

# SUNCOR ENERGY - 2017 CORPORATE GUIDANCE

July 26<sup>th</sup>, 2017

## 2017 Corporate Guidance

Suncor's 2017 Corporate Guidance provides ranges for production and other key metrics of the company's business, as well as targets for capital expenditures and other items. It is management's expectation that actual results will fall within these respective ranges, however Suncor makes no representation as to where actual results will fall within a particular range and will update this Corporate Guidance if actual results are, or are anticipated to be, materially outside of these ranges.

	2017 Full Year Outlook July 26, 2017
<b>Suncor Total Production (boe/d) <sup>(1)</sup></b>	<b>680,000 - 720,000</b>
Oil Sands (bbld/s)	420,000 - 450,000
Syncrude (bbls/d)	130,000 - 145,000
Exploration and Production (boe/d) <sup>(1)</sup>	115,000 - 125,000
Suncor Refinery Throughput (bbls/d)	425,000 - 445,000
Suncor Refinery Utilization <sup>(2)</sup>	92% - 96%
<b>Sales Assumptions</b>	
<b>Oil Sands Sales <sup>(3)</sup></b>	
Synthetic Crude Oil (bbls/d)	305,000 - 325,000
Bitumen (bbls/d)	110,000 - 130,000
<b>Refined Product Sales (bbls/d)</b>	<b>515,000 - 545,000</b>

(1) At the time of publication, production in Libya continues to be affected by political unrest and therefore no forward looking production for Libya is factored into the Exploration and Production and Suncor Total Production guidance. Production ranges for Oil Sands, Syncrude and Exploration and Production are not intended to add to equal Suncor Total Production.

(2) Refinery utilization is based on the following crude processing capacities: Montreal - 137,000 bbls/d; Samia - 85,000 bbls/d; Edmonton - 142,000 bbls/d; and Commerce City - 98,000 bbls/d.

(3) Sales include upgraded Oil Sands synthetic crude oil, diesel and bitumen. The lower and upper ranges for these sales categories are not intended to add to the Oil Sands production ranges. The sales ranges reflect the integrated upgrading and bitumen production performance risk.

**Capital Expenditures (C\$ millions) <sup>(1)</sup>**

	2017 Full Year Outlook July 26, 2017	% Growth Capital <sup>(2)</sup>
Upstream	4,735 - 4,875	60%
Downstream	625 - 675	0%
Corporate	40 - 50	0%
<b>Total</b>	<b>5,400 - 5,600</b>	<b>50%</b>

	2017 Full Year Outlook July 26, 2017
<b>Other Information</b>	
Oil Sands Operations Cash Operating Costs (\$/bbl) <sup>(3)</sup>	\$23.00 - \$26.00
Syncrude Cash Operating Costs (\$/bbl) <sup>(4)</sup>	\$42.00 - \$45.00
Current Income Taxes (C\$ millions) <sup>(5)</sup>	\$600 - \$900
Canadian Tax Rate (effective)	27% - 28%
US Tax Rate (effective)	32% - 34%
UK Tax Rate (effective)	35% - 40%
Average Corporate Interest Rate	5% - 6%
Oil Sands Crown Royalties <sup>(6)</sup>	1% - 3%
Syncrude Crown Royalties <sup>(6)</sup>	3% - 6%
East Coast Canada Royalties <sup>(6)</sup>	17% - 21%

**Business Environment**

Oil Prices - Brent, Sullom Voe (\$US/bbl)	\$49.00
WTI, Cushing (\$US/bbl)	\$47.00
WCS, Hardisty (\$US/bbl)	\$35.00
Refining Margin - NY Harbor 3-2-1 crack (\$US/bbl)	\$14.50
Natural Gas Price - AECO - C Spot (\$CAD/GJ)	\$2.50
Exchange Rate (CADUSD)	0.77

- (1) Capital expenditures exclude capitalized interest of approximately \$750 million.
- (2) Balance of capital expenditures represents sustaining capital. For definitions of growth and sustaining capital expenditures, see the Capital Investment Update section of Suncor's Management Discussion and Analysis dated July 26, 2017 (the "MD&A").
- (3) Oil Sands operations cash operating costs, which exclude Syncrude, are based on the following assumptions: production volumes, sales mix, and average natural gas prices as described in the tables above. Oil Sands operations cash operating costs per barrel is a non-GAAP financial measure. For more information on Oil Sands operations cash operating costs per barrel, see the Cash Operating Costs section in the Segment Results and Analysis section of the MD&A. See also the Non-GAAP Financial Measures Advisory section of the MD&A. Both sections are incorporated by reference herein.
- (4) Syncrude cash operating costs are based on the following assumptions: production volumes, sales mix, and average natural gas prices as described in the tables above. Users are cautioned that the Syncrude cash operating costs per barrel measure may not be fully comparable to similar information calculated by other entities (including Suncor's Oil Sands operations cash operating costs per barrel, which excludes Syncrude) due to differing operations. For more information on Syncrude cash operating costs per barrel, see the Cash Operating Costs section in the Segment Results and Analysis section of the MD&A. See also the Non-GAAP Financial Measures Advisory section of the MD&A. Both sections are incorporated by reference herein.
- (5) Current income taxes exclude approximately \$130 million of current tax on dispositions.
- (6) Reflected as a percentage of gross revenue.

Suncor's 2017 Full Year Outlook contains certain forward-looking statements and information (collectively, "forward-looking statements"). All forward-looking statements for the 2017 fiscal year are based on Suncor's current expectations, estimates, projections and assumptions that were made by the

company in light of its experience and its perception of historical trends including: expectations and assumptions concerning the accuracy of reserve and resource estimates; commodity prices and interest and foreign exchange rates; the performance of assets and equipment; capital efficiencies and cost-savings; applicable laws and government policies, including royalty rates and tax laws; future production rates; the sufficiency of budgeted capital expenditures in carrying out planned activities; the availability and cost of labour and services, the satisfaction by third parties of their obligations to Suncor; and the receipt, in a timely manner, of regulatory and third-party approvals. Forward-looking statements are not guarantees of future performance and involve a number of risks and uncertainties, some that are similar to other oil and gas companies and some that are unique to our company. Suncor's actual results may differ materially from those expressed or implied by our forward-looking statements and you are cautioned not to place undue reliance on them.

Assumptions for the Oil Sands and Syncrude 2017 production outlook include those relating to reliability and operational efficiency initiatives that the company expects will minimize unplanned maintenance in 2017. Assumptions for the Exploration and Production 2017 production outlook include those relating to reservoir performance, drilling results and facility reliability. Factors that could potentially impact Suncor's 2017 corporate guidance include, but are not limited to:

- Bitumen supply. Bitumen supply may be dependent on unplanned maintenance of mine equipment and extraction plants, bitumen ore grade quality, tailings storage and in situ reservoir performance.
- Third-party infrastructure. Production estimates could be negatively impacted by issues with third-party infrastructure, including pipeline or power disruptions, that may result in the apportionment of capacity, pipeline or third-party facility shutdowns, which would affect the company's ability to produce or market its crude oil.
- Performance of recently commissioned facilities or well pads. Production rates while new equipment is being brought into service are difficult to predict and can be impacted by unplanned maintenance.
- Unplanned maintenance. Production estimates could be negatively impacted if unplanned work is required at any of our mining, extraction, upgrading, in situ processing, refining, natural gas processing, pipeline, or offshore assets.
- Planned maintenance events. Production estimates, including production mix, could be negatively impacted if planned maintenance events are affected by unexpected events or are not executed effectively. The successful execution of maintenance and start-up of operations for offshore assets, in particular, may be impacted by harsh weather conditions, particularly in the winter season.
- Commodity prices. Declines in commodity prices may alter our production outlook and/or reduce our capital expenditure plans.
- Foreign operations. Suncor's foreign operations and related assets are subject to a number of political, economic and socio-economic risks.

Suncor's News Release dated July 26, 2017, the MD&A, and Suncor's most recently filed Annual Information Form, Form 40-F, Annual Report to Shareholders and other documents it files from time to time with securities regulatory authorities describe the risks, uncertainties, material assumptions and other factors that could influence actual results and such factors are incorporated herein by reference. Copies of these documents are available without charge from Suncor at 150 6th Avenue S.W., Calgary, Alberta T2P 3Y7, by calling 1-800-558-9071, or by email request to [info@suncor.com](mailto:info@suncor.com) or by referring to the company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) or EDGAR at [www.sec.gov](http://www.sec.gov). Except as required by applicable securities laws, Suncor disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Certain natural gas estimates provided for above have been converted to barrels of oil equivalent (boe) on the basis of one barrel of oil to six thousand cubic feet of natural gas. Boe may be misleading, particularly if used in isolation. A conversion ratio of six thousand cubic feet of natural gas to one barrel of oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not necessarily represent value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, conversion on a 6:1 basis may be misleading as an indication of value.