We have not made the decision to sell though, so we are going to be looking at how do we create maximum value for us, for our shareholders. Prior to putting the assets in the marketplace, we had received several unsolicited offers for those assets and we should not be surprised by that. There has been a lot of consolidation that is occurring in the Montney and Duvernay shale resource plays, so it is really the culmination of all that that drove us to put those assets in the marketplace, and we will see what we get back.

It is a very large resource play, over 650,000 net acres, and so, from a transaction structure, we are open to selling it in pieces. We do know that there are some industry players that are primarily focused in the Montney. There are others that are primarily focused in the Duvernay. There are some that are in both. So, we are open to considering alternate structures for the transaction. The key is going to be what delivers the most value and how does that compare to our view of value if we were to continue to retain the asset and develop it further ourselves.

So, we are excited to see what comes out of the data room and the bids in another month or so. Thanks for that question.

Dave Hughes: Phil's follow-up, I think Dan, I will direct it straight to you. Are you still considering an SIB, given the dividend increase?

Dan Lyons: Yes, thanks Phil. We talked about this in our prepared remarks, but it is probably worth talking a little more. The short answer is yes, we are considering a SIB, and just stepping back, we had a long-standing philosophy, I think as you know, to return surplus cash to shareholders. It starts with the reliable and growing dividend, which we have demonstrated over many years and, of course, this morning's announcement of a sizeable increase is another step in that direction.

After dividends, our next vehicle for surplus cash is the NCIB. It is simple, efficient and flexible. We used it certainly to the max in 2021. We had a program where we started in May/June, we bought a bunch of shares. We launched a new program in June. We ended up accelerating that to wrap up early. Over the course of 2021, we repurchased over $2.2 billion through that program, and just January 31st, yesterday, we wrapped up that program with our acceleration through January 31st of another incremental $450 million; so over 13 months about $2.7 billion through the NCIB. But as you know as well, we are limited to 5% of outstanding shares annually in that program.

Our next renewal would be late June of this year. We certainly plan to do that. But looking at our cash balances and our outlook for strong cash flow, we are anticipating taking additional action on shareholder returns before renewal of the NCIB in late June. We have not made a final decision but we certainly heard the market's feedback – a strong preference for an SIB – and that is our lead case at this point.

Dennis Fong (CIBC World Markets): Hi. Good morning and thanks for taking my questions. The first one maybe follows in line with Dan's comments there on returning cash back to shareholders. Obviously, Imperial Oil is in an enviable position with respect to leverage. Can you maybe describe what you view as the ideal capital structure in your opinion for the company, and how we should be thinking about that, obviously balancing the available free cash flow that you are generating, the relative CAPEX that you have already outlined with your 2022 guidance, as well as the various other levers that you have in returning cash back to shareholders? Thanks.

Brad Corson: I will turn that question over to Dan. He can build on his comments about shareholder returns.

Dan Lyons: Yes, we could. We have about $5 billion of debt which has been stable for a number of years. We feel comfortable with that level of debt, given our leverage on an absolute basis and relative to peers is low. It is not our first move to repay the debt. So, to the extent that we have surplus cash, really, once we have exhausted the NCIB, it is to use other mechanisms to return that to shareholders. So, that is maybe a short answer but I think that is it in a nutshell. And you see, as I mentioned in my remarks, we have a fairly modest capital program in 2022 and at current price levels, we anticipate generating significant free cash flow in addition to a pretty significant cash balance right now.

Dennis Fong: Great. Great, thanks. My second question here is one on the operational side, so it may be directed to you, Brad, or to Simon. Just with respect to Cold Lake, you have obviously seen fairly strong production levels and a lot of success from the optimization side. You mentioned a little bit around LASER and the utilization of solvents. I am just curious as to how the optimization is continuing, what maybe some of the next steps happen to be, and what does that potentially mean for a project like Grand Rapids, which was potentially going to utilize existing steam infrastructure in the area? Thanks.

Brad Corson: Yes, thanks for that question, Dennis. We are super excited about the progress we are making at Cold Lake. We have put a lot of focus into optimizing the reservoir performance of those assets. We have continued to focus on reliability as well. Then, as you mentioned and we have commented on this call and in the past, we continue to look for ways to employ next-generation solvent technologies, like LASER, that achieve multiple objectives for us. They do have the benefit of enhancing reservoir performance, but equally important, they reduce the greenhouse gas emissions because they have lower steam and energy intensity. So, it is a continued strategy of ours to continue to deploy solvent technologies to enhance Cold Lake's performance.

Next on the docket is Grand Rapids phase one, which will employ SA-SAGD technology. And then looking a little bit longer term we are evaluating application of Cyclic Solvent Process, referred to as CSP, which allows us to replace steam with propane and achieve even further reductions in greenhouse gas intensity while improving reservoir performance. In the case of CSP, we have already piloted that quite successfully and so are now looking at the further applications.

So, I think over the coming quarters and years, you are going to continue to hear us talk about the evolution of these technologies, how they are integral to both our reservoir optimization but also our greenhouse gas intensity reduction objectives. And I am sure in our upcoming Investor Day, we will spend some more time talking about each of those and how they fit in.

Thanks for the question and again, we are very excited about our actions at Cold Lake.

Manav Gupta (Credit Suisse): Hi guys. My first question is more on the renewable diesel side. I am just trying to understand if you can give us some – I am sure you have done some preliminary work – what kind of feedstocks are you looking to run? Soyabean? Canola? You are in that vegetable oil belt, so is it primarily going to be vegetable oils? Can you bring in some used cooking oil? Some animal fats? If I could get some understanding of that.

Brad Corson: Yes. Thanks for that question. Again, we are going to spend some more time at Investor Day describing this project, but at the foundation of your question, fundamentally this is going to be plant-based materials. We are not looking at animal fat or other sorts of supply. It is very much focused on plant-based materials that are sourced generally in the region. We have not talked explicitly about the specific type of plant. We are still in commercial discussions with potential suppliers and so those commercial discussions are still sensitive around the type. But needless to say, there is an abundant supply of available materials and good options for us that are going to allow us to ultimately produce 20,000 barrels a day of very competitive supply.

So, we are really excited about this project, driven by the overall benefits it will bring to Canada in achieving our total emissions objections of net zero by 2050. This is a key contributor to reducing Scope 3 emissions. So, [inaudible].

Manav Gupta: Perfect. Again, keeping on the line of emission reductions, you and others have obviously committed to carbon capture and sequestration. It was a big project which was announced, but how it is progressing? How are the partner commitments? What are you looking from the government in terms of help? It is an excellent project but we do not get too many details on that carbon capture and sequestration project, so if you could just help us understand how the discussions are progressing between you and all the others and the government for that project.

Brad Corson: Yes, thanks for the question. I am excited to talk about it. I think we are making really, really good progress. This is a very complex undertaking to achieve net zero by 2050 and the alliance we have established amongst the member companies is unprecedented, the level of cooperation. The amount of investment that will ultimately be required to get to net zero, we have estimated as $70-75 billion from now to 2050, so it is a huge undertaking.

It is not just one single project. It is multiple projects. There is a foundational project, which is building this large trunk line that will allow the transport of carbon that is captured in the Fort McMurray area all the way down to the Cold Lake region, where we have applied with the government for access to pore space, so we can sequester the carbon there. So, building this large trunk line is a significant project, but then there are several other projects around the capture side at each of the individual sites where we are producing hydrocarbons today.

Then on top of that, as I just talked, at Cold Lake, not only are we focused on capturing carbon and transporting it to a site to store it, but we are also looking at how can we fundamentally reduce the amount of carbon that is generated. So, things like solvent technologies are quite important there.

So, a lot of moving pieces, if you will, to progress this project, but we, as an alliance, have been able to develop preliminary plans around the sequence of the trunk line project, the carbon capture projects as well as other technology initiatives. We will talk more about that on Investor Day, but I think it is moving quite well.

We are also spending a lot of time with both the federal and provincial government around enabling steps that are necessary to progress these huge investments. Specifically, we are looking for investment tax credit and other financial support from the government, given the nature of these investments, the risks associated with them. So, those discussions are ongoing.

The cooperation amongst the companies is just exceptional. In fact, as CEOs, the six companies, we get together every single week and are having discussions about the progress of the project, key priorities, how do we keep it moving along, what are some of the key issues. And again, as I mentioned, we are also actively engaged with the government, so as CEOs we are meeting directly with key officials and certainly, our teams are meeting with officials and staff as well at both the federal and provincial level.

So, it is all hands on deck. This is a huge challenge, but we think it is achievable and we think it is necessary and so we are going to do what it takes.

Manav Gupta: That is great color, and I am hoping to meet you at an in-person Investor Day in March.

Brad Corson: Thank you, thank you. Well, I look forward to meeting you as well. Unfortunately, the Omicron virus has continued to delay many in-person meetings, but as soon as the opportunity affords itself, I very much look forward to it as well. It has been a long two years, right? So again, I look forward to meeting you as well. Thank you.

Manav Gupta: Thanks.

Doug Leggate (Bank of America): Thanks. Good morning, everyone. I am delighted to be on your call. Thanks for taking my questions. Brad, I wonder if I could start with Exxon Mobil's announcement yesterday of combining their Downstream and Chemicals business. I wonder if there is any read-through for Imperial as it relates to incremental cost-cutting initiatives or whether you follow suit.

Brad Corson: Yes, thanks for the question, Doug, and it is good to hear your voice. It has been a while since we have connected, so thanks for joining the call today.

Regarding Exxon Mobil's announcements yesterday, this is super, super exciting news for Exxon Mobil and with Exxon Mobil being a majority shareholder of Imperial, we benefit from that relationship in many ways. We often talk about the technology benefits that we are able to leverage, their global best practices, some operational synergies, and I think all of that comes to play with the announcement that was made yesterday. We still have a lot of work to do to fully understand their plans and then see how we can best leverage them and adapt them, but I fully expect that we will, within Imperial, see benefits from their announcements, the strategies that they are progressing. And like I said, we are super excited.

Doug Leggate: Okay, thank you for that. My follow-up is, I do not want to get ahead of myself here for your upcoming analyst day, it seems Exxon has also decided to go virtual unfortunately so I do not know what you ultimately decide. But my question is specifically on Kearl. When you laid out the reliability trajectory towards 2025, it seems that you are well on your way to that, you are probably a little bit ahead of the pace I would guess. Are there any thoughts you could provide in terms of the timing or the scale of what you ultimately see Kearl doing on that original timeline? I will leave it there. Thanks.

Brad Corson: Yes, thanks for that question, and you are right, it is unfortunate, some of the impacts that COVID has had on plans for Investor Day. It impacted us last year and has the risk of impacting us this year, but we are committed to engaging with our investors and our analysts in sharing our forward plans. I think it is a very positive story.

And in terms of Kearl, you are exactly right. Each year over the last couple of years, we continue to set new records at Kearl and so, as I mentioned, we just completed 2021 with 263,000 barrels a day gross. Our guidance for next year is 265,000-270,000, which again moves us one step closer to 280,000, which, as you accurately note, we have previously indicated that we would get to 280,000 in that 2025 timeframe, but we are well ahead of that. And at Investor Day, we will lay out a revised plan but it is safe to say there is a lot of organizational focus on how we can get to that 280,000 level sooner than 2025.

So, some of the things we have already done that will contribute are things like moving to one turnaround per year, which we achieved a year earlier than what we shared at last Investor Day. We have multiple de-bottlenecking projects that we are progressing. We are continuing to look at how do we optimize ore recovery and movement in the mines. And then taking full advantage of digital. I have talked on prior calls about how we are employing multiple digital techniques that are adding real value to us, and that will also have beneficial effects on our production rate.

So, I think 265,000-270,000 is appropriate for 2022, but you can see that is going to step up to 280,000 quicker than the 2025 timeframe. At Investor Day, Simon will give a lot more detail about those individual projects.

Doug Leggate: Thanks for the full answer, guys. I look forward to it. Thanks again.

Brad Corson: Thanks, Doug.

Greg Pardy (RBC Capital Markets): Yes, thanks. Good morning and thanks for the rundown. As always, it was very thorough. Again, at the risk of probably jumping ahead, Brad, you had mentioned that there are steps you are taking to strengthen the Downstream business. I am just wondering if there are any things you can share. I am assuming the products pipeline fits into that mix, but any color there would great.

Brad Corson: Yes, thanks for the question, Greg, and you are right, we will give a much more comprehensive story at Investor Day. But it starts fundamentally with our cost structure and, as I mentioned, we have done a lot of things around our cost structure, and I feel really good about that. Then, it is ensuring that we are leveraging all the synergy that we have, based on our location of our three refineries, the integration that they have between themselves but that they also have with our Upstream production assets. And then ensuring that we maximize the flexibility of their run slate, which has been key through the pandemic as we have had to adjust to much lower jet demand and move that into other products.

And then look at where we have an opportunity to grow new product outlets. We have talked about things we have done with asphalt over the last couple of years and how that is an increasing part of our portfolio, and again, leverages on our heavy crude slate. Then, most recently, of course, the SHRED project and our ability to generate renewable diesel at Strathcona will be a key strategic undertaking for us. Then of course, the integration we have between Sarnia refinery and Sarnia chemical plant also allows us to further capture market and value.

So again, that is a broad brush on it. Jon Wetmore will give a much more comprehensive story at Investor Day, but exciting opportunities for us in the Downstream.

Greg Pardy: Okay. No, terrific. Maybe now – it is probably more of a question for Dan, but just as an observation, we have talking about a SIB for a long time and I totally understand where you guys are coming from in terms of the valuation, but maybe Dan specifically, would it be possible for you to just frame what the mechanics are? I have never worked through one of these from that standpoint. Is it possible just to again enlighten us in terms of blackouts? I am not trying to pin you down on a date per se, because you are saying within the June timeframe, but I would love to know what needs to go into this in terms of formalizing your decision process.

Dan Lyons: Yes. The technicalities of an SIB are it requires a filing and it is open for 35 days. Generally speaking, you should not do it during a blackout period, which is typically 30 days before earnings releases, ballpark as to when the blackout periods are. So, that is the timing and technicalities of it.

Greg Pardy: Okay. Thanks very much.

Neil Mehta (Goldman Sachs): Thanks so much. Brad, one of the core competencies that you have had and you have brought into the business is your background around M&A, given your prior role at Exxon. I would just be curious on your own perspective, if you view Imperial as a logical consolidator, especially in light of the deferred tax position and your success at turning around operations and scale and cost of capital. And if so, how do you think about balancing that versus return of capital? It is a big-picture question, but any thoughts would be appreciated.

Brad Corson: Yes, thanks Neil, and good to hear from you. As we have said in the past, we continue to keep an open mind and an open aperture around potential M&A opportunities. It is not our top priority. Our top priority centers around our existing asset base and maximizing value from those assets, where I think we have demonstrated success over the last couple of years and has us well positioned for the future, with some very long-life assets that under favorable markets, will continue to generate significant cash.

So, when we look at potential M&A opportunities, we need to convince ourselves that not only do they fit into a long-term strategy, but they are accretive and they do compete for capital relative to the brownfield investments that we already have identified and are progressing. We are not driven to acquire something just to grow for the sake of growing. In fact, I think we have demonstrated our ability to grow with the existing asset base. Take Kearl, for example. It was just a couple of years ago that we were at or below 200,000 barrels a day. Now, this year, we are at 263,000, we expect to grow that to 265,000-270,000, and within a relatively short timeframe, I expect we will be at 280,000 or higher. So, in a few short years, we will have added 80,000 barrels a day of growth in our portfolio at a cost much, much lower than any acquisition we could have contemplated.

So, that will continue to be the priority, is making sure we first focus on our existing assets. But there is a lot of consolidation occurring and we want to make sure we are making thoughtful decisions. So, we look at potential acquisitions and evaluate them and we discuss them as a management team, and that guides us accordingly. I hope that answered your question.

Neil Mehta: It is a helpful framework, Brad. The follow-up is just around cash taxes. Can you just remind us, team, how you are thinking about your deferred tax position? It is a good problem to have, to have a lot of earnings per share, but I imagine that would also create some considerations that we need to embed in the model going forward.

Brad Corson: Yes, absolutely. Dan and his team spend a lot of time thinking about that, and so I will ask him to answer.

Dan Lyons: Yes, well, just for the record, we are against cash taxes, if you did not know our position. In 2021, actual cash taxes will be quite small. 2022 will be a transition year and by 2023, with current economic conditions, we would expect to be fully tax paying. So, I think that is probably as much as I can tell you, but on a pure cash basis, out the door, we should pay less than the statutory rate in 2022, but by 2023, we will be fully tax paying on a cash basis. That is where we are.

Neil Mehta: That makes sense, Dan. Thank you.

Menno Hulshof (TD Securities): Good morning, everyone, and thanks for squeezing me in. Most of my questions have been answered, but maybe I will just round things out with cost inflation. We have a pretty good sense of what that could look like for Upstream across the industry, but what are you seeing in terms of cost pressures for Downstream, and would you be able to provide separate ranges for the two?

Brad Corson: Yes, thanks for the question, and no doubt that is an emerging theme across industry and, more broadly, society right now, with inflationary pressures from lots of angles. I think fortunately for us, we have not seen huge impacts of inflationary pressures yet, but that is not to say we will not be going forward. Probably the single largest impact we have had is around our own energy costs, where we purchase natural gas for our facilities and obviously, we all know what has happened there. But, as somebody who also produces energy, on balance that is still favorable for us. We are taking a close look at other consumable supplies and things like that, and first making sure we have access to the supplies and we are not impacted by any market shortages, but then also looking at how we can optimize the cost and mitigate any cost pressures.

Where we could see more significant impacts would be things like steel, for example. But the good news is when we look at our large projects for next year, we talk about Sarnia products pipeline. That project is essentially complete, steel bought a long time ago. The Kearl in-pit tailings project has some steel associated with it, again, most of which has already been procured, but it is more of an earth-moving project than anything. It is very labor intensive and so we have to keep an eye on labor costs, but again, so far we have not seen huge impacts there. So, it is something we are going to keep a very close eye on going forward, but so far, we have been able to manage it quite well.

Menno Hulshof: Thanks, Brad. I will leave it there.

Brad Corson: Okay, thanks.

Phil Gresh (JP Morgan): Yes, hi, good morning. My first question is on the dividend. Obviously, as you noted, two very large increases in the past two years since the last time you had an Analyst Day, and you had talked about a certain breakeven level at that time. So, I was just wondering if you could refresh us on how you think about what that breakeven would be today. And then, as you go forward, how do you think about sustainable levels of increases in the dividend with respect to a breakeven framework or however else you might look at it.

Brad Corson: Thanks for the question. I think Dan will give an answer on that.

Dan Lyons: Yes, Phil, we will talk more about breakevens at the Analyst Day. Last year we talked about $36, both including sustaining capital and dividend. I think that is still a good number, so we are pretty far away from that. So, it is important to us, obviously – a sustainable and growing dividend is one of our core investor offerings, and we do think about that, and we feel, given our outlook, that the 7 cents is warranted, and we feel quite good about it going forward.

So, I guess it is probably as much as I will say, but breakeven is well below current prices, so that gives us a lot of comfort. And obviously as we go forward, we have had energy inflation, as has been discussed, but we continue to work on our base cost structure. So, obviously we want to get that breakeven down as low as we can.

Phil Gresh: Understood. Okay, thank you. Then just one other question on the OPEX in the quarter. Obviously, it was up sequentially. I was not sure if some of the one-time costs that you called out in any way flowed through OPEX or not, but just in general, your latest OPEX in 2022.

Dan Lyons: Yes, of that $160 million, there are a lot of things in there. There are deferred tax adjustments, there are LIFO and inventory changes, but there is also I would say $60 million of OPEX in the Upstream included in that number. So yes, part of that $160 million is one-time OPEX from some smaller write-downs of a number of things.

Phil Gresh: Okay. Great, thank you.

Brad Corson: Thanks, Phil.

Dave Hughes: Thank you very much and thank you everybody for joining us this morning. As usual, if you have any further questions, please do not hesitate to reach out to us at any time. Thank you.

[END OF TRANSCRIPT]

Attachment VI

Non-GAAP financial measures and other specified financial measures

Certain measures included in this document are not prescribed by U.S. Generally Accepted Accounting Principles (GAAP). These measures constitute "non-GAAP financial measures" under Securities and Exchange Commission Regulation G, and "specified financial measures" under National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure of the Canadian Securities Administrators.

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

Cash flows from (used in) operating activities excluding working capital

Cash flows from (used in) operating activities excluding working capital is a non-GAAP financial measure that is the total cash flows from operating activities less the changes in operating assets and liabilities in the period. The most directly comparable financial measure that is disclosed in the financial statements is cash flows from (used in) operating activities within the company's Consolidated statement of cash flows. Management believes it is useful for investors to consider these numbers in comparing the underlying performance of the company's business across periods when there are significant period-to-period differences in the amount of changes in working capital. Changes in working capital is equal to "Changes in operating assets and liabilities" as disclosed in the company's Consolidated statement of cash flows and in Attachment II of this document. This measure assesses the cash flows at an operating level, and as such, does not include proceeds from asset sales as defined in Cash flows from operating activities and asset sales in the Frequently Used Terms section of the company's annual Form 10-K.

Reconciliation of cash flows from (used in) operating activities excluding working capital

	Fourth Quarter		Twelve Months	
millions of Canadian dollars	**2021**	2020	**2021**	2020
From Imperial's Consolidated statement of cash flows				
Cash flows from (used in) operating activities	**1,632**	316	**5,476**	798
Less changes in working capital				
Changes in operating assets and liabilities	**(16)**	(248)	**363**	(335)
Cash flows from (used in) operating activities excl. working capital	**1,648**	564	**5,113**	1,133

Free cash flow

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

Reconciliation of free cash flow

	Fourth Quarter		Twelve Months	
millions of Canadian dollars	**2021**	2020	**2021**	2020
From Imperial's Consolidated statement of cash flows				
Cash flows from (used in) operating activities	**1,632**	316	**5,476**	798
Cash flows from (used in) investing activities				
Additions to property, plant and equipment	**(424)**	(211)	**(1,108)**	(868)
Proceeds from asset sales	**24**	14	**81**	82
Loans to equity companies - net	**1**	-	**15**	(16)
Free cash flow	**1,233**	119	**4,464**	(4)

Net income (loss) excluding identified items

Net income (loss) excluding identified items is a non-GAAP financial measure that is total net income (loss) excluding individually significant non-operational events with an absolute corporate total earnings impact of at least $100 million in a given quarter. The net income (loss) impact of an identified item for an individual segment in a given quarter may be less than $100 million when the item impacts several segments or several periods. The most directly comparable financial measure that is disclosed in the financial statements is net income (loss) within the company's Consolidated statement of income. Management uses these figures to improve comparability of the underlying business across multiple periods by isolating and removing significant non-operational events from business results. The company believes this view provides investors increased transparency into business results and trends, and provides investors with a view of the business as seen through the eyes of management. Net income (loss) excluding identified items is not meant to be viewed in isolation or as a substitute for net income (loss) as prepared in accordance with U.S. GAAP. All identified items are presented on an after-tax basis.

Reconciliation of net income (loss) excluding identified items

	Fourth Quarter		Twelve Months	
millions of Canadian dollars	**2021**	2020	**2021**	2020
From Imperial's Consolidated statement of income				
Net income (loss) (U.S. GAAP)	**813**	(1,146)	**2,479**	(1,857)
Less identified items included in Net income (loss)				
Impairments	**-**	(1,171)	**-**	(1,171)
Subtotal of identified items	**-**	(1,171)	**-**	(1,171)
Net income (loss) excluding identified items	**813**	25	**2,479**	(686)

Cash operating costs (cash costs)

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

Reconciliation of cash operating costs

	Fourth Quarter		Twelve Months	
millions of Canadian dollars	**2021**	2020	**2021**	2020
From Imperial's Consolidated statement of Income				
Total expenses	**11,201**	7,496	**34,307**	24,796
Less:				
Purchases of crude oil and products	**8,122**	3,318	**23,174**	13,293
Federal excise taxes and fuel charge	**524**	446	**1,928**	1,736
Depreciation and depletion	**545**	1,998	**1,977**	3,293
Non-service pension and postretirement benefit	**10**	30	**42**	121
Financing	**22**	18	**54**	64
Total cash operating costs	**1,978**	1,686	**7,132**	6,289

Components of cash operating costs

	Fourth Quarter		Twelve Months	
millions of Canadian dollars	**2021**	2020	**2021**	2020
From Imperial's Consolidated statement of Income				
Production and manufacturing	**1,737**	1,437	**6,316**	5,535
Selling and general	**215**	242	**784**	741
Exploration	**26**	7	**32**	13
Cash operating costs	**1,978**	1,686	**7,132**	6,289

Segment contributions to total cash operating costs

millions of Canadian dollars	Fourth Quarter 2021	Fourth Quarter 2020	Twelve Months 2021	Twelve Months 2020
Upstream	**1,292**	1,004	**4,693**	3,865
Downstream	**562**	545	**2,017**	2,087
Chemicals	**87**	81	**300**	307
Corporate/Eliminations	**37**	56	**122**	30
Cash operating costs	**1,978**	1,686	**7,132**	6,289

Unit cash operating cost (unit cash costs)

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

Components of unit cash operating cost

	Fourth Quarter							
	2021				2020			
millions of Canadian dollars	Upstream (a)	Kearl	Cold Lake	Syncrude	Upstream (a)	Kearl	Cold Lake	Syncrude
Production and manufacturing	**1,266**	**561**	**315**	**333**	997	398	267	277
Selling and general	**-**	**-**	**-**	**-**	-	-	-	-
Exploration	**26**	**-**	**-**	**-**	7	-	-	-
Cash operating costs	**1,292**	**561**	**315**	**333**	1,004	398	267	277
Gross oil-equivalent production (thousands of barrels per day)	**445**	**191**	**142**	**79**	460	202	136	87
Unit cash operating cost ($/oeb)	**31.56**	**31.93**	**24.11**	**45.82**	23.72	21.42	21.34	34.61
USD converted at the quarterly average forex *2021 US$0.79; 2020 US$0.77*	**24.93**	**25.22**	**19.05**	**36.20**	18.26	16.49	16.43	26.65

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

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