

SUNCOR ENERGY

# Investor Information

## Q2 2020

Published July 22, 2020



# Living our purpose through COVID-19 response

## Suncor's Purpose

*To provide trusted energy that enhances people's lives,  
while caring for each other and the earth*

### What we are doing to promote the safety & well-being of our employees, customers & communities

- As an integrated energy producer, we continue to provide the energy needed to get critical goods and services to health-care providers, communities, & essential businesses
- Enhanced safety protocols to protect our workforce including physical distancing guidelines, temperature screening, ramp up of on-site testing and protocols to manage any symptomatic workers
- Rapidly implemented remote work for all non-essential personnel, supported by strengthened IT systems as well as tools and resources to maintain productivity and ensure employee well-being
- Contributed \$3 million to Petro-Canada locations to support essential workers through small acts of kindness, from fuel discounts to meals and showers
- Contributed \$2 million from Suncor, the Suncor Energy Foundation and employees through our SunCares program
- Donated & distributed 40,000 N95 masks to Canada's northernmost communities, in partnership with the Government of Canada
- Collaborating with Western University to develop affordable COVID-19 home antibody testing kits using technology intended to treat wastewater from our operations<sup>1</sup>

# Financial Health & Long Term Value Focus

- Balance sheet strength & financial health is the foundation of our strategy & capital allocation framework
- Capital, operating cost & dividend reduction support our strong balance sheet, high investment grade credit ratings & add to the resiliency of the company to focus on & invest in long term value creation
- Commitment to shareholder returns remains – increasing shareholder returns when market conditions & balance sheet health permits as dividends & share buybacks remain core elements

~\$4.5B

reduction in go-forward annualized cash commitments<sup>1</sup>  
(from original 2020 guidance)

~\$3B

reductions from changes to business<sup>2</sup>  
(capital + opex reductions)

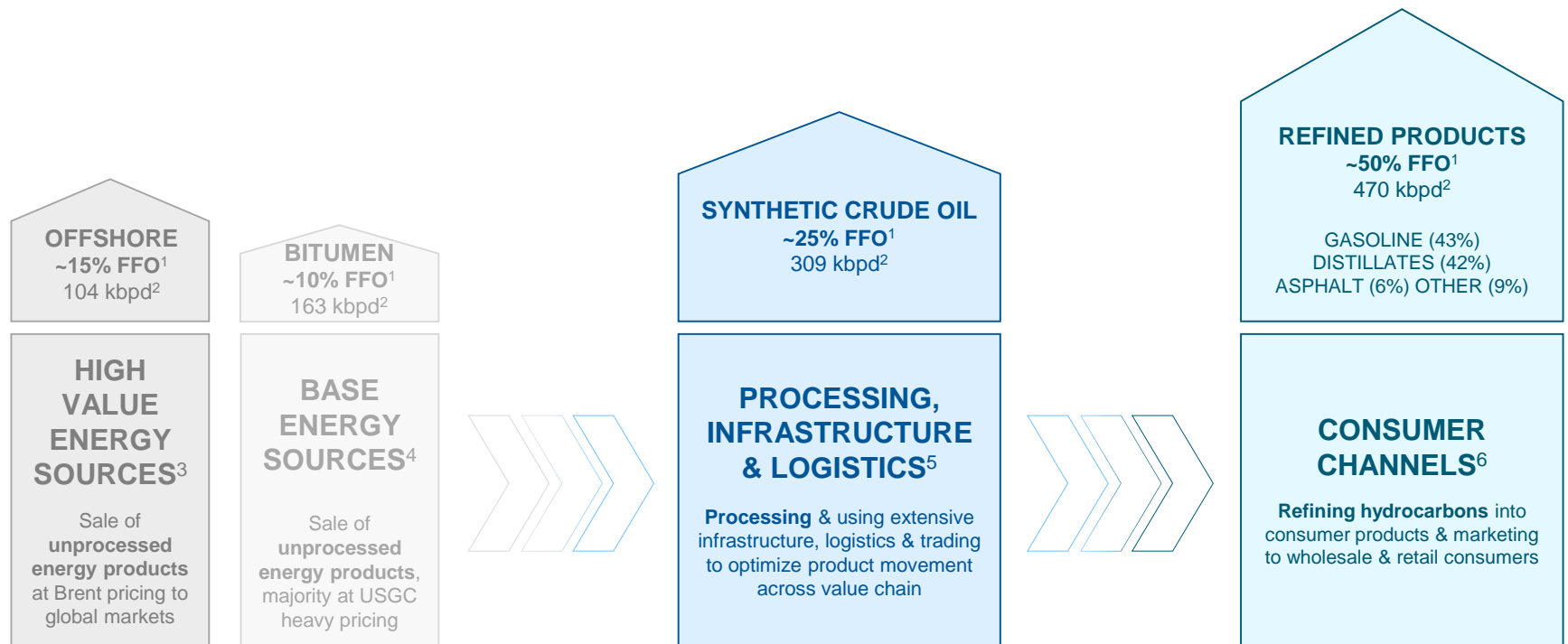
~\$35/bbl  
WTI (US\$)

2020E FFO breakeven cost structure<sup>3,4</sup>  
(total enterprise operating costs + sustaining capital + dividend)

	Original 2020 Guidance	Current 2020 Guidance & Outlook <sup>6,7</sup>
<b>2020E FFO Breakeven<sup>3,4</sup></b> (US\$)	<\$45/bbl WTI & \$18 NYH 2-1-1	~\$35/bbl WTI & \$12 NYH 2-1-1
<b>Capital Expenditures</b>	\$5.4 – \$6.0B \$5.7B midpoint	\$3.6 – \$4.0B \$3.8B midpoint
<b>Operating Expenditures</b>	-	\$1.0B reduction
<b>Dividend<sup>5</sup></b>	\$0.465/share	\$0.21/share <sup>8</sup>

# Integrated Model

2018 / 2019 AVERAGES OF PRODUCTS SOLD TO MARKET



## PHYSICAL INTEGRATION STRATEGY

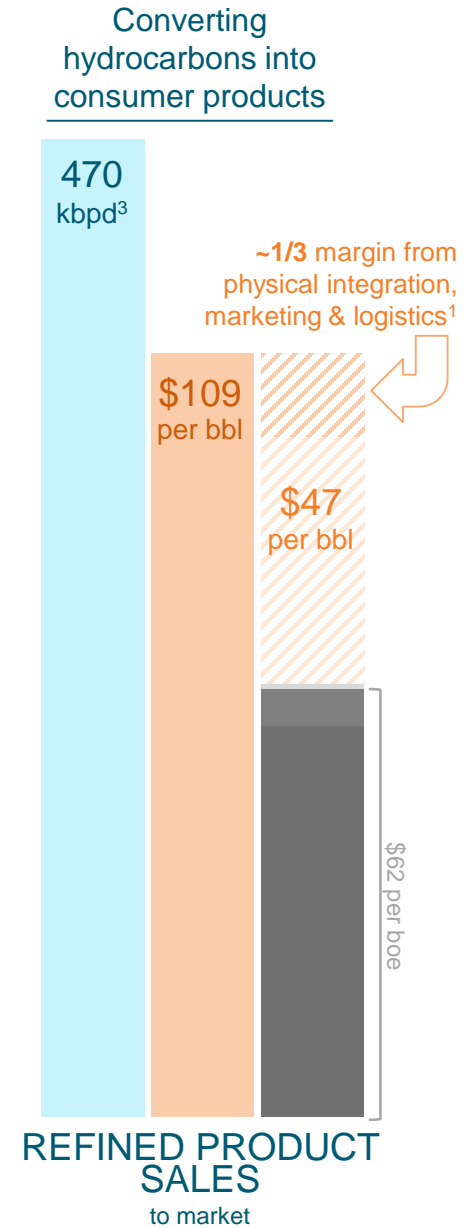
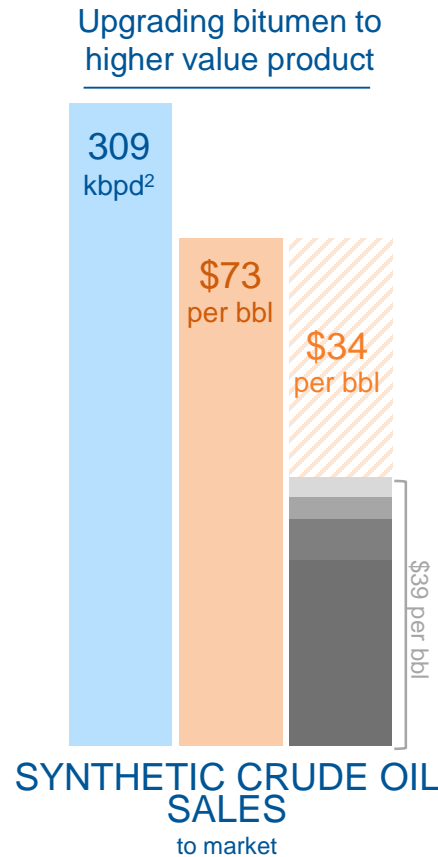
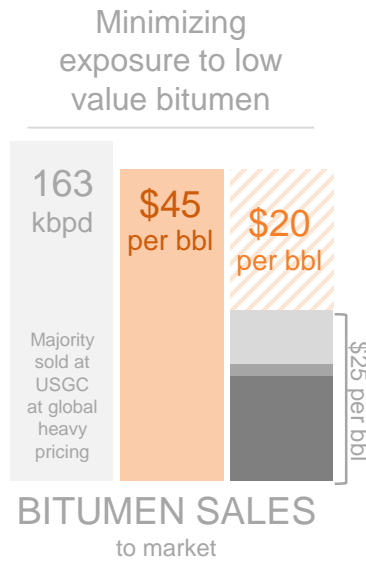
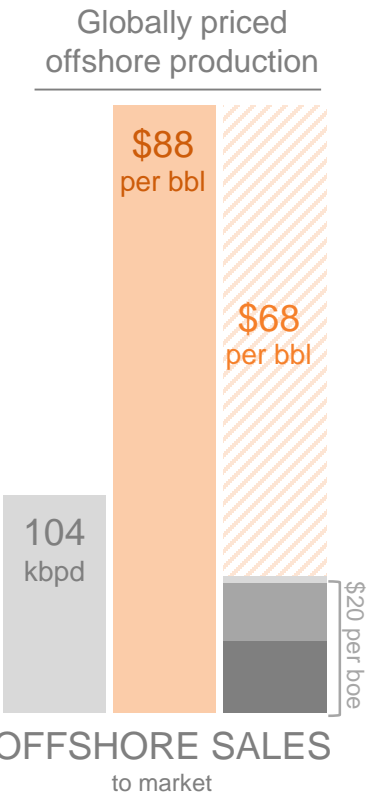
Agile & informed model to capture margin by processing & moving energy across the value chain

# Asset Value Maximization

2018 / 2019 AVERAGES<sup>1</sup> (\$CAD)

(Refer to pages 36 - 39 in Supplemental IR Deck for full reconciliation)


- Product Value
- Transportation Cost
- Product Margin
- Processing Cost
- Royalty Cost
- Feedstock Cost



MAJORITY OF PHYSICALLY INTEGRATED VOLUMES

# Capital Allocation & Breakeven Sensitivities

## Disciplined Capital Allocation<sup>1</sup>

O R D E R   O F   P R I O R I T Y 

Sustained price outlook <sup>2</sup> (WTI USD\$/bbl)	Balance sheet leverage metrics	Annual FFO <sup>1,3</sup> allocation (C\$B)			
		Sustaining capital <sup>1,4</sup>	Dividend <sup>5</sup>	Economic investment <sup>6</sup>	Buyback target <sup>5</sup>
\$35 - \$45	Upper range +	\$2.75 - \$3.75	Annualized go-forward 2020 dividend ~C\$1.3B	<\$0.5	none
\$45 - \$55	Mid range			<\$2.0	\$1 - \$2
\$55 - \$65	Low range			<\$3.0	\$2+

## 2020E FFO Breakeven on \$USD WTI Pricing<sup>7</sup>

Assumes USD WTI/bbl & \$12/bbl NYH 2-1-1 refining crack;

2020E FFO Breakeven estimates are inclusive of dividends, sustaining capital & enterprise operating costs incurred in Q1 2020

**<\$25/bbl WTI**

covers total enterprise  
operating costs

**~\$30/bbl WTI**

covers total enterprise  
operating costs  
+ sustaining capital

**~\$35/bbl WTI**

covers total enterprise  
operating costs  
+ sustaining capital  
+ dividend

# Value Creation & Cost Management

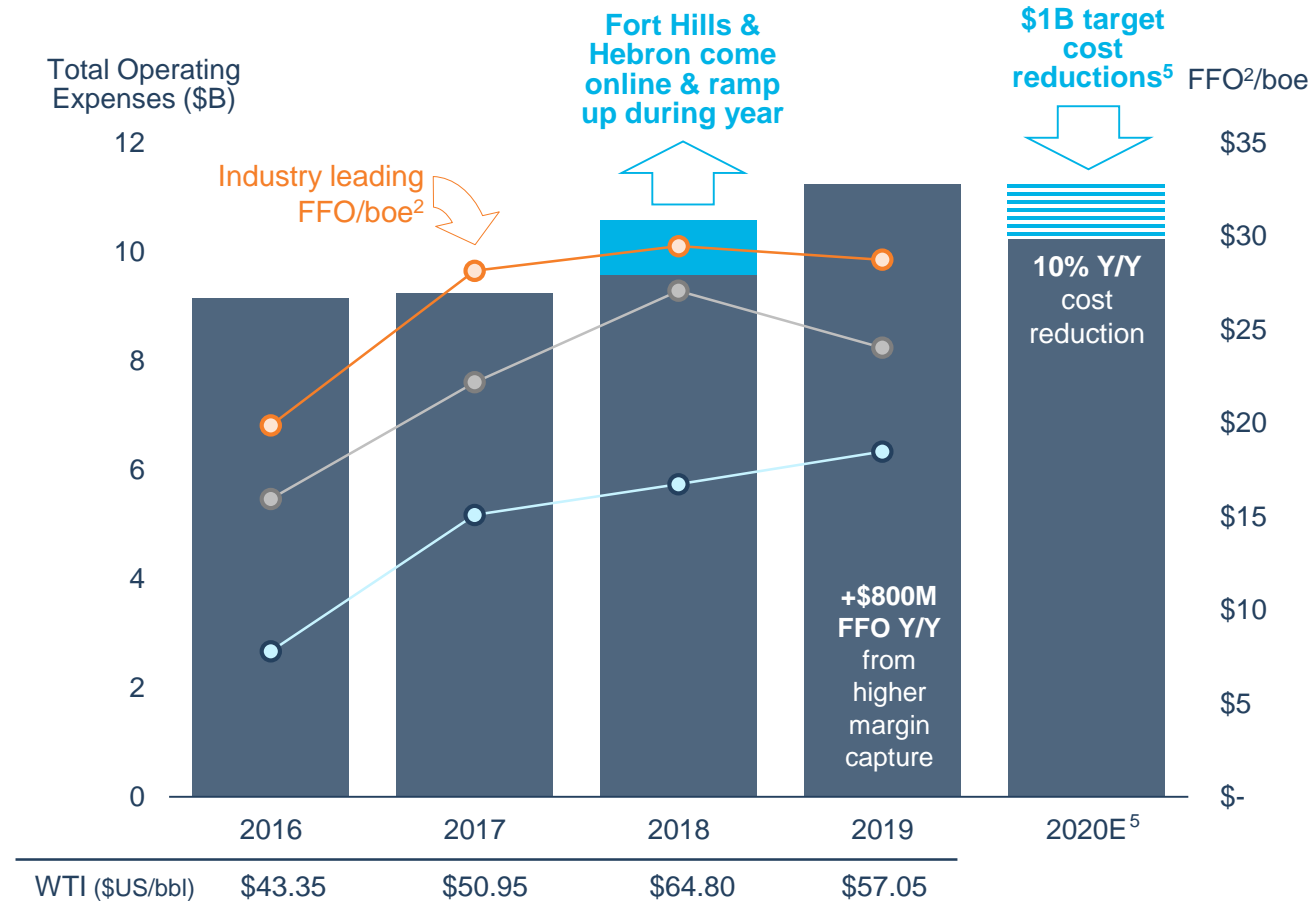
## Leading FFO/boe<sup>2</sup> & Total Operating Expenses

### Value over volume

Elevated 2019 costs due to higher Y/Y FFO<sup>1</sup> (+\$800M) in production vs. bitumen barrels as a result of higher SCO throughput during mandatory production curtailment

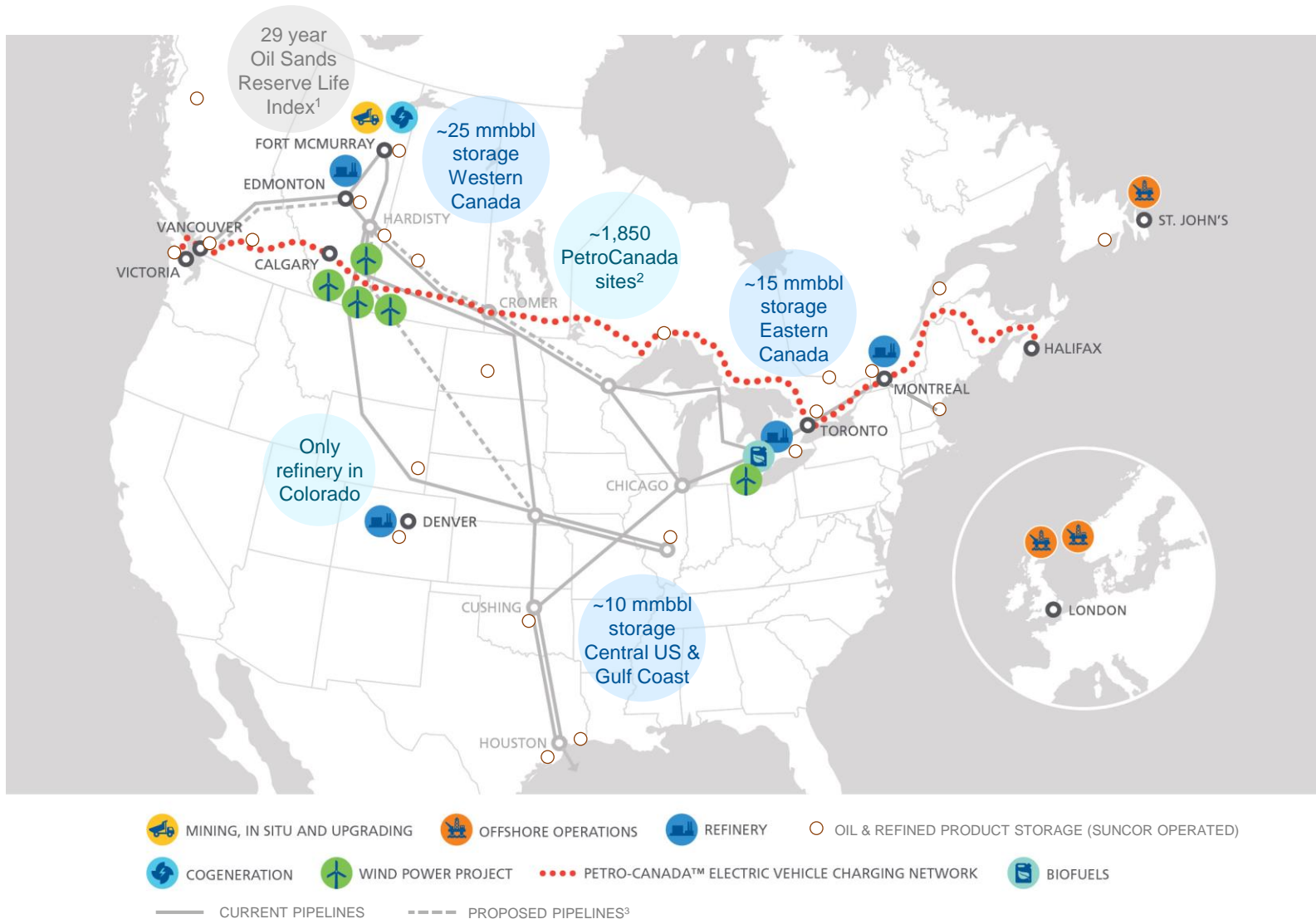
Counter cycle acquisitions in 2016 & new assets online in 2018 with >\$5B/yr additional revenue

\$1 billion target operating cost reduction<sup>5</sup> through cost savings, staffing efficiencies, & temporary transition of Fort Hills to one train operation



● Suncor FFO/boe<sup>2</sup> ● Supermajor Avg FFO/boe<sup>2,3</sup> ● Oil Sands Avg FFO/boe<sup>2,4</sup>

# Operations & Consumer Network





# The Suncor Advantage<sup>1</sup>

LEADING SUSTAINABILITY TRACK RECORD ACROSS BUSINESS



## ENERGY SOURCES

- Long life, low decline assets with operational connectivity & flexibility
- Newest oil sands asset (Fort Hills) has carbon intensity equivalent to average U.S. refined barrel (refer to page 30 in Supplemental IR deck)
- Produce bitumen to keep upgraders full to support the value chain
- Partnering with First Nations in responsible resource development
- Target to reduce corporate GHG intensity by 30% by 2030 (refer to page 14)



## PROCESSING, INFRASTRUCTURE & LOGISTICS

- Upgrading improves value & marketability of products
- Asset flexibility
  - Base Plant upgrader tied into Edmonton Refinery, optimizing upgrading capabilities
  - Completion of interconnect pipeline anticipated in Q4 2020 to connect Base Plant & Syncrude upgrading complexes
- Capitalize on price dislocations through alignment of upstream operations & risk management activities
- International presence through STO office locations in London & Houston
- Significant storage (~50 mmbbls), infrastructure & logistics across, including 5,600 rail cars to move refined products



## CONSUMER CHANNELS

- ~20% Canadian retail market share<sup>2</sup>
- 1<sup>st</sup> cross-Canada EV charging network
- Canada's largest ethanol producer
- ~460 kbpd refining capacity<sup>3</sup>
- Refineries & associated product market
  - Edmonton – across Canada, northwest US
  - Sarnia & Montreal – Toronto, Midwest US
  - Commerce City – Colorado
- Refinery product mix flexibility<sup>4</sup>
  - Diesel: ~35 – 45%
  - Gasoline: ~35 – 45%
  - Jet Fuel: ~0 – 5%
  - Asphalt / Chemicals / Other: ~10 – 15%
- Investing in low carbon technologies to reduce GHG intensity of products (refer to page 29 in Supplemental IR deck)

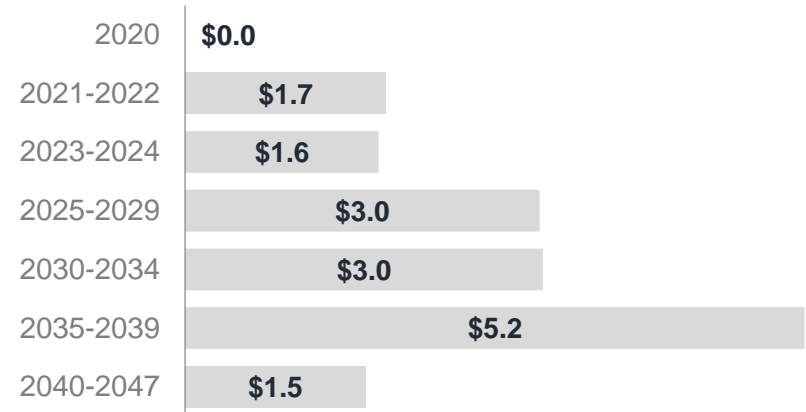
# Strong Liquidity & Financial Position

**~\$9B** **Liquidity<sup>1</sup>**  
 Cash & cash equivalents (~\$1.85B)  
 & available credit facilities (~\$6.80B)  
 as of June 30, 2020

**A<sub>Low</sub>**  
**BBB+**  
**Baa1** **Investment grade credit rating**  
 DBRS Rating Limited (A Low)  
 Standard & Poor's Rating Services (BBB+)  
 Moody's Corp (Baa1)

**37.5%** **Total debt to capitalization**  
 as of June 30, 2020; Target 20-35%;  
 Debt Covenant of 65%

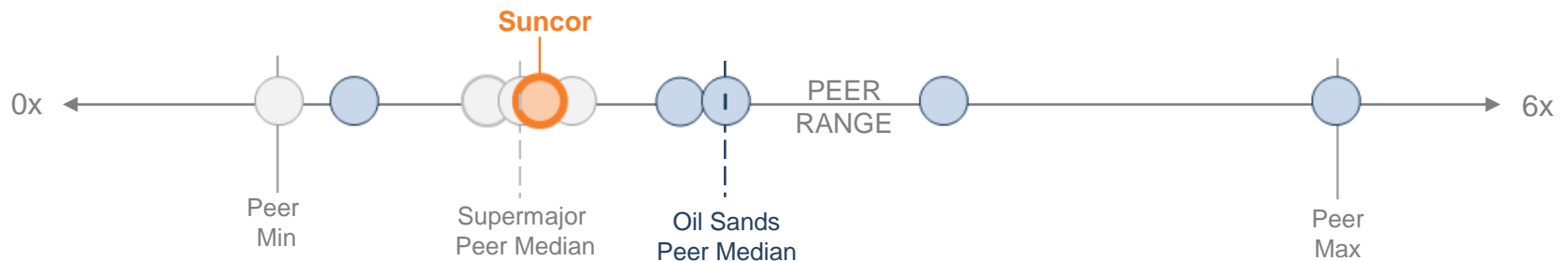
**Manageable debt maturity profile<sup>1</sup>**  
 (C\$ billion – as of June 30, 2020)



## Net debt to FFO<sup>2</sup>

Suncor demonstrates financial responsibility among peers

○ Supermajor Peer<sup>3</sup> ● Oil Sands Peer<sup>3</sup>



# 2020 Capital Allocation<sup>1,2</sup>

## ECONOMIC INVESTMENT CAPITAL \$1.4 - \$1.6B

High grading capital spend on quick payout, top quartile IRR projects to improve efficiency, flexibility & resilience<sup>3</sup>



## ASSET SUSTAINMENT & MAINTENANCE<sup>1</sup> \$2.2 - \$2.4B

Investing in base business & regular maintenance

	Q1	Q2	Rem 2020 <sup>1</sup>	Total <sup>2</sup>
	257	155	300 – 400	~715 – 815
E&P	162	120	280 – 330	~565 – 615
In-Situ Well Pads	95	35	20 – 70	~150 – 200
	105	80	170 – 220	~355 – 405
	181	26	165 – 175	~370 – 380
	<b>543</b>	<b>261</b>	<b>635 – 795</b>	<b>~1,440 – 1,600</b>

	Q1	Q2	Rem 2020 <sup>1</sup>	Total <sup>2</sup>
	673	340	755 – 925	~1,765 – 1,935
Refining & Marketing	49	64	235 – 285	~350 – 400
	3	2	20 – 30	~25 – 35
	14	5	0 – 10	~20 – 30
	<b>739</b>	<b>410</b>	<b>1,010 – 1,250</b>	<b>~2,160 – 2,400</b>

# \$2B Free Funds Flow Growth Update<sup>1,2</sup>

Structural, sustained free funds flow<sup>1</sup> growth potential for years 2020 – 2025 inclusive<sup>3</sup>, through **margin improvements**, operating & sustaining capital **cost reductions**, & **growth** opportunities

## Projects Implemented by 2023 (~\$1B Free Funds Flow<sup>1,2</sup>)

**Supply & Trading**  
Value chain optimization

**Suncor / Syncrude Interconnecting Pipelines**  
Optimizing margins; in-service Q4 2020

**Tailings Management – Implementation of PASS<sup>4</sup>**  
~\$4/bbl average expected savings  
(Refer to page 25 in Supplemental IR deck)

**AHS Deployment<sup>5</sup>**  
Fort Hills fully deployed by Q4 2020; Millennium deployment TBD  
(Refer to page 30 in Supplemental IR deck)

**Business Process Transformation**  
SAP S4 digital process transformation

**Supply Chain Management**  
Reduce supplier base to strategic suppliers;  
integrate across supply chains; regionalization of services

## 2024 – 2025 Deployment (~\$1B Free Funds Flow<sup>1,2</sup>)

**Refinery Optimization**  
Product mix & turnaround optimization

**Debottlenecks**  
Fort Hills, MacKay River & Firebag processing facilities

**Coke Fired Boiler Replacement (cogen)**  
Lower cost, high efficiency, power revenue upside;  
sanctioned September 2019; in-service 2024-2025  
(Refer to page 31 in Supplemental IR deck)

**Asset Synergies**  
Coordinated maintenance strategies,  
sharing of knowledge & best practices, etc.

**Forty Mile Wind Project**  
Sustainable economic returns through low carbon power generation  
& retaining generated carbon credits; in-service 2024-2025

### Digital Technology Adoption

Advanced process analytics (operational optimization), robotic process automation (cost reduction), wireless employee badges (worker safety & optimization), rotating equipment sensing & remote monitoring, etc.

# Technology & New Energy Investment

## 2019 investment breakdown

**\$830M** New technologies<sup>1</sup>  
(~70% capitalized<sup>2</sup>)



**\$115M** Low carbon power<sup>3</sup>  
(Base Plant Cogeneration capital spend)

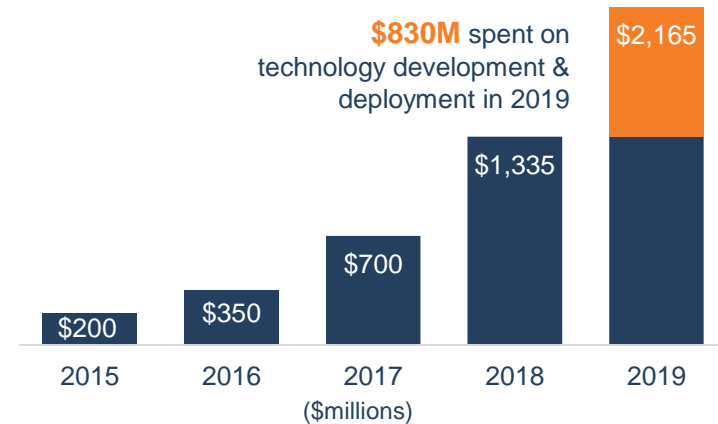


**\$85M** Renewable energy<sup>4</sup>  
(Forty Mile Wind Project capital spend)



**>\$1B** 2019 TECHNOLOGY &  
NEW ENERGY SPEND (~\$770M capex)<sup>5</sup>

**>\$2B in technology investment**  
cumulative spend since 2015<sup>1</sup>



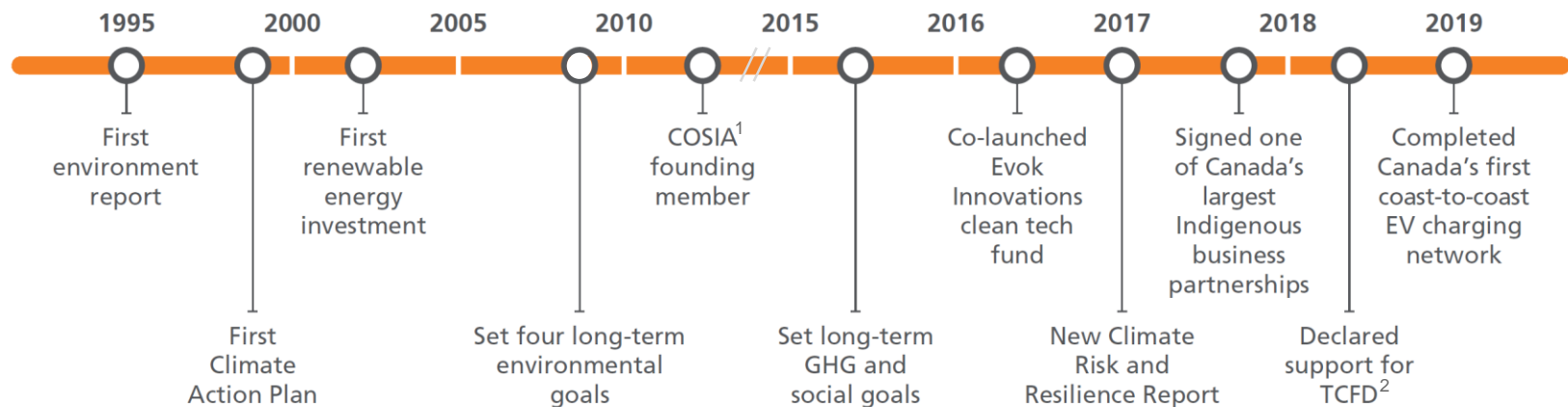
**~14%** 2019 CAPITAL ALLOCATED TO TECHNOLOGY & NEW ENERGY<sup>5</sup>

## \$830M technology investment breakdown



# Our Sustainability Journey

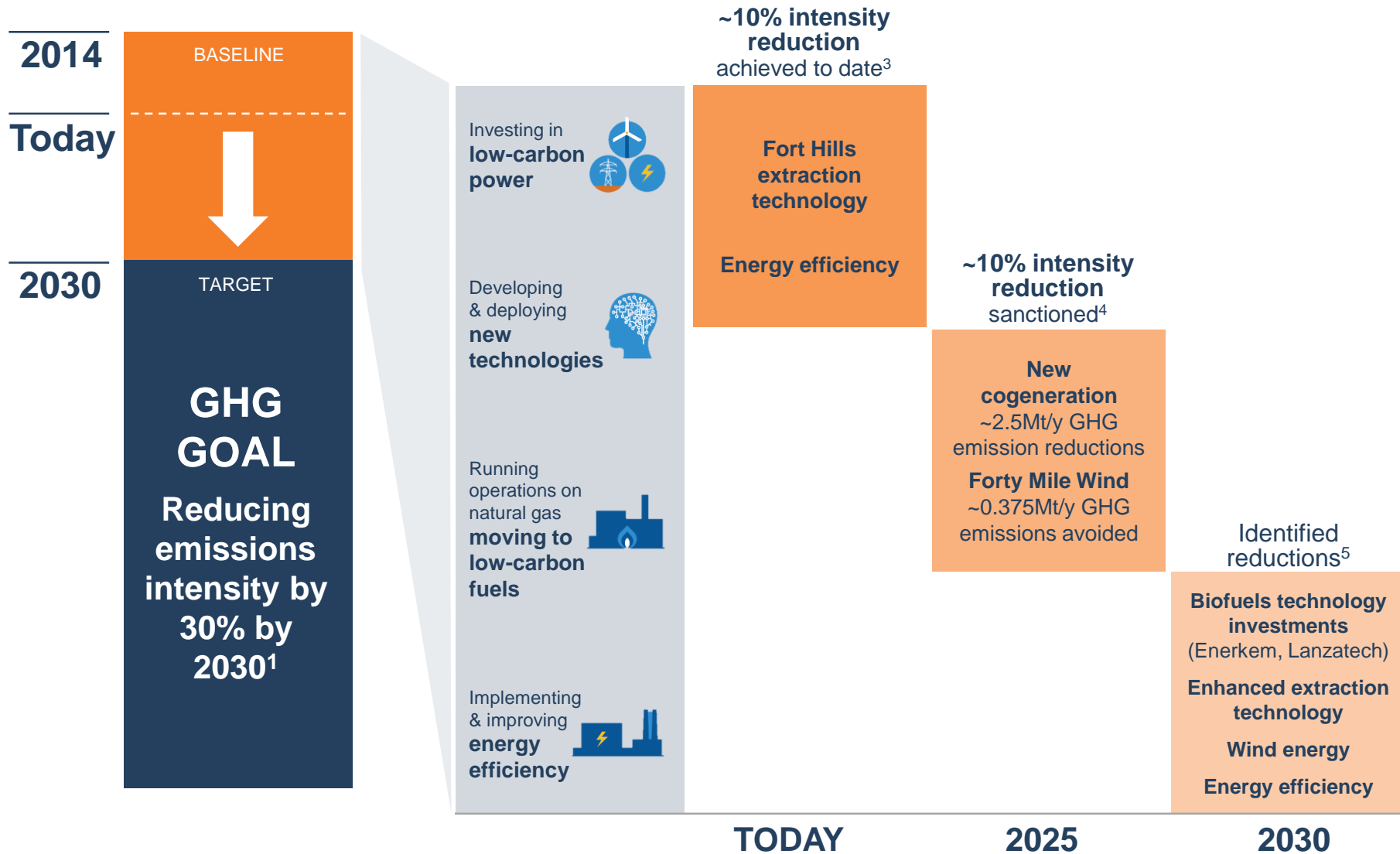
## A multi-decade history of environmental and social action



## A track record of setting and exceeding sustainability targets

- |             |   |          |
|-------------|---|----------|
| <b>2009</b> | <p>Improve key environmental performance indicators by 2015<br/>Energy efficiency, fresh water use, reclamation, air emissions – met or exceeded targets</p>  | ✓        |
| <b>2015</b> | <p>Increase participation of Indigenous Peoples in energy development, evaluate by 2025<br/>Examples of successful partnerships include \$1B East Tank Farm, \$3.1B SCM spend since 2015, 39 Indigenous-owned PetroCanada retail sites and counting</p> | On track |
|             | <p>Harness technology and innovation for a lower-carbon energy system<br/>Target 30% lower GHG intensity<sup>3</sup> by 2030 vs. 2014 – achieved or sanctioned 20%<sup>4</sup></p>  | On track |

# Advancing Low Carbon Energy



# 2020 Capital & Production Guidance<sup>1</sup>

## CAPITAL EXPENDITURES

	Capital <sup>2</sup> (\$ millions)	Economic Investment <sup>3</sup>
Oil Sands	2,500 – 2,650	25%
E&P	550 – 650	95%
Downstream	450 – 550	20%
Corporate	100 – 150	80%
<b>Total</b>	<b>3,600 – 4,000</b>	<b>40%</b>

## BUSINESS ENVIRONMENT

<b>Oil Prices</b> (\$US/bbl)	
Brent (Sullom Voe)	\$42.00
WTI (Cushing)	\$39.00
WCS (Hardisty)	\$25.00
<b>Refining Margin</b> (\$US/bbl)	
NYH 2-1-1	\$12.00
<b>Natural Gas Price</b> (\$/GJ)	
AECO – C Spot	\$2.00
<b>Exchange Rate</b> (CAD/USD)	\$0.74

## PRODUCTION & OPERATING COSTS

	Production <sup>4</sup> (boepd)	Cash Operating Costs <sup>5</sup> (\$/bbl)
Oil Sands Operations	410,000 – 435,000	\$24.00 – \$26.50
Fort Hills (54.11% WI)	55,000 – 65,000	\$34.00 – \$37.00
Syncrude (58.74% WI)	165,000 – 180,000	\$35.00 – \$38.00
E&P	100,000 – 115,000	-
<b>Total Upstream Production</b>	<b>740,000 – 780,000</b>	-
Refinery throughput	390,000 – 420,000	-
Refinery utilization	84% – 91%	-
Refined product sales	500,000 – 530,000	-

## PLANNED MAINTENANCE<sup>6</sup> (Suncor operated assets & Syncrude<sup>6</sup>)

	Upstream	Timing	Impact on quarter (mbpd)
	U1	Q3 / Q4	~20 / 15
	U2	Q3	~15
	Syncrude	Q3	~20
<b>Downstream</b>			
	Edmonton	Q3	~35

2020 SENSITIVITIES <sup>7</sup>	+\$1/bbl Brent (US\$)	+\$1/bbl NYH 2-1-1 (US\$)	+\$0.01 FX (US\$/C\$)	+\$1/GJ AECO (\$)	+\$1L/H Diff (US\$)	+\$1L/L Diff (US\$)
FFO (\$ millions)	~280	~125	~(125)	~(235)	~(65)	~(50 – 70)



# Advisories

**Forward-Looking Statements** – Forward-Looking Statements – This presentation contains certain “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 and “forward-looking information” within the meaning of applicable Canadian securities legislation (collectively, “forward-looking statements”), including statements about: Suncor’s strategy and business plans; expectations for refinery feedstock mix and refined products mix, including gasoline, diesel, jet fuel, distillates and asphalt; expectations about planned capital expenditures, FFO break-even on US\$ WTI pricing, balance sheet leverage metrics, cost reductions, FFO allocation, and operating and financial results; reserves estimates and reserve life indices; expected utilization of assets; expectations for dividends, share repurchases, production growth, funds from operations, free funds flow growth and the basis for such expectations; statements about the \$1 billion reduction in operating costs target and planned reductions from changes to business, including the factors expected to contribute to the reduction; Suncor’s debt maturity profile; anticipated capital spending for the remainder on 2020; statements about Suncor’s \$2 billion free funds flow target, including the timing thereof and the projects which are expected to achieve it; statements about Suncor’s GHG intensity reduction goal including the expected impact of sanctioned projects; nameplate capacities; expectations for and potential benefits of the cogeneration facility, value chain optimization, business process transformation, digital technology adoption, Forty Mile Wind Project, Suncor/Syncrude interconnecting pipelines, biofuels technology investments, hydro treated renewable diesel, AHS deployment and PASS; statements about Suncor’s investments in its lower-carbon technology portfolio and in technologies, including the expected benefits therefrom; expectations about Fort Hills extraction technology; capital and production guidance; and planned maintenance and the timing thereof; that are based on Suncor’s current expectations, estimates, projections and assumptions that were made by Suncor in light of its experience and its perception of historical trends. Some of the forward-looking statements may be identified by words such as “planned”, “estimated”, “target”, “goal”, “illustrative”, “strategy”, “expected”, “focused”, “opportunities”, “may”, “will”, “outlook”, “anticipated”, “potential”, “guidance”, “predicts”, “aims”, “proposed”, “seeking” and similar expressions. 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 Suncor. Users of this information are cautioned that actual results may differ materially as a result of, among other things, assumptions regarding: the current and potential adverse impacts of the COVID-19 pandemic, including the status of the pandemic and future waves and any associated relaxations (or tightening) of current business restrictions, shelter-in-place orders or gatherings of individuals; commodity prices and interest and foreign exchange rates; the performance of assets and equipment; capital efficiencies and cost-savings; applicable laws and government policies; future production rates; the development and execution of projects; assumptions contained in or relevant to Suncor’s 2020 Corporate Guidance; product supply and demand; market competition; future production rates; assets and facilities not performing as anticipated; expected bottlenecks, cost reductions and margin improvements not being achieved to the extent anticipated; dividends declared and share repurchases; the sufficiency of budgeted capital expenditures in carrying out planned activities; risks inherent in marketing operations (including credit risks); imprecision of reserves estimates and estimates of recoverable quantities of oil, natural gas and liquids from Suncor’s properties; expected synergies and the ability to sustain reductions in costs; the ability to access external

sources of debt and equity capital; the timing and the costs of well and pipeline construction; Suncor’s dependence on pipeline capacity and other logistical constraints, which may affect the company’s ability to distribute products to market; mandatory production curtailments being greater or imposed for longer than anticipated; the timely receipt of regulatory and other approvals; the timing of sanction decisions and Board of Directors’ approval; the availability and cost of labour, services, and infrastructure; the satisfaction by third parties of their obligations to Suncor; the impact of royalty, tax, environmental and other laws or regulations or the interpretations of such laws or regulations; applicable political and economic conditions; risks associated with existing and potential future lawsuits and regulatory actions; improvements in performance of assets; and the timing and impact of technology development.

Although Suncor believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Suncor’s Management’s Discussion and Analysis for the quarter ended June 30, 2020 and dated July 22, 2020 (the Q2 MD&A), Annual Report for the year ended December 31, 2019 (the 2019 Annual Report) and its most recently filed Annual Information Form/Form 40-F 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 3E3, by calling 1-800-558-9071, or by email request to [invest@suncor.com](mailto:invest@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. Suncor’s actual results may differ materially from those expressed or implied by its forward-looking statements, so readers are cautioned not to place undue reliance on them.

Suncor’s corporate guidance includes a planned production range, planned maintenance, capital expenditures and other information, based on our current expectations, estimates, projections and assumptions (collectively, the Factors), including those outlined in our 2020 Corporate Guidance available on [www.suncor.com/guidance](http://www.suncor.com/guidance), which Factors are incorporated herein by reference. Suncor includes forward-looking statements to assist readers in understanding the company’s future plans and expectations and the use of such information for other purposes may not be appropriate.

**Non-GAAP Measures** – Certain financial measures in this presentation – namely funds from operations, free funds flow, Oil Sands operations cash operating costs, Fort Hills cash operating costs and Syncrude cash operating costs – are not prescribed by GAAP. All non-GAAP measures presented herein do not have any standardized meaning and therefore are unlikely to be comparable to similar measures presented by other companies. Therefore, these non-GAAP measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. All non-GAAP measures are included because management uses the information to analyze business performance, leverage and liquidity and therefore may be considered useful information by investors. See the “Non-GAAP Financial Measures Advisory” section of the Q2 MD&A

Funds from operations (previously referred to as cash flow from operations) is defined in the Q2 MD&A, for the three months ended June 30, 2020 is reconciled to the GAAP measure in the Q2 MD&A, for 2016 to 2019 is reconciled to GAAP measures in Suncor’s annual management’s discussion and analysis (MD&A) for the respective year, and in Suncor’s Investor Information Supplemental published July 22 2020. Oil Sands cash operating costs, Fort Hills cash operating costs, Syncrude cash operating costs and free funds flow (previously referred to as free cash flow) are defined and reconciled, as applicable, in the Q2 MD&A.

**Reserves** – Unless noted otherwise, reserves information presented herein for Suncor is presented as Suncor’s working interest (operating and non-operating) before deduction of royalties, and without including any royalty interests of Suncor, and is at December 31, 2019. For more information on Suncor’s reserves, including definitions of proved and probable reserves, Suncor’s interest, location of the reserves and the product types reasonably expected please see Suncor’s most recent Annual Information Form dated February 26, 2020 available at [www.sedar.com](http://www.sedar.com) or Form 40-F dated February 27, 2020 and available at [www.sec.gov](http://www.sec.gov). Reserves data is based upon evaluations conducted by independent qualified reserves evaluators as defined in NI 51-101.

**BOE (Barrels of oil equivalent)** – Certain natural gas volumes have been converted to barrels of oil on the basis of six thousand cubic feet to one boe. This industry convention is not indicative of relative market values, and thus may be misleading.

**Impact of the COVID-19 Pandemic** – The COVID-19 pandemic is an evolving situation that will continue to have widespread implications for our business environment, operations and financial condition. Actions taken around the world to help mitigate the spread of COVID-19 have and will continue to have significant disruption to business operations and a significant increase in economic uncertainty. Our operations and business are particularly sensitive to a reduction in the demand for, and prices of, commodities that are closely linked to Suncor’s financial performance, including crude oil, refined petroleum products (such as jet fuel and gasoline), natural gas and electricity. The timing of an economic recovery is currently uncertain. This could result in reduced utilization and/or the suspension of operations at certain of our facilities, buyers of our products declaring force majeure or bankruptcy, the unavailability of storage, and disruptions of pipeline and other transportation systems for our products, which would further negatively impact Suncor’s production or refined product volumes, and could adversely impact our business, financial condition and results of operations. The company expects its financial results for the year to experience a material decline relative to the results in Suncor’s audited Consolidated Financial Statements for the year ended December 31, 2019. The recent resurgence of COVID-19 cases in certain geographic areas, and the possibility that a resurgence may occur in other areas, has resulted in the re-imposition of certain restrictions by local authorities. This further increases the risk and uncertainty as to the extent and duration of the COVID-19 pandemic and the resultant impact on commodity demand and prices.

# Slide Notes

## Slide 1 -----

- (1) See *Forward-Looking Statements and Impact of the COVID-19 Pandemic* in the Advisories.

## Slide 2 -----

- (1) Represents reduction in planned spend: \$1 billion operating costs compared to 2019 levels, \$1.9 billion capital spend against original guidance midpoint of \$5.7 billion and annualized go-forward dividend reduction of 55%.
- (2) Calculated using annualized reduction in spend: \$1 billion operating costs compared to 2019 levels and \$1.9 billion capital spend against original guidance midpoint of \$5.7 billion.
- (3) Funds from operations (FFO) is a non-GAAP financial measure. See *Non-GAAP Measures* in the Advisories. FFO (or the most similar non-GAAP measure as used by the respective peer) is calculated as cash flow provided by operating activities excluding changes in non-cash working capital. Non-GAAP measures do not have any standardized meaning and therefore are unlikely to be comparable to similar measures presented by other companies, including Suncor's own FFO. Therefore, these non-GAAP measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. Figures are converted to US dollars at the average exchange rate for each period.
- (4) Refers to estimated average WTI crude oil price for 2020 in US dollars required for funds from operations for 2020 to equal estimated 2020 total enterprise operating costs; sustaining capital expenditures inclusive of associated capitalized interest and dividends. Sustaining capital represents anticipated asset sustainment and maintenance capital expenditures plus well pad spend (inclusive of associated capitalized interest) based on the company's current business plans. Assumes production, sustaining capital and business environment at the midpoint of 2020 guidance released on July 22, 2020 and a \$0.465/share dividend for the first quarter in 2020 and a \$0.21/share dividend for the remaining quarters in 2020. All dividends are at the discretion of Suncor's Board of Directors. Actual results may differ materially. FFO is a non-GAAP financial measure. See *Non-GAAP Measures, Forward-Looking Statements and Impact of the COVID-19 Pandemic* in the Advisories.
- (5) Dividends are at the discretion of Suncor's Board of Directors. See *Forward-Looking Statements* in the Advisories.
- (6) Based on current business plans, which are subject to change. See *Forward-Looking Statements and Impact of the COVID-19 Pandemic* in the Advisories.
- (7) Full guidance is available at [suncor.com/guidance](https://www.suncor.com/guidance). See *Forward-Looking Statements and Impact of the COVID-19 Pandemic* in the Advisories.
- (8) Represents go-forward dividend of \$0.21/share.

## Slide 3 -----

- (1) Funds from operations (FFO) is a non-GAAP financial measure. See *Non-GAAP Measures* in the Advisories. Funds from operations is calculated as cash flow provided by operating activities excluding changes in non-cash working capital. Refers to average annual calculated values as at December 31, 2018 and December 31, 2019.
- (2) Refers to average annual calculated values as at December 31, 2018 and December 31, 2019. Actual results going forward may differ materially. See *Forward-Looking Statements and Impact of the COVID-19 Pandemic* in the Advisories.
- (3) Refers to E&P sales volumes and associated costs, sales and margin.
- (4) Refers to bitumen sales volumes to market and associated costs and margin. Excludes internally transferred volumes.
- (5) Refers to Synthetic Crude Oil sales volumes to market and associated costs and margin. Excludes internally transferred volumes.
- (6) Refers to refined product sales volumes to market and associated costs and margin. Excludes third party purchased refined product and associated costs.

## Slide 4 -----

- (1) Values based on actual averages for 2018 and 2019. Actual results may differ materially. See *Forward-Looking Statements and Impact of the COVID-19 Pandemic* in the Advisories
- (2) Refined product sales average of 470 kbpd excludes third party purchased refined product.

## Slide 5 -----

- (1) Based on current business plans, which are subject to change. See *Forward-Looking Statements and Impact of the COVID-19 Pandemic* in the Advisories
- (2) All values are annual and assumes a constant Brent-WTI price differential of +US\$5.
- (3) Baseline funds from operations (FFO) has been derived from midpoint of 2020 guidance and the associated business environment. Sensitivities are based on changing a single factor by its indicated range while holding the rest constant. FFO is a non-GAAP financial measure and is calculated as cash flow provided by operating activities excluding changes in non-cash working capital. See *Non-GAAP Measures* in the Advisories.
- (4) Sustaining capital represents anticipated asset sustainment and maintenance capital expenditures (inclusive of associated capitalized interest) based on the company's current business plans.
- (5) Dividends and future buybacks are at the discretion of Suncor's Board of Directors. Share buybacks are subject to maximum limits permitted by law and stock exchange rules. See *Forward-Looking Statements* in the Advisories.
- (6) Based on company's current business plans and the current business environment, which are subject to change. Actual results may differ materially. Includes possible future

opportunities currently being evaluated and which may be subject to Board of Directors, counterparty and regulatory approval. There can be no assurances these initiatives will be pursued or if pursued that they will result in the expected benefits. See *Forward-Looking Statements* in the Advisories. Refers to estimated average WTI crude oil price for 2020 in US dollars required for funds from operations for 2020 to equal estimated 2020 total enterprise operating costs; sustaining capital expenditures inclusive of associated capitalized interest and dividends. Sustaining capital represents anticipated asset sustainment and maintenance capital expenditures plus well pad spend (inclusive of associated capitalized interest) based on the company's current business plans. Assumes production, sustaining capital and business environment at the midpoint of 2020 guidance released on July 22, 2020 and a \$0.21/share dividend for each quarter in 2020. All dividends are at the discretion of Suncor's Board of Directors. Actual results may differ materially. FFO is a non-GAAP financial measure. See *Forward-Looking Statements and Impact of the COVID-19 Pandemic* in the Advisories

## Slide 6 -----

- (1) Funds from operations (FFO) is a non-GAAP financial measure. See *Non-GAAP Measures* in the Advisories. FFO (or the most similar non-GAAP measure as used by the respective peer) is calculated as cash flow provided by operating activities excluding changes in non-cash working capital. Non-GAAP measures do not have any standardized meaning and therefore are unlikely to be comparable to similar measures presented by other companies, including Suncor's own FFO. Therefore, these non-GAAP measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. Figures are converted to US dollars at the average exchange rate for each period.
- (2) FFO/boe is calculated on a trailing twelve basis as at December 31, 2019. FFO, and metrics derived from FFO, are non-GAAP financial measures. See *Non-GAAP Measures* in the Advisories.
- (3) Supermajors peers in alphabetical order: BP plc., Chevron Corporation, ExxonMobil Corporation, Royal Dutch Shell plc., Total S.A. Source of information: Factset.
- (4) Oil Sands peers in alphabetical order: Canadian Natural Resources Ltd., Cenovus Energy Inc., Husky Energy Inc., Imperial Oil Limited, MEG Energy Corp. MEG Energy Corp. has been excluded from shareholder returns. Source of information: Factset.
- (5) Based on company's current business plans and the current business environment, which are subject to change. Actual results may differ materially. See *Forward-Looking Statements and Impact of the COVID-19 Pandemic* in the Advisories

continued ...

# Slide Notes

## Slide 7 -----

- (1) As at December 31, 2019 and assumes that approximately 7.04 billion barrels of oil equivalent (boe) of proved and probable reserves (2P) are produced at a rate of 640.4 mboe/d, Suncor's average daily production rate in 2019. Reserves are working interest before royalties. See *Reserves* in the Advisories.
- (2) 1,856 retail and wholesale sites are operated under the Petro-Canada brand as of December 31, 2019.

## Slide 8 -----

- (1) Based on company's current business plans and the current business environment, which are subject to change. Actual results may differ materially. See *Forward-Looking Statements* in the Advisories.
- (2) Based on Kent (a Kalibrate company) survey data for year-end 2019.
- (3) 1,546 retail stations in Canada, 310 wholesale Petro-Canada locations, as of December 31, 2019. Excludes retail service stations in Colorado and Wyoming (239, as of December 31, 2019).
- (4) Nameplate capacities as at December 31, 2019. Nameplate capacities may not be reflective of actual utilization rates. See *Forward-Looking Statements and Impact of the COVID-19 Pandemic* in the Advisories
- (5) Reflects the aggregated product mix from Suncor's refineries and may not be indicative of the product mix available at a single refinery. Refinery product mix flexibility is based on historical results and may not be reflective of future performance. See *Forward-Looking Statements and Impact of the COVID-19 Pandemic* in the Advisories

## Slide 9 -----

- (1) All figures are in billions of CAD. U.S dollar facilities converted at a USD/CAD rate of \$0.73, the exchange rate as at June 30, 2020.
- (2) FFO is a non-GAAP financial measure. See *Non-GAAP Measures* in the Advisories. FFO is calculated as cash flow provided by operating activities excluding changes in non-cash working capital.
- (3) Oil Sands peers in alphabetical order: Canadian Natural Resources Ltd., Cenovus Energy Inc., Husky Energy Inc., Imperial Oil Limited, MEG Energy Corp. Supermajors peers in alphabetical order: BP plc., Chevron Corporation, ExxonMobil Corporation, Royal Dutch Shell plc., Total S.A. Source of information: Factset.

## Slide 10 -----

- (1) Balance of capital expenditures represents Asset Sustainment and Maintenance capital expenditures. For a description of asset sustainment and maintenance capital expenditures see the Capital Investment Update section of the Q2 MD&A. Estimated impacts have been factored into annual guidance. Capital expenditures exclude capitalized interest of approximately \$120 million.
- (2) Full guidance is available at [suncor.com/guidance](https://www.suncor.com/guidance). See *Forward-Looking Statements and Impact of the COVID-19 Pandemic* in the Advisories.
- (3) Based on company's current business plans and the current business environment, which are subject to change. Actual results may differ materially. See *Forward-Looking Statements and Impact of the COVID-19 Pandemic* in the Advisories.

- (4) Free funds flow, previously referred to as free cash flow, is calculated by taking funds from operations (FFO) and subtracting capital expenditures, including capitalized interest. Free funds flow is a non-GAAP measure. See *Non-GAAP Measures* in the Advisories.

## Slide 11 -----

- (1) Free funds flow, previously referred to as free cash flow, is calculated by taking funds from operations (FFO) and subtracting capital expenditures, including capitalized interest. Free funds flow is a non-GAAP measure. See *Non-GAAP Measures* in the Advisories.
- (2) Based on possible future opportunities, including examples shown on the slide, currently being evaluated and which may be subject to Board of Directors', counterparty and regulatory approval. There can be no assurance these opportunities will be pursued or if pursued that they will result in the expected benefits. See *Forward-Looking Statements and Impact of the COVID-19 Pandemic* in the Advisories.
- (3) Based on company's current business plans and the current business environment, which are subject to change. Actual results may differ materially.
- (4) Refers to Permanent Aquatic Storage Structure (PASS).
- (5) Refers to Autonomous Haulage Systems (AHS).

## Slide 12 -----

- (1) 2018 and 2019 figures include digital technology spend.
- (2) Capitalization percentage based on internal accounting treatment.
- (3) Capital refers to investment in Base Plant Cogeneration Facility Project spent in 2019.
- (4) Capital refers to investment in Forty Mile Wind Project spent in 2019.
- (5) Total investment may not be inclusive of all investments across business. 14% calculated as \$770 million divided by 2019 capital of \$5,436 million.
- (6) Refers to Permanent Aquatic Storage Structure (PASS).
- (7) Refers to Autonomous Haulage Systems (AHS).

## Slide 13 -----

- (1) COSIA refers to Canadian Oil Sands Innovation Alliance.
- (2) TCFD refers to Task Force on Climate-related Financial Disclosures.
- (3) Based on company's current business plans and the current business environment, which are subject to change. Actual results may differ materially. See *Forward-Looking Statements* in the Advisories.
- (4) Actual results may differ materially. See *Forward-Looking Statements* in the Advisories. We expect there to be impacts to our GHG intensity due to government mandated production curtailment and COVID-19 impact on demand.

## Slide 14 -----

- (1) See Suncor's 2020 Report on Sustainability for further details on the methodologies used to calculate GHG intensity and our GHG goal. Actual results may differ materially. See *Forward-Looking Statements* in the Advisories.
- (2) See Suncor's 2020 Report on Sustainability for further details on the methodologies used to calculate GHG intensity.
- (3) See Suncor's 2020 Report on Sustainability for further details on the methodologies used to calculate GHG intensity. We expect

there to be impacts to our GHG intensity due to government mandated production curtailment and COVID-19 impact on demand.

- (4) See Suncor's 2020 Report on Sustainability for further details on the methodologies used to calculate GHG intensity There can be no assurance that these projects will result in the expected benefits. We expect there to be impacts to our GHG intensity due to government mandated production curtailment and COVID-19 impact on demand. See *Forward-Looking Statements and Impact of the COVID-19 Pandemic* in the Advisories.
- (5) There can be no assurance that these projects will result in the expected benefits. See *Forward-Looking Statements and Impact of the COVID-19 Pandemic* in the Advisories

## Slide 15 -----

- (1) Full guidance is available at [suncor.com/guidance](https://www.suncor.com/guidance). See *Forward-Looking Statements and Impact of the COVID-19 Pandemic* in the Advisories
- (2) Capital expenditures exclude capitalized interest of approximately \$155 million.
- (3) Balance of capital expenditures represents Asset Sustainment and Maintenance capital expenditures. For a description of asset sustainment and maintenance capital expenditures see the Capital Investment Update section of the Q2 MD&A.
- (4) 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 operations, Fort Hills, Syncrude and Exploration and Production are not intended to add to equal Suncor total production.
- (5) Oil Sands operations cash operating costs, Fort Hills cash operating costs and Syncrude cash operating costs are non-GAAP financial measures. See *Non-GAAP Measures* in the Advisories.
- (6) Subject to change. Estimated impacts have been factored into annual guidance.
- (7) Syncrude is operated by Syncrude Canada Limited.
- (8) Baseline funds from operations (FFO) has been derived from midpoint of 2020 guidance and the associated business environment. Sensitivities are based on changing a single factor by its indicated range while holding the rest constant. FFO is a non-GAAP financial measure and is calculated as cash flow provided by operating activities excluding changes in non-cash working capital. See *Non-GAAP Measures* in the Advisories.

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