



Suncor Energy Investor Day 2022

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Introduction

Troy Little

Vice President of Investor Relations, Suncor Energy Inc.

Good afternoon. Welcome to Suncor's 2022 Investor Day. My name is Troy Little and I'm the Vice President of Investor Relations at Suncor Energy.

I'd like to start with a short safety briefing. For those of you in the room with us, in the event of an emergency, please exit using the two doors at the back of the room, then proceed left or right to the end of the hall, pass the elevators to the doors marked number 3. Those doors lead directly to the street. For those of you on the webcast, please take note of your closest emergency exit.

Please note that today's comments contain forward-looking information. The actual results may differ materially from the expected results because of various risk factors and assumptions that are described in our 2022 Investor Day presentation material, as well as in our current annual information form, which is available on SEDAR, EDGAR and our website, suncor.com.

Unless otherwise noted, all numbers presented here today are in Canadian dollars.

Certain financial measures referred to and comments made today are not prescribed by Canadian generally accepted accounting principles. For a description of these financial measures, please see our 2022 Investor Day presentation material.

Following the presentation, we will have a question-and-answer session. For those not physically present, please submit your questions in the panel beside our video presentation window. We will be taking submissions until the end of our formal presentation.

Now, it's my pleasure to introduce Kris Smith, Interim President and Chief Executive Officer of Suncor Energy.

Opening Remarks

Kris Smith

Interim President & Chief Executive Officer, Suncor Energy Inc.

Good afternoon, everyone. Thank you for attending the presentation today and for your interest in Suncor. Since taking on the role of Interim President & CEO for the company I have been laser focused on driving improved safety and operational performance across the company and ensuring that we deliver value to our shareholders. I'm pleased to be with you today to provide an update on these topics.

I will take you through our rigorous safety improvement plan, Suncor's differentiated value proposition, our 2023 production, capital and cost guidance, and the results of the retail strategic review recently completed by our Board of Directors. Shelley Powell, our Senior Vice President of In Situ and E&P, will discuss our industry leading in situ assets, including our continued optimization of those assets to drive long-term value. Peter Zebedee, our Executive Vice President of Mining and Upgrading, will go through our mining and upgrading assets, including the progress that we have been making on improved reliability and our plans to improve performance at each of our mines, including a detailed review of Fort Hills and Syncrude. We'll wrap up the presentation with our 2023 financial outlook from Alister, including our plan to deliver top quartile cash returns to our shareholders.

We also have Arnel Santos, our Senior Vice President of Refining and Logistics with us here today, as well as Arlene Strom our Chief Sustainability Officer and General Counsel, and they'll be available afterwards to engage with everyone.

Now, as many of you know, Suncor's held a position of sustainability leadership for nearly three decades and has plans to significantly reduce greenhouse gas emissions in our business. This includes our plans related to the Oil Sands Pathways to Net Zero Alliance, all with an ambition to be net zero by 2050. This is in the materials provided today, however given the focus on the other topics, we're not going to be going through that in today's prepared remarks. With that said, if you have any questions about that, I'd be very happy to take them during the Q&A, in the session that will follow the formal presentation.

Now, the first thing I want to talk about is safety and how we're working to deliver best in class safety performance. Because at Suncor, Safety Above All Else is our core value.

Safety has always been my number one focus even before assuming the role of Interim President and CEO. I led Suncor's Downstream business for a number of years, and I worked hard to ensure it delivered strong safety performance, including last year achieving record recordable injury rates at lowest ever. Safety has always been foundational to our core values as a company, and this has not changed. But with the safety performance that we've have seen in recent years in parts of the company, particularly with respect to the fatalities in our Mine & Tailings business area, we know we have to do better. I'm confident that we can achieve best in class safety throughout our entire company with a focused plan, concrete actions and engagement with our front-line workers.

I would characterize our recent safety journey in three stages: First, we diagnosed the gaps in our performance to understand how we could improve. This 2021 assessment involved a third-party global safety expert and benchmarking to global best practices with an emphasis on mining.

Second, we applied the findings and insights from our diagnosis to bolster leadership capacity and capability. We were focused on driving standardized best practice safety processes across the operations.

This brings me to the third and final stage – execution of a clear and accelerated plan to improve our safety performance.

To reduce risk in the mine we're implementing best in class collision awareness and fatigue management technology. It will address a key risk in that business area and will be fully implemented by 2023. We're also strengthening our risk management systems and controls to ensure we reduce the probability and consequence of events...so, that if we do fail, we fail safely.

Contractor safety management is a key focus area. Peter will talk about this in more detail, but we are reducing the number of contractors in our Mining & Upgrading business, not only to improve efficiency and competitiveness – which it will. But to reduce risk in the field. We're also engaging with our contractors to assure work safe practices in the field and strengthen our safety culture.

One area that I believe is absolutely crucial, is safety engagement with all our leaders and workers at our sites and on the front line. And, to that end we're increasing safety engagement, and we have been doing so at the front-line. We're implementing human organizational performance principles, consistent with other industry leaders, to strengthen our safety culture.

As well, it's critical that our incentives are aligned with our drive to improve safety performance. For that reason, I'll be doubling the weighting of the safety component in our annual incentive program.

Make no mistake, we're fully committed to improving our safety performance and ensuring all our workers go home safely each and every day.

Now let me turn to Suncor's differentiated value proposition, or what I like to call the make-up of Suncor's DNA.

I've been with the company for 22 years and I've worked in our Upstream and Downstream businesses, as well as our corporate center, and I have a great appreciation of Suncor's assets, business and people. I know the great potential of this company. I believe we've clear competitive advantages, and I'll start here.

First, the scale and strength of our physically integrated portfolio is a one-of-a-kind and a key differentiator on a global scale. While our value proposition starts with the extraction process, it is maximized through processing and physical integration. By leveraging our upgrading and refining assets, the majority of these bitumen barrels are processed into higher margin barrels, including light synthetic crude oil, gasoline and diesel. This capability has certainly delivered benefits this year with SCO and distillate commanding record premiums. This almost impossible to replicate processing system is a critical element to Suncor's DNA – a 700,000 barrels per day upgrading complex and 466,000 barrels per day refining complex that delivers an advantaged product mix.

The next stage of our value proposition is our physical integration. It allows us to capture value from extraction through to the customer. Our Upstream production is physically integrated with our refinery network and from refining to customer.

We also have the ability to leverage our extensive logistics and storage network and sophisticated supply & trading organization to ensure that we're maximizing the value of every barrel and litre along the way. Now, Peter's going to talk about how we build on this integration advantage to drive further value for our shareholders when he talks later in the presentation about integration work at Oil Sands. And Alister is going to speak to how we've grown cashflow through our supply & trading organization, which is another key part of our integrated model.

I see continued opportunity to optimize the integrated platform to drive further value in the future, including leveraging it through energy transition.

Now, the second element of our DNA is a significant reserve base with little to no exploration risk. Over 95% of our 2P reserves are long life, low decline to no decline assets with minimal reservoir risk and high recovery factors. This is a significantly lower risk model than a typical pureplay E&P operator who requires a successful and ongoing drilling program every year to maintain production. Suncor has bitumen inventory to maintain production well into the future with an overall decline rate of 5%.

Volatile pricing has little impact on our NPV in the long run. We have large reserves with long life fixed assets, making our free cash flow robust and sustainable. Our focus is to leverage our scale and integrated model to drive cost and capital efficiency, lower our break even and maximize margin capture – this is the key to Suncor's advantage.

Next, I want to focus on Suncor's strong balance sheet and cash returns to shareholders.

Starting first with cash returns to shareholders. Suncor has a long history of being an industry leader. We're committed to extracting maximum value from each barrel of long-life reserve and converting it into growing shareholder value in the form of cash returns – consistently and reliably.

You can see in this chart that Suncor has a track record of top tier shareholder cash returns over the long term. The chart measures our performance against our peers and includes total cash returns – dividends and buybacks over market cap.

We've returned \$20 billion or over one-third of our market cap from 2017 to 2021 and we did this when WTI averaged \$56 – which we would consider mid-cycle pricing. Suncor has an attractive and competitive dividend yield and we have bought back ~7.5% of our outstanding stock year-to-date or 12.5% since beginning of 2021.

A reliable and growing dividend is a core part of our investment thesis – and Alister will cover this area shortly. And I want to be crystal clear: the sustainability of the dividend and our ability to grow it, is a primary focus of management and the Board.

In addition to targeting top tier cash returns over the long run, our capital allocation policy has been positioned to ensure the strengthening of the balance sheet.

Now, a strong balance sheet is critical to ensure the resiliency of the company in the future. And, since January 2021 we've strengthened our balance sheet by paying down \$6.2 billion of net debt, excluding FX adjustments. This is approximately a 30% reduction and our net debt to adjusted funds from operations is well below 1.0x at US\$80 WTI.

Looking ahead, we're committed to further increasing shareholder returns through our capital allocation framework with a goal of increasing the proportion of excess free funds flow to shareholders as we continue to strengthen the balance sheet. We expect that to increase to 75% of excess free funds flow to shareholders by the end of Q1, 2023 based on our current plans and expected commodity prices.

Now, turning to our 2023 corporate guidance -

We're targeting upstream production of 740-770 kbpd, which accounts for several moving parts versus 2022 due to acquisitions and divestitures. The additional Fort Hills working interest and Terra Nova production, are partially offset by the sale of Norway E&P and the anticipated sale of the UK E&P business by mid-year next year. Total production includes >70% of SCO and Brent exposed production, both of which we continue to see benefiting from a premium to WTI through the year.

As I mentioned, Fort Hills production guidance reflects the recently announced acquisition of the working interest from Teck, which will be effective on April 1st. As well, our newly and highly experienced leadership team has come in with a fresh perspective and conducted an in-depth review of the asset. This resulted in the start of a multi-year performance improvement initiative, and Peter will go through that plan for Fort Hills in more detail later in this presentation.

Our E&P production guidance reflects divestments of Norway and the UK, partially offset by the restart of Terra Nova.

Unit cash operating costs are expected to increase by approximately 5% from 2022 - this reflects short term costs related to the new mine plan at Fort Hills, which Peter will speak to, mine progression at Syncrude, which Peter will also cover, as well as inflation impacts across our asset base.

We expect refinery utilization and product sales to remain robust and in line with what we've seen in 2022.

And to be clear, I've heard the feedback from our analysts and shareholders about our past guidance. And I can assure you that our 2023 guidance reflects a thorough review of the assets and a balanced approach to setting our performance targets.

Our 2023 capital budget prioritizes safe and reliable operations across our sites and strategic high return investments. As well, we're executing our sustaining capital program, including critical turnaround work, and a number of economic investments that are well in flight in 2023, and we've worked hard to mitigate inflation pressures across the portfolio.

You will see that evidenced in our 2022 capital delivery which is coming in closer to the bottom of the guidance that we set.

Our 2023 capital budget of \$5.6B at the midpoint is comprised of \$3.35B of sustaining capital and \$2.25B of economic projects. Sustaining capital includes the incremental capital related to the acquisition of the Fort Hills working interest and is relatively flat compared to 2022, despite continued inflationary pressures.

The 2023 budget incorporates more economic investment than in 2022 due to a number of high return investments in flight. This includes the Mildred Lake Extension at Syncrude expected to start up in late 2025. And which will extend the mine life to 2040 ensuring supply to the upgrader. It also includes the E&P West White Rose Project; the Upgrader 1 coke drum replacement and cogeneration projects at Base Plant.

We also continue to invest in our retail and wholesale network in line with our plans to optimize that business and grow earnings and cash flow, which I'll talk about in a moment.

Again, all of which are high return investments for our shareholders.

Now, I'd like to go through our downstream business and in particular, discuss the results of the Board's strategic review of the retail business.

Before I go through this section, as we've announced, the Board has decided to hold and optimize the value of the retail network. I recognize the importance and clarity required around this decision for our investors and therefore, over the next few slides I wanted to walk through the basis of this important decision by the Board.

Our refining complex demonstrates world class performance and is a key element of Suncor's DNA. We've achieved industry leading utilization rates, averaging 11% higher in Canada and 5% higher than the US national average over the last decade. Notably in 2020, the strength and resilience of our downstream business was demonstrated through a period of unprecedented demand decline, and during that time our refineries achieved 12% higher utilization than the Canadian average and 10% higher than the US national average. But more importantly, this resulted in the business generating 2 times more EBITDA per barrel than our closest peer. In 2020 we generated positive LIFO adjusted funds flow of nearly \$3 billion while many of our North American downstream peers were negative cash flow.

In 2021, we continued the trend of top tier refining utilization despite significant maintenance activities across all our refineries. These consistent results are a testament of the quality of our assets, our focus on reliability and safety, and the benefits of our unique integrated portfolio. They support our confidence in maintaining industry leading downstream profitability going forward in what we expect to be a very robust market.

Now, a contributor to our competitive advantage is Suncor's Petro-Canada wholesale and retail businesses, and our retail business which is recognized as the #1 fuel brand representing nearly one fifth of the Canadian market. The network comprises of approximately 1,600 sites across Canada:

- around 50% of which are company owned and controlled
- 35% dealer-owned
- 15% being partnership sites.

This mixed ownership model allows us to retain control of and invest in the most profitable sites and markets, while using third party capital to grow our scale and presence across the country in less densely populated areas. Our controlled sites are typically high traffic urban and highway sites, and in 2021 generated 57% higher average volume per station than the dealer-owned sites.

The full network leverages our Petro-Canada loyalty program. It is the largest in industry with over three million active users. And success of that program is evident through our member transactions, which average 35% higher than non-member transactions. Retail also benefits from a number of strategic partnerships. Our partners bring specific expertise and enhanced benefits to our business and include partners such as A&W quick-serve restaurants, or in our loyalty program partners such as RBC.

As I look at the broader integrated portfolio, our Petro-Canada business is part of Suncor fully maximizing the value of each barrel and capturing incremental margin above refinery cracks.

As we announced in July, a new Board Committee, comprised of independent directors, with advice from independent advisors, as well as management, oversaw a comprehensive analysis of Suncor's retail business. They conducted a fulsome review and assessed a number of alternatives ranging from holding and pursuing further strategic partnerships through to an IPO or outright sale of the business.

These alternatives were measured against key criteria, which included retail's intrinsic value as a standalone business. The Committee conducted a deep dive to understand the synergistic benefits that retail provides within the Suncor portfolio. Specifically, the retail business enhances the value of Suncor's integrated model and provides a platform for future cash flow growth and optimization.

The Board weighed the pros and cons of each alternative with a focus on capturing maximum long-term value for Suncor's shareholders. A global market check of value and execution potential, led by independent external advisors, was also conducted to test the viability and attractiveness of the various alternatives.

Now, since the Petro-Canada retail business is reported within the Downstream, I recognize that it may be difficult to appreciate its contribution to the overall portfolio. And so, to that end, I'll take you through the value of the retail cash flows and the impact on our integrated business in greater detail.

The retail business consistently generates stable, low-risk cash flows. Strong fuel volumes are supported by attractive non-fuel offerings, including a well-established convenience store network, quick serve restaurants, and an industry leading car wash offering. In fact, our high-graded sites, our full offer sites have achieved top quartile performance versus peers, driving the stable high-teen returns on capital we see within this business. As well, our owned and controlled sites are operated by agents and their employees, a model which reduces the burden and cost to Suncor.

Retail is a material contributor to Suncor's overall Downstream EBITDA, which ranges from 10% to 30%, depending on the year. This range reflects the stability of retail cash flows. In 2020, the business generated approximately \$660M of EBITDA, which is about 30% of Downstream's EBITDA despite significant demand and price decline in that year. This downside protection strengthens the resilience of Suncor's integrated model by generating cash flows through the commodity cycles.

With Canada gasoline demand expected to decline over the long term, retail provides refinery demand security and supports Suncor's industry leading refinery utilizations that I spoke about earlier and is also Suncor's highest margin demand channel representing 90% of our Canadian refinery gasoline production.

We expect gasoline demand could decline by up to 25% by the mid to late 2030's based on current government regulation and forecast EV penetration. Without the controlled demand channel of our retail business or a strong long term supply agreement that replicated it, Suncor would feel the full impact of market-wide demand decline over time. This scenario would likely result in a need to place higher volumes through lower-margin channels such as exports, or potentially turndown the refinery utilization due to challenges with placing excess volumes. As well, in a demand decline environment there's a risk that margin will migrate to the retail end of the value chain, which is a phenomenon that we saw during 2020. Based on the strength of our network, brand and loyalty systems, as well as our plan to further optimize our network to defend and grow market share, we believe the sales decline for the Petro-Canada network will be substantially lower than the overall market decline, which is a competitive advantage. This will allow us to maintain refinery utilizations at current levels by backing out gasoline purchases from other refineries in Canada or exports, as well as ensure full margin capture.

The retail business also enhances overall downstream margins as it is highly interrelated with the wholesale channel, which is the number one share of market in the country, through common brand, systems, and markets. These connections provide optionality to secure the highest netback for our volumes. Our sales and marketing channels also provide valuable real-time market data allowing us to optimize our refineries in response to market dynamics and consumer behavior – this was a key part of our strong performance compared to our peers in 2020. It also enhances our ability to pass on increasing carbon compliance costs as we participate in the full value chain.

Now, with that background in mind, I'd now like to turn to the assessment of the alternatives of sale vs hold, that the Board considered.

Based on market testing, which I'll address in a moment, we expect a potential sale value could range from 7 to 9.5x EBITDA. When we adjust for the impact of taxes, standard transaction costs and the impact of long-term integration value, we believe the net value is 5 – 7.5x EBITDA or \$3.8B to \$5.7B.

The Board, through support of independent external advisors, also assessed the inherent value of holding and optimizing the retail business which is at a similar level on a discounted cash flow basis. While the resulting value to Suncor between selling and holding seems in line on this chart, it must be recognized that a potential sale could take as long as 18 to 24 months given expected regulatory reviews and complexity.

Now, the market valuation I just discussed was based on broad-based comprehensive global market check process conducted by independent external advisors.

Through the process, 17 parties, including strategics and financial sponsors, were invited to participate and submit indications of interest in our retail business. Approximately two thirds of the participants chose to pass for various reasons including limited focus or familiarity with the Canadian market, or concerns with execution or complexity of a transaction of this scale.

Upon review of the submitted proposals, it was clear that a premium valuation at mid-teens EBITDA multiples was not realistic. As well, many participants were only interested in a partial acquisition, which deteriorates the synergies that a full single brand network provides, hence impacting valuations. Additionally, some proposals included only partial cash consideration, resulting in delayed value realization to Suncor and its shareholders, while immediately impacting Suncor's integrated value model.

The Board also canvassed feedback from a broad range of stakeholders and investors. The feedback received on Suncor's retail business was largely consistent with Board and Management's views – that the Suncor retail business is a unique business with significant scale and an advantaged network. It is supported by broad consumer appeal and a market leading fuel brand. A significant market premium would be required to offset the loss of integration value over the long term, and particularly in a long-term declining gasoline market.

This thorough and comprehensive independent market check affirmed the Board's views that despite the strength and attractiveness of our retail business, there's limited appetite for an all-cash purchase at a significant, what we would consider a significant market premium.

Considering the unique benefits of Petro-Canada retail coupled with Suncor's strong execution track record within that business, the Board unanimously decided it's in shareholders' best long-term interest to retain retail and continue to optimize the network to enhance cash flow and value generation.

The Board views that our Petro-Canada sales and marketing business provides Suncor's Downstream with a competitive advantage that cannot be replicated. It provides downside protection via stable, low-risk cash flows and is expected to significantly mitigate the impacts on refinery utilization and margin of long-term gasoline demand decline. It is also a platform for cash flow growth through network optimization, strategic partnerships, as we've been leveraging, as well as future profit pools such as EV charging. Now, this does not mean we will not continue to evaluate this business in the future, like we do with all aspects of our portfolio, but it's clear that it provides value within our integrated business model.

Further, the Board was unanimous in its full support of an optimization plan that will generate the highest long-term value for our shareholders. This plan is expected to increase EBITDA in this business segment by 40% by 2027, or a 7% CAGR, with modest incremental investment over the next 5 years. The incremental investments are expected to generate above 20% return on capital in the business and grow market share, thereby strengthening our integrated Downstream.

Primary initiatives within this optimization plan include high-grading key-controlled locations with full offering to achieve stable high-teen returns. As I mentioned earlier, our high-graded, full offer sites have demonstrated top quartile performance versus peers in the market. In addition to high grading, we plan to rationalize a portion of our underperforming small c-stores and kiosk sites and sites in non-core markets, which make up approximately 50% of the controlled network. We'll also explore further strategic partnerships to strengthen our competitive advantage in the backcourt through enhanced expertise, technology, and EV charging capabilities.

My confidence in the execution of this optimization plan is underpinned by a long track record of delivering results. We've proven we know what we're doing, and we know how to do it well.

Now, with that, I'm going to pass it over to Shelley Powell our Senior Vice President of In Situ and E&P and ask Shelley to come join us up on the stage.

Shelley Powell
SVP E&P & Insitu, Suncor Energy Inc.

Thanks Kris, good afternoon, everyone.

Like Kris, I have been with Suncor for many years, almost 28 in fact. Over that time, I've worked in two of the refineries in our Downstream as well as the Oil Sands Base Plant and In Situ operations before taking on this new role that has also brought me into the Exploration and Production business. Over these years, I've seen quite a few changes, along with some challenges and many successes. Today I hope to provide some insight into the opportunities for the long-term value creation in the In Situ and Exploration and Production parts of the portfolio.

I want to start with safety. Both personal safety and process safety.

Personal safety being things like slips and trips, cuts or lacerations, whereas process safety is more related to the pressure envelope of our systems where we contain high pressure steam, hydrocarbons, and acids, as examples. If these materials were to "get outside the pipe" so to speak, then we could have fires or other types of events.

So, both dimensions of safety are important to monitor and measure.

When we look at key personal safety metrics, we've been shifting our focus to include proactive measures that aid in the reporting of near miss events. These are situations or incidents, where had they occurred just slightly different, they could have had life altering consequences. We need to find these hazards before they find us.

We've coupled this approach with an increase in leadership field presence, all with the intention of having a better understanding of the realities that are faced by our frontline workforce.

This is about strengthening our safety culture one interaction at a time.

To give you a specific example of how this type of focus can change results, in 2019 we noticed that our dropped objects were one of the top hazards that could lead to a significant life altering injury. Imagine a hammer being accidentally dropped from the top of a distillation tower and then imagine someone being struck by that hammer. We were experiencing 3-4 of these near miss events a year. No one was being struck, but the objects were falling.

Through a focused effort connecting with people in the field doing the work, we were better able to understand how work was happening, and this led to a change in our approach; since then, we have had zero dropped objects over the past year.

On the process safety side of the equation, quite simply our objective is "if it's supposed to be in the pipe, then we need to keep it in the pipe". We've seen strong performance across InSitu against the industry benchmark, as we come in top tier when measuring against the industry standard Process Safety Event Rate or PSER.

So, when it comes to safety we have a strong foundation, but this is not an area that we are ever satisfied with. We will continue to drive improvement in line with the safety improvement plan that Kris identified earlier.

Let me transition now and talk directly about the assets. Over the next few minutes, I am going to give you some insight into the strength and competitiveness of our In Situ assets as well as how we see our Exploration and Production portfolio sitting within the overall Suncor enterprise.

Let me start with some history...Mackay River began operating in 2002 and Firebag in 2004. It's hard to believe that it's been twenty years already, and just earlier this month we celebrated our 1 billionth barrel of production. And we have many more barrels to produce with a healthy reserve position that will support us for decades to come.

In looking at the benchmarks over the last several years Firebag has performed well on an annual basis as well as on a five-year average.

In 2021, Firebag operated at 96% utilization, and achieved record production rates. When we compare ourselves to our peers on a five-year average basis, we're an industry leader achieving 3% higher utilization than the peer average.

Looking at Mackay River, the 5-year average comparison does not benchmark well due to a 2019 process safety event that highlighted the required improvements in our corrosion management process. This incident resulted in an extended outage to complete repairs. More recently however, Mackay River has seen very strong reliability performance.

Now, I want to take a moment and go into the 2019 Mackay River event, because there are some really great learnings.

During this incident, we experienced a loss of containment. To use my earlier depiction, the bitumen found its way outside of the pipe and caught on fire leading to significant damage at the facility.

As a part of our investigation, we brought in world expertise and worked directly with our site operators and maintenance specialists and determined that the piping system failed due to high erosion.

Subsequent to this event we have gone back and completed a full process review and a re-design of the piping circuits involved. The new system was commissioned in September, and it was great to see that the hazard that caused the 2019 event had been fully eliminated. We also undertook a full review of our entire inspection program at both MacKay River and at Firebag and we reviewed close to 20,000 inspection points to ensure that we were looking in the right places for the right things. And we made several changes following that review as well.

So, change is happening, it does take time, but this is a tangible example of learning from an event and acting to eliminate it, not just manage the risk.

Now let's look at our cost and capital performance.

In, In Situ our assets lead the way in the industry when we look at a per barrel cost and capital spend – we deliver this industry leading result despite our Steam to Oil Ratio, which is a function of the quality of the resource, being above the peer median. We are not content however to stand still and we are continually working to further improve our cost performance.

To stay competitive, our largest lever is reliability and avoiding one-time significant events. Outside of that, we are focused on capital efficiency and productivity improvements.

On capital efficiency, Peter and I both recognize that we need to deliver a step change in turnaround cost performance. Peter is going to touch on that later, so I'll leave it up for him to pick up.

In recent years, we have been leveraging data from our digital investments to help us squeeze just a little bit more out of our existing assets at a lower cost and I'll provide some examples of that in my next slide.

Finally, capturing regional economies of scale with Mining and Upgrading is a huge opportunity. When you hear from Peter, he is going to share his plans to drive regional integration, efficiency capture and the elimination of duplication. InSitu will naturally benefit from that work, which will be a key lever in driving further cost reductions in the business.

I want to expand now just a little bit more on the improvement work that we have underway and specifically talk about the tangible benefits that we're already seeing.

The first area I'll focus on is Steam Utilization; we are typically steam constrained at our facilities, meaning that any extra steam that we can produce generally turns into barrels produced.

We've taken a real focus on our steam utilization over the last several years, and you can see the impact that - that is having. What's exciting about this work is that we've made many small incremental improvements with minimal investment. Things like replacing inaccurate flow meters that were causing erroneous trips or looking at the 100+ pieces of steam associated equipment and optimizing our maintenance approach to every single one of them.

We've also leveraged our growing digital capability; developing a steam allocation advisor that uses data analytics to allocate steam to wells at Firebag based on what was being observed in the reservoir's performance. This digital capability allows us to constantly optimize steam utilization in real time.

Our operations and technical teams have been great at embracing these changes and are really the ones driving the improvement.

The second area of focus is well pad capital efficiency or said another way, lowering capital. In In Situ, a large portion of our ongoing capital investment is aimed at well pad additions. We made our first step change to improving well pad design and construction in 2014 when we implemented a specific design standard. We then used that standard like a cookie cutter and replicated the design from one pad to another.

That design reduced the pad footprint, reduced the steel requirements, and simplified the process. It delivered a repeatable design, generated construction efficiencies, and ultimately resulted in a 70% capital reduction over the course of 4 years.

More recently we've made another significant step-change in our pad design. It once again simplified the process, reduced steel requirements by 30% and reduced field execution time by 20%. Overall, this is a 25% reduction in the capital requirements compared to previous designs.

In addition to the hardware associated with well pad completion, our drilling team has also been delivering significant improvements. Drilling costs have decreased 35% over the last 5 years, and this is during a time when we have seen significant increases in the cost of those services. Our early wells were costing us close to ~\$1200 for every meter that we were drilling and are now we're coming in closer to \$700. When we had been taking anywhere between 15 to 20 days to complete a well pair, we are now down to roughly 10 days.

It really does take all aspects of surface and subsurface coming together to deliver this type of improvement. We've been incredibly successful, and the team is now even more energized about what they want to try and deliver going forward.

The third area that I'll focus on is utilizing Data Analytics to lower costs. We have implemented digital initiatives allowing us to utilize data more efficiently and improve our decision making. On a per well basis, this has reduced our controllable costs by 15% since 2019, through both volume improvements and cost reductions.

So, what exactly does this look like? In our subsurface we've developed a failure management program for our downhole submersible pumps. And we've coupled this with a subsurface production module that identifies opportunities to add volumes. Between these two we've seen mechanical failure troubleshooting time cut in half - dropping from 14 days down to 7 on average. And last year, when we lost close to 9 million barrels due to unplanned well trips, this year we're tracking to an almost 50% improvement.

So, these are just a few examples of the work that we have in-flight to continuously improve our business. As you can see, the improvements come from many small wins in many areas, not just big-ticket items.

Now, finally, before I move off InSitu, I do want to look forward and highlight that we have been making strategic decisions in this area as well to allow for growth.

Over the last 10 years, we've increased production capacity by 20% through a series of debottlenecks. That's an extra 43,000 barrels a day through incremental changes.

Our most recent debottleneck in 2020, added 6% nameplate capacity by expanding emulsion handling & steam generation capabilities. This has allowed Firebag to deliver record production in 2021 and increased the Firebag nameplate from 203,000 bpd to 215,000 bpd.

Looking forward there is potential for an additional Firebag Debottleneck of 25,000 bpd by 2027. Again, this will leverage our existing assets and add production with marginal capital.

Beyond 2023 we also know that long term growth will need to include plans to reduce Greenhouse Gas emissions, and specifically in InSitu we have a number of pilots underway to better understand how technologies such as solvent assisted SAGD and non-condensable gas injection will impact our operation, our Steam ratio and ultimately reduce our Greenhouse Gas footprint. And we're progressing work to understand solvent dominated technologies that could potentially cut up to 60% of Greenhouse Gas emissions at our future operations. We're also advancing a number of projects for Firebag, as well as the broader Oil Sands operations, to allow for carbon capture and sequestration as part of the industry associated Pathways Alliance.

Now, finally, before I wrap-up and turn it over to Peter, I do want to touch-on our Exploration and Production business.

You've seen us make disciplined decisions in streamlining this portfolio to increase our focus on Suncor's core business. Within E&P, our strategy is to maximize free funds flow and add diversification to our overall Upstream mix. In making our decisions we look at the future operating potential of an asset and as well as its future capital needs. And it was through this lens that we took the decision to divest Norway earlier this year and begin a sales process of our UK assets.

Looking forward, we've made and continue to make investments in our East Coast assets. Most recently completing the Asset Life Extension work on Terra Nova, which will extend the life of that asset by approximately 10 years. As I speak, we are completing the final work scopes associated with that and we've begun commissioning activities in Spain. We expect to be back online next year.

This is an exciting time for Terra Nova, and restarting will be a major milestone. Just to give you a sense of the size of the Asset Life Extension project we completed over 1.4 million hours of fieldwork. We inspected over 22 km of piping, and we installed over 14,000 kg of new structural steel, while executing an extensive subsea campaign that had us replace over 2 million kg of chain. So, we believe that we have completed the right work and made the right decisions to deliver a reliable operation once we start up.

Earlier this year we also decided to restart the West White Rose project. There is \$1.7B of remaining investment net to Suncor with oil production expected to come online in 2026, with peak net production to Suncor of 30,000 barrels per day.

So, we see the East Coast as an important part of Suncor's overall portfolio for the free funds flow it generates and the diversification that it adds.

So, with that, I hope I have given you some better insight into the strength and competitiveness of our In Situ assets as well as the fit of E&P within our portfolio. We will continue to work hard to strengthen our position through continuous improvement and focused decision making.

And with that, I'll now pass the presentation to Peter.

Peter Zebedee
EVP Operations - Mining & Upgrading, Suncor Energy Inc.

Thanks very much, Shelley.

In April, I made the move, from my role as CEO of LNG Canada, to Suncor. Along with my Shell and LNG Canada experience, I am bringing over two decades of technical and operational oilsands mining experience across multiple organizations.

In my first few months at Suncor, I've had the opportunity to go out and visit each and every one of our oilsands assets, spend time in the field, meet with our people and see our facilities firsthand.

Frankly, it's really good to be back.

To get started, I thought I'd share with you four key observations that I've had over the last few months.

Our commitment to "safety above all else". I've been very impressed with Suncor's absolute commitment to safety. I haven't met anyone in the company that isn't driven to ensure that everyone goes home safe, every single day. We are resolved and committed to learn from the tragedies that we've experienced. Our focus areas, which Kris also highlighted earlier, are centered around:

- Improving our approach to personal safety by leveraging human organization performance principles
- Implementing critical controls in the field
- Strengthening our leadership skills; and
- Technology implementation to put us back on track.

Our people really differentiate us. Together, across the 3 facilities we have over 100 years of operating history and experience to draw upon. I've been spending my time on engagement with leadership and our extended teams aligning on our goals to drive better business results. Our opportunity is in our ability to bring the decades of collective wisdom of our employees together, and to deploy the best practice across the breadth of our portfolio.

Our operations really do offer a wealth of opportunity. Syncrude and Suncor Base plant have a demonstrated track record of improvement, and we are focused on high reliability and seeking ways to improve upon our planned turnaround downtime. At Fort Hills, our attention is ensuring that we're managing the mining risks appropriately to take advantage of what is truly a world class fixed plant; and I spend a little more on that later.

Our competitive advantage is in the integration of our assets across the region. First, physical integration provides significant optionality for value uplift by decoupling bitumen production from upgrading demand. Second, Suncor has the added benefit of integrating our people, processes, data and systems to drive highly competitive, reliable and predictable business outcomes.

If you want a world class operation to deliver results, you need a world class team. We've put considerable focus on how to strengthen the organization.

External hires have brought considerable mining experience and perspective, and the organizational structure was simplified to drive accountability and continuous improvement. Value delivery is built into how we work. Our Regional Integration executive acts as the nexus for consistent competitive service delivery across the Upstream footprint. And at all levels of the organization, we have intentionally cross pollinated our talent into key roles to accelerate implementation of best practices and consistency of operations.

Our value proposition is integration. Building upon our position having the largest footprint within Wood Buffalo, our regional upstream assets are a key advantage for Suncor. All of our oil sands assets are located within a 50-kilometer radius and interconnected via pipelines. This allows us to leverage our area knowledge, economies of scale and negotiating power, and coordinate maintenance activities across our assets. Additionally, the flexibility of our oil sands assets provides us with the opportunity to maximize our production value by responding to dynamic markets and managing through internal and external pressures.

In the Wood Buffalo Region, Suncor is truly a unique producer due to the optionality to flex a mix of bitumen, sour and sweet synthetic barrels while optimizing grades. Over the past few years, this flexibility has continued with the commissioning of two projects. First, the Interconnecting pipelines can transport heavy and sour crudes between Syncrude and Base Plant. Second, the recent commissioning of the Paraffinic Froth Treated diluted bitumen Integration line, that can bring Fort Hills PFT bitumen into the Base Plant Upgraders.

On a daily basis, we make decisions to maximize the value of Suncor crude produced in the Wood Buffalo Region across our wholly owned Base Plant & In Situ assets and our JV assets Syncrude and Fort Hills.

Our next opportunity is to leverage our regional scale and standardized services. This will drive:

- cost efficiency,
- reliability improvements, and,
- use of the interconnecting pipelines to improve scope, duration, and the sequencing of turnarounds.

Bottom line – the economies of scale on cost and capital, plus the unique physical integration and optionality of our assets, will deliver higher free funds flow.

2022 has already been a breakthrough year for value generation. The interconnect pipeline project costs have already been paid off. We are still scratching the surface of the potential with incremental value delivery of over \$150 Million in 2022 and approximately \$200 Million since the startup of the pipeline. We are not stopping there – we are further exploring opportunities to unlock asset optionality and will continue to optimize the upstream assets towards integrated economic drivers in support of value over volume.

Integration must be backed by reliable assets. Our Base Plant operations, building on a demonstrated history of reliability improvement, have delivered consistent and steady performance. Physical connectivity has been enhanced with our operatorship of Syncrude and our people are driving optimization.

This will be the first full year Syncrude has been under Suncor operatorship, and it has been exemplary. The Syncrude team has set multiple production records through the first three quarters.

This year I am really pleased to say that we are on track to deliver the best bitumen production year in Syncrude's history. 3% better than our prior best that was set 15 years ago in 2007. We have been able to leverage our economies of scale and co-ordinate turnaround activities to maximize value for the Syncrude asset.

At Fort Hills, the fixed plant performance has been strong, and this gives us real confidence in delivering the value from the asset once the mining challenges are resolved.

Turnaround maintenance is now complete, across all the upstream assets for 2022. This was our first year utilizing our new Regional Services central turnaround team for work execution. It's been a good first step in standardizing our turnaround delivery model, driving continuous improvement, and focusing on reducing our planned downtime in the years to come.

I am laser focused on 2 key areas – Safety and Mine Performance.

We are fully committed to "Safety Above All Else". Limiting interactions in high-risk areas by providing the workforce with the technology, training and tools.

On the mining performance side, we have over 100 years of operating experience combined with a world class team. The team is dedicated to capitalizing on regional integration, eliminating duplication and delivering results to drive a cost competitive business. We are up against structural factors in mining that I will review, but in the end "We're smarter than the dirt".

So, let me start with safety.

The more people you have in your operations, the higher the potential that an incident or injury can occur. With that in mind, our focus over the last 6 months has been to structurally and sustainably reduce the number of contract workforce supporting our organization, and by definition, reduce the risk exposure. Not only is this the right thing to do from a safety perspective, but it's also critical to running an efficient and competitive operation. By mid- 2023, our internal goal is to reduce the contract workforce by 20%. I am pleased to see we are well over halfway there.

We are putting our attention where it matters most – and that's in the field with our workforce. To that end, we have increased our field leadership positions in mining operations. Leaders now have adequate scope to improve employee engagement, increase review of critical controls and provide visible safety leadership.

Even with these additional field leadership roles, we've been able to reduce our total Mining and Upgrading employee headcount by 4.5%. We've done this by leveraging our regional delivery model and simplifying our organizational structure to reduce complexity and to sharpen accountability.

Our goal is to eliminate fatalities and serious injuries. We are focused on creating a culture where employees, leaders, and contractors are actively using our operational excellence management system to control work, identify hazards, and work together to mitigate risks. Mining, Tailings and Drilling operations recognize that we are on a safety journey, and there's a lot of hard work to be done.

We've taken stock of the top 10 global mining hazards. Equipment contact and working around ice or water make up the highest consequence and most frequent activity of major incidents. And these are our top priorities. We are working, in the field; engaging our workforce, to identify, establish and enhance the validation and verification of these critical lifesaving controls. This will ensure that if something does go wrong; we have mitigations in place. Think about it like driving. We have road rules, training, etc in place to prevent an accident on the roads. This is not fail safe. There are extra layers of protection, like a seatbelt, in place to prevent the worst possible outcome and ensure that if we fail, we fail safely.

We are focusing on our people. We're leveraging Human Organizational and Performance principles, and we are creating a safe environment where our workforce is raising concerns and working together to develop practical solutions. Our coaching leadership program uses behaviour-based science to help leaders build relationships. This will help to foster trust and encourage employees to raise concerns and work together to find solutions. Leaders are coached on their interactions, in the field, with the support of personal coaches and best practice guidance.

Rounding out our plan is Learning from Incidents. We've been working to improve how we learn by setting up teams to leverage the causal learning methodology. Take a systems-based approach to incident investigations and that will help us identify missing or failed barriers. These will be developed into concrete actions, shared across our operations, that reduce the consequence or prevent an incident from occurring.

And we're not standing still.

As Kris laid out in the Q3 call, we have a large number of technology-based safety enhancements already established and in place. Our next tranche of projects is in flight and delivering results. These projects are designed to directly mitigate the top global mining hazards that I highlighted to you previously.

Collision awareness is a system enabling operators to have a 360-degree view to hazards in their area. With this technology, our mining equipment can communicate with other units. That provides operators with enhanced situational awareness. The system sounds alerts for a potential collision, which allows operators early response and avoidance. The scope for this project is broad with installations occurring in over 1000 pieces of mobile mining equipment. Suncor will be the first oilsands operator to implement a full-scale collision awareness implementation.

Fatigue management instantly alerts our operators if fatigue or distraction sets in. Within a 24hour, 7 day a week operation, such as ours, fatigue is one of the leading causes of risk to operators. The entire goal of this project is to reduce fatalities, and injury, from fatigue and distraction related incidents. It will allow us to provide our workforce with the required skills to manage fatigue in a healthy way.

These technologies support our commitment to prevent mobile equipment contact. We are ahead of schedule on our implementation plan and on track to have the entirety of our mining fleets fully outfitted with both technologies.

Finally, I thought it was important to highlight we've been assessing and improving the effectiveness of mobile equipment egress and rescue controls across Suncor operated sites, which is critical when working around ice or water.

Our goal is to enhance the operational focus on incident rescue controls, including egress and emergency response, to reduce personal safety incident consequences and prevent fatalities.

Moving now over to my second priority – Mine Performance.

We've got a real opportunity to leverage the collective experience across the breadth of our assets to simplify, standardize and leverage internal benchmarking to drive improvements. We are operating some of the largest mines in the world with a collective material movement of over 1.2 billion tonnes per year and little things matter. Small improvements in operations with our scale, make a huge difference on the bottom line – the fly wheel effect is large.

As the mines progress, the structural factors that impact operating cost increase – those are longer hauling distances, increased strip ratios – which is the equivalent amount of material moved per ton of ore. Our goal is to operate the most efficient and productive mining operations to offset, as much as practicable, these structural factors and improve our competitiveness.

Having operatorship of the 3 assets and 4 mines, allows us to zoom out and look at this as a large regional operation. We're implementing mining resource opportunities across the region to improve production and cost outcomes. Standardization of best practices to deliver repeatable and predictable outcomes, cross pollinating mining talent, deploying regional maintenance and operating strategies to optimize equipment performance are just a few of the exciting areas to unlock.

With a little over a year of Syncrude operatorship under our belt, we're pleased with the performance of the asset. We've been able to achieve the \$300M of gross operating cost and capital synergy committed through workforce efficiencies and regional optimization. We will continue on capturing more.

2022 has been a record year of delivery, for Syncrude, on a number of fronts:

- Best Ever Bitumen Production,
- Upgrader utilization is approaching the 90% mark, and
- Interconnect Pipeline flexibility is unlocking significant value both on bitumen and on coker sour

Looking at this holistically, we've been able to mitigate risk from both planned and unplanned operational events by adjusting and aligning maintenance activities across the region. The team has even been able to add incremental power production and take advantage of the strong electricity market that we've seen.

It's an exciting time for Syncrude, and more is possible as we learn and further embed our regional operating model. Continued mining efficiency improvement will be critical as structural mine progression factors increase. You can see from the slide, there is a planned increase to mining parameters, year over year. Higher mining parameters are a result of higher earth moving activities due to tonnage and tailings requirements. Syncrude synergies such as workforce reduction, coordinated maintenance and regional collaboration are not fully offsetting the year over year increase to mining KPIs and rates. Our objective is to run an extremely productive mining operation with further value generation in upgrading to offset, as much as practical, those elements which are a structural reality.

Now let's talk about Fort Hills operations. With a reliable, world class fixed plant, our focus and attention is on the mine. Let me give you an appreciation for the sequence of events that our team will execute over the next 36 months, to improve our mining operations, and set the asset up for improved long-term performance.

Fort Hills is comprised of 3 distinct mining pits – south pit where we are currently finishing up, center pit which has a pit life of approximately 3 years and which we'll begin next month (December) and north pit, which is the largest pit holding the bulk of the reserves and scheduled to start mining in mid-2024.

This will be an accelerated sequence of mine development relative to our historical plans as we transition rapidly in the next 3 years from south to center to ultimately north and final pit.

There are two issues, in the south pit, driving the acceleration to open up new mining areas. The small footprint and pit geometry are negatively impacting fleet production. The water seeps, in the pit floor, and the pit wall instability have increased ore sterilization and decreased mineable ore inventories, but this has not impacted overall asset life. Basically, we are unable to meet the fixed plant production rates with the location of the available ore in the smaller south pit.

Short term production and mining efficiency impacts, that are present when opening new mining areas, are anticipated in the 36-month window while establishing Center and North pits. With the updated mine sequencing, advancing North pit will offset these productivity impacts, outside of the 36-month window, once it is fully operational.

The Fort Hills mine and geology is complex, and we have learned a lot since the south pit was opened back in 2018. Applying these learnings, the plan builds in appropriate risk controls and sequences necessary material balance requirements to maintain both tailings containment and ore inventory.

Go slow to go fast. We are taking the necessary steps now to ensure that we are set up well for the future. This is a 40+ year life asset. Once we are in and well-established mining in the north and final pit, we expect to be able to reliably and ratably achieve 90% of the nameplate production capacity in a stable manner. At the same time, we are exploring synergies with our adjacent operations on both mining material movement and bitumen production.

Now, let's zoom in a little bit on our production plans.

Our team has spent considerable effort over the last few months, reviewing the business plan assumptions, to deviations in our actual operating performance and current field environment. Appropriate adjustments have been made to reflect prudent mining risk management with some performance improvement stretch. This is the basis of a credible plan that is rooted in reality and technical fundamentals.

In 2023, our annual production will be at a reduced 145,000 barrels/day, which includes turnaround in the third quarter. Production will gradually build through the year, managing ore inventory within a sufficient range to meet material balance requirements for tailings fluid containment. The production profile also includes the first major turnaround driven by regulatory inspections on the utilities. As well, the new processing equipment will be installed in the fixed plant, which opens up the operating envelope and allowing us to produce higher fines ores which will be critical to our delivery in 2024 plus.

Over the next 3 years while managing the physical mine constraints, we will prudently and gradually ramp up our production. We will mitigate and balance the risks discussed to stabilize the mine health at the front end.

There is light at the end of this timeframe. The establishment of north pit allows for full scale unconstrained open pit mining techniques. We will have a sufficient strike length, which will allow us to increase our production delivery back to nameplate, and drive mining productivity improvements. Once into an established North pit, this will allow us to re-introduce AHS (Autonomous Haulage) into the Fort Hills operation.

In spite of the mining risks and near-term constraints, we are still committed to driving down our operating cost and capital. We've stood up an internal task force and set a target to bring down our absolute cash costs by \$300M per year by 2025. They are leaving no stone unturned and have already made some significant progress on opex reductions this year - realizing workforce efficiencies (both contractor and company), reducing mine maintenance costs and improving contractor mining production.

Capital costs through to 2025 are aligned with the center and north pit mine development and tailings containment requirements. We expect capital costs to reduce post 2025 as mine pit infrastructure requirements reduce and sustained operations are further established.

There's much more to come as the physical mine constraints begin to ease and we will be able to drive further productivity from our mining fleet. As I stated before, little things add up to a lot in this business and we'll be working hard to sustain and embed both best practices and competitive mindset into our operation.

And with that, I'll hand it over to Alister.

Alister Cowan
Chief Financial Officer, Suncor Energy Inc.

Thanks, Peter.

As Kris noted at the start – Suncor’s key competitive advantage – our DNA – as it is – is really around:

- our processing & physical integration,
- our large long-life low decline reserves
- and a track record of shareholder returns.

Now, Peter just walked through some key improvements that are being carried out across the mining assets. We recognize the issues in that area and we’ve developed a robust plan to improving that area of our portfolio.

So, let me start by revisiting our prior commitments and I’ll break these into 3 areas.

First - Initiatives that are complete and have already strengthened our margin capture. These initiatives are already adding about \$800 million of free funds flow in 2022 and I’ll discuss these on the next slide.

Second - Digital or productivity initiatives which are being progressed across the company. The two key ones - the company wide systems replacement and mine optimizations are already in place.

The systems integration was wide reaching - integrating and standardizing our business processes from our upstream to our downstream businesses. We went live in April of this year, and as we move out of the stabilization phase, we’ll continue to optimise these new systems and realise cost reductions and other benefits through 2023 and 24.

As it relates to mine optimization – we’ve made several changes to our productivity through digital technology and Autonomous Haul Systems. However, as Peter walked through in his section, there’s various updates to the mine plans that will require some adjustments to our cost outlook. And I will detail the impact of this category from an overall lens of the total cost structure of the company.

Thirdly – We’ve added new physical assets. Forty Mile Wind which we delivered on time and on budget of \$300 million. As we announced last month, we sold this asset at over 10x cash flow and at a significant gain, really to drive improved fit and focus of our portfolio.

The other asset is the \$1.4 billion Cogeneration power facility that’s embedded within our Base Plant. And this is expected to come online in late 2024. Now, this project reduces carbon emissions across our value chain by 5 MT compared to a coal base line and improves the reliability and efficiency of our operations. If I look at it at sanction, our rate of return on this asset was close to 20% but with the current higher power prices, certainly in Alberta, our return is going to be significantly higher than that. This investment clearly achieves a balance between our net zero emissions goal and our cost and reliability goals, while delivering a superior financial return.

On this slide, there are four initiatives that are complete and delivering \$800 million of annual increased free funds flow today that I talked about today. Once the Cogen is online in late 2024 this will grow to well over \$1.2 billion annually. Now, these are structural improvements to Suncor's production or throughput, and the physical integration of assets, all of which serves the strategy to maximise the value of every barrel.

We have completed debottlenecks at Firebag, Edmonton refinery and the Burrard Terminal – all operating extremely well to provide us with \$250 million of free funds flow in 2022. As Shelley mentioned earlier, there's a potential ~25 thousand barrel per day debottleneck at Firebag by 2027 that we'll continue to explore.

Our Interconnecting pipelines – between Base Plant and Syncrude - reached payout earlier this year within 2 years of operation. These are adding \$150 million of annual free funds flow net to Suncor. With this pipeline, we can maximize the potential of each asset and we expect to move approximately 6 million bbls of products – that's roughly 17 thousand barrels per day – between Base Plant and Syncrude in 2022.

Now, historically, the Syncrude mine has paced the upgrader. However, as Peter noted, the Syncrude mine's best year ever was this year – in 2022. The pipeline infrastructure between the two plants enables the decoupling of the mine and the upgrader at Syncrude, in the same way as they are decoupled at Base Plant.

It's helped alleviate production impacts during maintenance periods, thereby ensuring smooth continuous feed to the upgraders, maintaining the high utilization rates at both Syncrude and Base Plant. I am extremely pleased with the results we're seeing with this asset.

Our supply and trading organization is stronger than ever before, and we see its benefits in both Upstream and the Downstream.

In Upstream, our price realizations are well above benchmark and peers.

In Downstream, we are focusing on high value demand channels and capturing market dislocations.

Both of these result from strong marketing and trading expertise, an extensive physical logistics network and slate optimization that is informed by live market data and feedback.

And then, lastly, PASS tailings management has been a step change technology, that's allowed us to shorten the timeline to reclamation, avoid expensive terrestrial work, and significantly reduce the amount of land disturbance. Base Plant is the only oil sands operation to reduce its tailings inventory below 2014 levels.

Improvements in this area are saving us approximately \$200 million each year.

So, let me talk about costs. We are making concrete progress on driving the expected benefits of digital initiatives into our cost base through 2022, 23 and 24. However, our expectations of being able to reduce overall operating costs have been impacted by significantly higher inflation and mine progression costs than expected.

We're definitely seeing the benefits of increasing commodity prices on the revenue line, and our job is there for us to mitigate the impacts of these on the cost line which is proving challenging.

On this slide, we've summarized the complete cost structure of the company. As you can see, people costs, through employee and contract services or labour, are the most significant proportion of our operating costs – combined approximately two thirds.

We've already reduced employee and contractor numbers and will continue to focus on further reductions over 2023 and 24 as we realise the benefits of our systems implementation and other digital initiatives.

Now, these reductions are mitigating inflation impacts on labour rates which are significant here at between approximately 5 to 15%, depending on category.

Also, as Peter discussed, the mine progression which includes more tonnage moved and truck hours, are offsetting the productivity gains we are achieving on a per unit basis. And we see this most at Syncrude where we've completed a detailed mining review, our first since we took over as operator last year.

And at Fort Hills, we're seeing the impacts of the revised mine plan plus the costs related to the additional 21% interest we recently acquired.

As it relates to materials, we're seeing significant benefit through really excellent work across the company to fight inflationary pressures, and that's driven by improved understanding of the additional data we're getting from our systems implementation. And as you can see about 20% of our cost structure is facing a 2% escalation next year, and that's well below current pressures due to inflation and supply chain disruptions.

Now, each of these areas continue to put pressure on 2022 costs, and as a result, we're expecting to end the year towards the high end of our cash cost guidance across all of our Oil Sands assets - \$36 per barrel at Syncrude, and \$30 per barrel at each of Oil Sands and Fort Hills.

But if I step back and look at our overall cost structure – our 2023 total costs are forecasted to be approximately 5% higher than the current year with 2-3% overall production increase. Our focus as a management team is to continue to drive further cost reductions across the business in the face of these inflation and progression headwinds.

So, let's discuss what this all means for shareholder returns in 2023. As Kris highlighted earlier, we've been a leader in returning cash to shareholders over the past 10 years and we intend to continue to focus on that.

Now, as I noted on our Q3 call – we intend to look past the overall foreign exchange noise in our US denominated debt. Therefore, based on our plans and current commodity price expectations, we expect to proceed to 75% allocation of free funds flow, that is after dividends and capital, to share buybacks by the end of Q1, 2023.

Looking at dividends, these are a key element of shareholder return. And we recognize that while commodity pricing is currently higher, our dividend needs to be sustainable throughout all price cycles.

With current input commodity prices and foreign exchange rates, our sustaining capital and dividend breakeven is mid \$40s WTI today.

We fully intend to grow the dividend as we demonstrated this month with the 11% increase in the quarterly dividend – our second dividend increase this year. There are two levers to dividend growth which are independent of crude or crack commodity pricing.

First - As operational performance and optimization of the business continues to demonstrate momentum, we'll incorporate this in our view around dividend growth.

And then secondly - As we continue to execute upon our share buyback program, the lowered share count will allow us to increase per share dividends without impacting our breakeven.

While variable dividends are not off the table in the future, my focus remains on sustainably growing our dividend and leveraging share buybacks for cash return given the significant undervaluation of our share price today.

With that, I'm going to hand it back to Kris.

Kris Smith
Interim President & Chief Executive Officer, Suncor Energy Inc.

I will mercifully keep this brief; I realize we've just kept everyone for 90 minutes. But I hope that was very interesting and full of information for people.

So, let me wrap up and then I'm going to go to your questions.

So, we've walked through our detailed plan to return Suncor to its industry leading position in safety and operational excellence to drive increased shareholder returns. We have a unique asset base which is unparalleled in its advantage with scale, integration and long-life low decline reserves. It simply can't be replicated. We are further bolstering it with prudent investments and deliberate action across the portfolio to drive greater results. And we're driving disciplined capital allocation to ensure the strength of the company and to deliver superior shareholder returns.

Our biggest value drivers are the consistency, reliability and improvement of our Oil Sands business and the leveraging of our integrated model to its full potential. Our asset leaders have spent significant time going through a detailed review of safety execution, mine plans, plant reliability, and turnaround plans across the asset portfolio. The rigor of this work at the asset and field level, and the focus of the leaders, is what gives me confidence in our 2023 plans and our ability to execute them so as to deliver value to our shareholders.

Now, in addition to working with my team to ensure a solid plan for 2023 that we can continue to build on, I've also worked with the Board to increase fit and focus of our asset base. You've seen this through the disposition of the renewable power business and our E&P offshore assets, while also opportunistically acquiring more working interest in Fort Hills...an asset that is core to our Oil Sands integrated model and which I am confident is going to deliver long term value.

I'm pleased with the progress so far, but more needs to be done.

With credible safety and operational improvement plans underway, my focus is on delivery and driving further improvement across all aspects of our business, including further cost and capital efficiency, and realizing the full potential of our assets and integrated model.

As well, driving our focused safety plan which includes doubling the weighting of our safety component in our annual incentive plans.

I'm working every day with the executive team and our leaders across this business to drive focus and follow through in all aspects of our business and deliver.

With that I'm going to conclude the prepared remarks, I'm going to thank you everybody again for your attention. 90 minutes is a long time to sit in one place. And what we'll do is I'm going to invite the operational leaders and Alister up to the stage, and we'll take some questions. (Instructions for Q&A).

Q&A

Doug Leggate (Bank of America): Hi there. It's Doug Leggate from Bank of America, Thanks everybody for your presentations. I guess I know you didn't want to really go into the five-year outlook in any detail today, but you did, Alister, in your presentation on slides 45 and 46, give it looks like a little bit of an update. So, I wonder if you could help us reconcile the numbers. It looks like the categories you laid out in last year's presentation were about \$700 million. Today, they add up to about \$1 billion but there's another \$1.15 you haven't talked about, you've talked a lot about cost offset. So, I guess the question is how much of the \$2.15 do you believe you've achieved today and what do you think is left? That's my first question.

Kris Smith: I'll take it. No, thanks. Thanks, and I'll hand it to Alister just to supplement. So, I think there's two components I think you heard in today's presentation. The first one is, and we've talked about margin and revenue enhancement and the activities behind that and 800 million was what Alister talked about and then with the completion of the projects, the investments, we see a total of CAD \$1.2 billion. We've got line of sight of that. We see that very clearly. The cost reduction side, we've been driving cost reductions now admittedly difficult to see in some respects, because we've got two things we've talked about today. One is we have structural cost issues in the near-term we need to work through. Peter talked about that in terms of Fort Hills and also the Syncrude asset where it just happens to be in its mine life at this moment with progression, haul distances and that sort of thing, along with some inflationary headwinds that we did not countenance three - four years ago when we were talking about these targets.

But the cost reductions in the system are real and they're offsetting and that was what Alister was communicating. So, if I think about it from that perspective, Doug, so of the 2 billion that we've been talking about, 1.2 billion in margin revenue enhancement line of sight, a lot of it's actually been accomplished. We have line of sight to the rest of it. Cost reduction we've been seeing really good progress. It's offset a significant amount, and we have to continue, remember this was going through the next couple of years, and so the next two years is really driving further cost reduction. The way I think about the 2 billion is this. We've put a lot in the bag. We have more to do and quite frankly, the way I think about it is talking about a 2 billion from three, four years ago is actually not the right conversation anymore because we actually have to do more, and we have to go deeper.

And so, the focus is going to be going forward and I think right now we've demonstrated a lot of great track record and actually accomplishing a lot of the things we're saying now. We're going to finish the play on what we've been saying, but we're going to be working and Peter talked a little bit about that in his presentation and then Peter even gave some examples that weren't – that are new quite frankly and how we're going to drive cost efficiencies as well as continue to invest in the business and optimize, there's far more opportunity left in the asset base than what we've seen to this point as well, too.

Doug Leggate: Thank you. My quick follow-up hopefully is for Alister. I don't know about everybody else's numbers, but if we look at your free cash flow trajectory over the next year or two, it seems you're going to hit your 9 billion net debt target middle of next year. How should we think about what you do with surplus cash after that? Buybacks are they 100% in which case what does your dividend growth look like? I'll leave it there. Thank you.

Alister Cowan: Thanks, Doug. I would say that depending on what commodity price you're going to use, depending on the timing of it, but I would say that we fully expect to hit our CAD 12 billion net debt for the next few months. We're moving to 75%, as we talked about, by the end of Q1, and as soon as we get to the 9 it's 100% back to buybacks. [indiscernible] Yeah, the dividend growth, as I talked about, is really driven by the two drivers its underlying improvements in the business and it's a result of lower number of shares from the buyback, it's not driven by commodity price.

Dean Highmoor (Mackenzie Investments): Hi there. It's Dean Highmoor from Mackenzie Investments. This is a question for Kris. I really appreciated the detail on the retail process that you went through. So, thank you for sharing that. I'm interested in that slide that you have; I think it's slide 22 where you're growing the retail EBITDA from, say, 700 million to 1 billion by 2027. Then, I'm also interested in that prediction of the decline of Canadian gas demand by like, say, 25% to like late 2030s. So, I guess my question of this long story is, what's the resiliency of that 1 billion on the retail cash flow and how do you see your market share changing over time? It seems like that 1 billion is at risk if you have a 20% volume decline in that business over time?

Kris Smith: Yeah, no, thanks for that. And retail is detail. So, those two pieces and it's a great way you just ask the question to put those two things together. So in terms of the plan to grow the contribution of the business and I use – I purposefully use the word optimize because recognize that the way I describe this is we're actually going to get smaller across the network to generate more and to create more resilience in the gasoline front court as well as our full alpha on the back. And so our intent and plan is actually rationalize the network, because when we put investment into full offer sites, as I described in my presentation, we've demonstrated top quartile results in the Canadian market. We have the strongest fuel brand in the Canadian market, and we have a full offer that competes with anybody on the street. And between our fuel brand, our network, which is our dirt strength and our loyalty platform and our engagement with customers, we think we've got a stickiness and we've demonstrated that others, it's the top in the market.

So, the plan is let's optimize this network. Let's reinvest in the areas that are going to increase actually the volume and the cash contribution while also getting smaller. So, we'll actually generate some net cash in that respective. And then the other piece is when we talked about the gasoline demand decline and that's based on a lot of different analysis and different points of view and we can have this debate about is it 10%, 25%, whatever the number may be, what I would say is we've got confidence that the direction of travel

and gasoline demand in Canada is going to be south, not to the US, but going down over the next couple of decades. Now, and 25% is a fair proxy just based on where we see regulation and how we think about forecast EV penetration.

A lot of things can happen between here and there and I'll tell you I've been around the business long enough as well. We've been forecasting decline actually for quite a long time and the only thing that I've really seen impact gasoline demand to this time in my career is COVID and that's been a real intervention into the demand market. So our view is let's prudently optimize this network, which has all these advantages. Let's actually create strength in the market. We can strengthen it further, I have a tremendous amount of confidence in our ability to generate that EBITDA growth within the business and the payback will be well within a reasonable window of time and I think it creates more resiliency for us, as I described in the presentation.

Dean Highmoor: So, who will be losing market share over time because I'm sensing that you think you're going to have better sites, more car washes, whatever, and then it's going to – you're going to pull more whatever's left of that gasoline demand to your stations...so who's going to be hurting from that?

Kris Smith: So, I'm not going to call out any specific names or brands or anything like that. But if you think about it and look at the retail net, the retail gasoline network in Canada right, which actually was interesting because for many years, the number of sites in Canada was going down. The last few years, it's actually started going back up. That's interesting, and I think what you're going to see is you're going to see a rationalization in the market over time and you're going to see the underperforming sites or weaker brands. They're the ones who are going to have – they're going to be on the front edge of that. They're going to feel that demand decline faster than the strong brand, loyalty platform, advantage network business execution, yeah.

Dean Highmoor: Thank you.

Greg Pardy (RBC Capital Markets): Hi, Greg Pardy at RBC. Thanks very much for the presentation. So why don't we – maybe just go back to Fort Hills for a minute. I'm just trying to better understand the plan and the de-risking that's in place. Was the decision to mine the South Pit initially driven by haul distances and then kind of related to that, how much de-risking, how much subsurface work have you done on the North Mine and how much de-risking of that plan is in place now?

Peter Zebedee: Yeah. I would say the decision to mine the South Pit predominantly driven by haul distances and ore grade. You want to get the highest grade into the plant as soon as possible. So, while this was always the progression in the mine plan to go from South to Center to North Pit. It is an accelerated sequence of events, as I mentioned in my presentation and that's driven by the risk factors that we've encountered over the years in the subsurface. I believe we have a good understanding of what those risks are and how they present themselves in the Center and in the North Pit, we've done quite a bit more geological work to prove out not only the ore body, but the risks associated with that. So, we've got a good plan as we transition it. It's just we're in this zone right now where geometry is constrained if you will. That drives less efficiency in our mining operations. And as we do that, hop, skip and a jump ultimately to the North Pit that opens up a broad swath and allows for much more productive mining than what we're seeing right now.

Greg Pardy: All right. Now, I'll shift gears. I wanted to go back to something that Shelly was talking about, where you've, in essence, sort of been fighting fires over the last number of years. If you were to put your finger on where things began to slip. Does that have a lot to do with just not enough proactive maintenance or monitoring, like trying to get the barrels on and less concerned around how you did it? Has that changed? Is that the right characterization because I'm just trying to better understand causality and what you're changing now in terms of your approach? Thanks very much.

Kris Smith: Yeah, Shelley can talk specifically to In Situ, Greg. You know, if I think back to some of the reliability that we've seen over the last couple of years, and Shelley gave a very specific example. It's not like we've seen that issue that Shelley has been talking about across our assets, I think the point of Shelley's example there was one, there was something on the graph that actually needs explaining. And second is to be clear on actually how we dealt with it, as well, too. And we have a long history in the company of reliability and focus and maintenance plans.

And we have a lot of great examples I can point across the organization in the downstream or Peter gave a great example in upgrading at base plant and the reliability journey there. That said, we've seen some reliability issues over the last couple of years and some of – that one's a specific one. We had an issue last year with cold weather event that you may recall that was in our In Situ business as well as it affected mining. I can tell you the team's done a tremendous amount of work around what the – what the causes were around that particular issue. And we talked about it specifically. That's been resolved. So, I'd make sure that when we think about the reliability of Suncor to put in – first of all, put in the larger context. And secondly, that we do recognize that there's areas in our business that have to perform more consistently and reliably than what we've seen.

And then I think the other piece is what you've heard from Peter today, is that, really a big focus here is, the mine in Fort Hills, and I have a lot of confidence in the plan that Peter and his team have put together, and the other piece is in Syncrude, we're really happy with what we're seeing and we're starting to see that reliability story really trend in the right direction. And Peter and his team are all over the mine because we're just in that point of the mine life. Shelly, because Greg asked specifically, was there anything that came to mind for you?

Shelley Powell: Yeah, I think I'd underline. First of all, I'd say it was no one thing in my mind. So, similarly going forward, it isn't going to be any one thing that is going to change the trajectory. I think it's a combination of a lot of things that we've talked about here today, but I'd certainly probably put the emphasis under one of the things that are, I think it was Peter mentioned it around, getting causal learning as a new approach to incident investigation, making sure that we're truly understanding the root of some of these things that are happening to us - is a go forward - to make sure that we're eliminating them once and for all. So, to me, looking forward, that's really where I would put the emphasis on one of the things we're doing different that has really started to pay dividends already.

Kris Smith: And may be just to add one other quick think, Greg. One of the things this executive team has spent a lot of time in the last four months on and particularly we've been talking about this safety journey and a lot of the focus on safety and around engagement. The other side of it, which maybe didn't come across as clearly in our remarks is the focus on our operating – our operational excellence management system, our systems to manage risk, which we've had in place for a number of years, and which are quite strong in a lot of dimensions. And we implemented that over a decade ago.

But the team is doubling down, and back in, and looking at those systems to ensure that we understand if there's any weaknesses or gaps in the systems, and we have a full piece of work underway related to that as well to, to strengthen where we're at. Thanks, Greg.

Nicolette Slusser (Goldman Sachs & Co.): Thank you. Can you hear me, okay? Hi. This is Nicolette Slusser on for Neil Mehta with Goldman Sachs. So, just first on the safety point, and kind of, a follow-up here, and understand your kind of going through the initial workings of the contractor headcount reductions. But can you just talk about any initial learnings from that? And then, also, how you're particularly monitoring Fort Hills as you're moving through this colder weather time and the ramp from south to center?

Kris Smith: Great questions. I'm going to pass over to Peter.

Peter Zebedee: Yeah. I'll speak about the contractor efficiencies first because I think our initial, well I know our initial approach was really to start to take the waste out of the system, if you will.

So, we're trying to get much more sophisticated on our approach across the assets, so, balancing out maintenance schedules as an example. And by definition, as I said in my presentation, the less people you have, the less probability for an incident. So that is all the right thing to do for safety, but it's also the right thing to do to run an efficient business.

But beyond that, and much beyond that, we are really focusing on these human organizational performance principles. And that's really the approach that we as humans are, we're fallible, that things can go wrong. And we're really focusing on if something does go wrong, how can we protect against the worst possible outcomes? And that's really resonated with our teams. We're building leadership capability in that regard but building on causal learning and fundamentally taking a different approach to drive a different safety outcome.

At Fort Hills as we approach the weather – the winter - and the winter weather always a factor in the mining business. We actually like winter weather because it solids up the roads and makes vehicles go faster and improves the productivity. But the key factor in Fort Hills that we're monitoring right now is exposed ore inventory. This is basically the buffer of inventory we have to buffer out any instability in the operations between that and driving for the right material balance which can – tailings containment, fluids tailing containment. Those are the two big factors that we're focused on maintaining.

Nicolette Slusser: Great. Thank you. And then the second is just a follow up here on longer term CapEx. I know you alluded to the 3.35 billion of sustaining, but if you can just talk about any sort of delta longer term between the prior 5 billion ceiling target that was there and how we should be thinking about that after 2023?

Kris Smith: Yeah, I think, first of all, the sustaining capital that we've been running kind of around that range, sometimes below, sometimes around or a little above. The focus on the sustaining capital, I think actually Shelley mentioned it, and maybe Peter mentioned in his point too is actually driving opportunities for capital efficiency in our sustaining capital. And the big – the big opportunity there for us is turnaround.

And so, we've got a piece of work underway right now around looking at our turnaround execution, not just the execution, quality of the work, execution as well as duration and frequency.

And so, we've done some of that work in the past. Like, for instance, in the refineries we were able to lengthen some of our turnaround frequencies, and some of that's actually happened up in the Oil Sands as well too. But that's a big opportunity. So, on sustaining, our view is going to be how do we drive better capital efficiency and turnaround, but also in sustaining capital in general. And that's a piece to, I think, comes to Peter's point, that we see this opportunity in the regional basis, is how can we actually leverage the whole region even more to drive our capital intensity down from a sustaining capital perspective? So, that's going to be a big focus of the team.

In terms of our economic investment, the rest of the portfolio, it's going to - it's going to be right sized as we go forward for the company. I'm not looking to put a hard cap on, but I'm not looking for us to spend more capital than we absolutely need to spend, to one, make sure this business is going to deliver and do what it needs to do. And two, any investments going to grow this - at outsized returns for our investors.

As I mentioned, we're in a point right now where we've got a number of things in flight. These are really good investments for the company and its shareholders right now. And so that's going to be the focus. And then the last piece of that's what Alister is talking about. Look at that from a total capital allocation perspective. Because to the point Doug asked earlier about dividend and sustainability of the dividend, I'm committed to the sustainability of the dividend and growing that prudently over time. And, then the second part is return of cash to shareholders. So, you can count on us that we're going to be looking at that consistently.

Nicolette Slusser: And then sorry, just a quick question on that - clarification. Is that turnaround outlook, is that different than, kind of, what you had been thinking about in the 5 billion number? Is this - are these kinds of new initiatives or is this sort of a build on of prior workings?

Kris Smith: Yeah, I think, we've made some progress. So, as with the last couple of years, I don't want to discount progress - this has been made by the teams around turnaround, but I quite frankly think we can do more, than what we've been doing, and I think we have a real opportunity over the next two years to three years.

Nicolette Slusser: Thank you.

Elizabeth Hiss (Brown Advisory): Hi. I'm Elizabeth Hiss from Brown Advisory. The first question was just you mentioned the doubling of the safety-based incentive. Can you just quantify what some of those metrics are, and how extensive that is applied throughout the organization?

Kris Smith: Yeah. Absolutely. So, the way we set our incentive structure program for our employees, this is your annual bonus program I'm talking about in this particular case. We've always had safety and what I'll call the controllables; cost, production, sales are in a scorecard for the organization to drive alignment to targets. We've always had these metrics and they've also been what you would call the classic safety metrics, which is recordable injury frequency, which is where you're essentially measuring how many time people, it could be anything from something very serious to someone cutting their hand. And you're measuring that frequency. That's an industry standard.

We also measure what's called loss of primary containment, which is another industry standard. How many times do things come outside the pipe. And we set targets around those to drive them down.

What I'm doing this year, two things. One, and this isn't working with this team here. One is, we're adding another safety metric called serious injury and fatality actuals, because I want to drive the recordable injury frequencies down. I care about people who get hurt tripping or cutting their hands. We absolutely care about that. But what we really care about is people who seriously get hurt or if there's a fatality. So, there's not a lot in the industry doing this right now. We looked around, there are a few that are doing it, so we benchmarked as best we could, but we're introducing that as a metric within our performance scorecard. And then in terms of the weighting, typically the weighting within our scorecard towards safety has been in the 12% to 15% range, which is not atypical. And we did some benchmarking. We're going to be upping that to almost - to around 22.5, almost a quarter of the safety, which there are some companies who have done that, and that's the upper end that's kind of near to that. So we're not doing something that others haven't done, but we're actually increasing towards the upper end of what we're seeing others do in that space. And quite frankly, we want to align the organization to drive improvement and drive a lot of focus on it.

Elizabeth Hiss: And then the small follow-up was, just during the kind of WCS differential dynamic. Have you kind of quantified publicly how impactful that was on our kind of feedstock cost reduction or kind of royalty?

Kris Smith: Yeah. It's interesting. Alister may jump in on this one, but the WCS light heavy differential, we're really quite insulated to it. And the reason that we're insulated to it is a large production - a large portion of our production is upgraded, and then you have royalties, and royalties on a bitumen basis, and then you also have our downstream where we further integrate into higher value products. So, at the end of the day, when we see a widening of the light heavy differential, it really doesn't have an effect on our cash flow model, and in fact - could in some cases could be a slight positive just because of the mix that we have within our system.

Dennis Fong (CIBC World Markets): Thanks. Good afternoon, everyone. It's Dennis Fong from CIBC. The first question that I have is just, and maybe this is a little bit for yourself, Kris, and maybe Peter. In the past, there had been some discussion around remaining life at base mine. How does maybe the revised strategy that you have outlined a bit today, as well as some of the projects that you have ongoing or recently completed, help mitigate some of the impacts associated with that potential terminal timeframe around the existing mine.

Kris Smith: Yeah, great, great question. And I'll ask Peter to supplement in a moment. But our Base Plant mine has an end to mine life mid-next decade. So, we're about a little over a decade away. We've been prosecuting a number of options around filling that bitumen supply. I mean, job one for us is keep the upgrader full - high value asset, this kind of goes back to the earlier question as well too.

And we have a number of options that we've been prosecuting, one is potential mine extension. We have regulatory permit underway, that's been underway for a number of years. The other one is, is an In Situ strategy because as Shelly was highlighting in her presentation, if you looked at where Firebag is and we've got some fantastic resource in South Firebag and then down through some leases, we call Louis and Wapistan, and that actually go in a lot of proximity to our upgrader. So, I think we have a tremendous amount of opportunity. We're going to start narrowing that down - because right now is what is the most economic. And as you look - and as we look at the full risk envelope as well around that bitumen supply.

The other thing too, you know, we purchased more working interest in Teck and I was very happy to do that. It's an asset, we know well. High confidence in this asset. We got a terrific valuation for our shareholders. And it's part of thinking of our bitumen portfolio because as we bring some of that bitumen in, that's 40,000 barrels a day, it then allows us to think about our full bitumen supply, because that asset, remember, is actually – goes right by our base plant upgrader, and is today connected in, and can be further connected in as well.

Dennis Fong: The other question I had and maybe it's a little bit of a follow-on to one of Nicolette's questions, there, is just a lot of the capital spending and some of the relatively higher capital spending associated with Fort Hills Cogen and some of the kind of near-term applications start to roll off around the mid-part of this decade. As we think about the back half of this decade, between 2025 and 2030, there's obviously – or a potential ramp up of spending associated with either energy transition or energy expansion using your terms, spending that could be involved on a go-forward basis. How do you think about mitigating or balancing the actual application of some of these kinds of cost-saving or margin-improving initiatives, offsetting some of the kind of looming spending that could potentially happen?

Kris Smith: Yeah, that's a great question. And so, the way I'd have you think about this is, kind of as we move into the next – mid-decade and then to the next decade – you highlighted two things. One is investment that's going to be required related to decarbonization of our assets. And a lot of that what we've talked about is through the Pathways Alliance to Net Zero, which I think is doing a tremendous amount of good work, all the companies together working on it. And the signature project related to that in this decade is the carbon capture and sequestration project. So, having a carbon capture line from the Oil Sands region down to the Cold Lake region where we've been awarded pore space, and then each of the operators investing in carbon capture then feed it.

The key to that is going to be fiscal and regulatory frameworks. And I was really pleased to see last year we received – you know, the federal government came in with the investment tax credit at 50%, which, I would say is a great start, and I'm really encouraged by how the government – federal government's working with industry on this. But we still have to continue to work through the fiscal and regulatory framework before the investment decisions get made.

Now, in the meantime, we're doing the engineering work. We're not standing still. Matter of fact, Shelley's organization is very involved in that, and that investment, if we get the fiscal and regulatory structures in place, is going to be ready for us to go to start breaking ground here, next 18 to 24 months on the pipeline. And then you're going to see those investments on carbon capture happen in the back-half of the decade.

Now, in terms of gross capital, you know, the gross capital is going to be a fairly large number for industry. The Pathways Alliance of companies have talked about that. But on a net basis, when you put the fiscal and financial – the fiscal structures in place, ITCs and others, the net capital becomes a much different number, and this is about delivering an abatement cost per tonne that's far more competitive and below what just the headline abatement cost would be under the emissions reduction plan.

The other piece around energy transition is a really good question, too, because we've done – remember now, we've done – one thing we've said is we're getting out of the wind and solar business, and that was in my portfolio for a number of years.

And the reason we're doing that is because we're just not going to compete to invest in the scale and size, and quite frankly, I don't think our investors want us to become big wind and solar players. But we said where we will invest is in low carbon fuels and in hydrogen, but I'm going to be really prudent about it.

As we – because these markets are developing and so, we will – I expect we will make investment, but we've got clear criteria for investment decision in terms of returns and risk profile. So, I think we're going to start to see more of that in the back-end of the decade. We're doing some small stuff now, certainly. You see that in our investments in next-generation technologies like waste-to-fuels plant we're building out in Quebec, a small one. And the other thing that we're doing right now is we're in engineering around a blue hydrogen facility in the Edmonton region. And the great thing about that project, if we do FID it and proceed, and it needs the fiscal and regulatory structures to support it as well, it actually, connects to our Edmonton refinery.

We're our best customer in this space as well.

So, that's how we're thinking about it. I think there's going to be great opportunities for the company to invest going forward, but we're going to be prudent in how we're navigating through that. And at the same time, we're going to look and see how do we – we best invest in our core business. Because as Peter was saying earlier, there's still a tremendous amount of opportunity in that part of the business, both to drive cost and capital down, but also how we invest to optimize the business. And the interconnected pipeline that Alister was talking about is some – in some respects, I think it's Exhibit A.

Lloyd Byrne (Jefferies LLC): Lloyd Byrne from Jefferies. I just have a quick question on – you've acquired assets where you think you have competitive edge and scale, and you've divested assets or are divesting assets where you don't have competitive edge and scale. So, maybe you could just comment on where you think the east coast of Canada lies in that going forward.

Kris Smith: Yeah. No. Thanks. And you know, with respect to that asset – so, first of all, we are exiting the North Sea, as you just highlighted in that – and we didn't have a large position at the end of the day relative to the basin. And in fact, the Buzzard asset is on the back half – is on the back nine, not the front nine. And it also had a development in it that was going to require a big commitment going forward. So, we haven't done that transaction yet and we'll only do that transaction if we get great value for it. But those are the drivers behind contemplating that transaction.

With East Coast, it's different in the East Coast because – for a couple of reasons. One is, we're in every basin and so, we do have relative scale for that basin. And so, Shelley's organization is in – we're either operating it, in the case of Terra Nova, or we're in all the other basins. And we're also a Canadian company. And that counts for something, too, just in terms of our proximity and working with the local communities, the stakeholders, the regulators, the government and the partners in the region.

And so, we still like being in the East Coast for all of those reasons. It's a good business. The investments that we're putting in, that Shelley talked about, the West White Rose investment, as well as we're bringing Terra Nova, great investments. They're going to be great returns and they're going to – and they're going to extend the life of those. So, we're not on the back nine in that part of the portfolio. And so, right now, that's our thinking, that's my thinking around the East Coast.

Lloyd Byrne: And maybe a follow-up, maybe it's for Alister, but Kris, you said, you hear us on guidance and the track record. So, has something changed with how you're calculating it, or is it how you're thinking about process going forward? Or did you just discount it more heavily?

Kris Smith: Yeah. So, we're not sandbagging anything if that's what's underneath the question. The – and it's not a math exercise either because actually, the size and complexity of these assets, one, we needed to make – I need to be satisfied, and as a team went through them that we did a real scrub, and we had real substance behind these plans. And I'm not saying that we didn't have substance before, but I really wanted to make sure we had substance behind these plans.

Then the second piece is then how you sit and risk that, right, to create – when I use the word balanced around that. I'm just reflecting back that when I've been in conversations with our investors and when I've been in conversations with our analysts, we've been missing our upstream guidance year after year after year. And I want that to stop, and I want us to be reliable and consistent for our investors and I want us to stretch the organization to perform. And to – quite frankly, I'll do every day to beat what we've set and to grow it over time. So, that was the approach.

So, I probably liken it more – I like the word you used, process. In the second part, because it's a process, right, how you really understand your assets and then really thinking through the risks and having the right conversations. Quite frankly, it's not me sitting there. It's these operators, right, digging in and then with their teams.

Matthew E. Spiegelman (Locust Wood Capital Advisers LLC): Hey, Kris. Matt Spiegelman, Locust Wood Capital. You gave us a lot of great initiatives today about safety, process, people. I guess the question is some of these have been completed and some of them are still rolling on, you know in particular, some of the collision stuff in 2023. Do you have enough in place today that we, as shareholders, can hold the company accountable to world-class safety and reliability performance with what's here, or do we need more to get to the point, where that's a reasonable benchmark, and if so, when do we kind of get to that point?

Kris Smith: Yeah. That is an excellent question. You know, safety – at the end of the day, safety is never done, in my view. Right. And it's why we use words like journey in those types of things. We have a safety track record in the company, and I tried to highlight that earlier as well, but we've had areas of the company where I've been severely disappointed with our performance, as you should be as well too.

And I think for us, it's going into those places and moving as quickly as we can to assure that we're doing the things to fill any gaps that we're seeing. But the other piece is, too, is it's a journey. So, you know, Peter talked about the culture of the organization. I was in the company 20 years ago when we started the Journey to Zero, when we started our path towards improved safety performance and I watched it do this over time. And then it kind of plateaued and we've had some improvement. But then we've seen some areas where we've had some issues here in the last number of years. Our job is, we have to quickly understand why did we have those issues and we have to fill those gaps and that's where speed comes.

So, for instance, the collision – the technology piece, my interest when I came into the job was, how fast can we get that done? And it does take a bit of time because we're going over through over 1,000 pieces of mobile equipment. But as you heard from Peter today, we're actually ahead and we're moving. That doesn't solve safety. That's a key control to put in place to help us fail safely, but we need to do safety each and every day in this company.

And it kind of comes back to what Peter was talking about, may have glossed over a few times in the room, because if you're not in the industry, working this every day around human organizational performance principles, and how you engage with people, we're implementing those into our organization. The way I would like it is, we've been on a safety journey in this company for 20 years. We've made a lot of progress. Safety is a core value, as Peter said – and I really appreciate Peter's view as a new person coming in, as well as Arnel, that the safety culture is here, but we need the next generation of tools to engage people.

And so that's what that's about, is how do we use those tools and really create a more psychologically safe work environment, so that I get everybody from the front line all the way up to my desk, caring – not just caring about safety, but really understanding it, engaging, talking, raising concerns, providing feedback, and then actually – and then ensuring we're taking action as well, too.

So, I'm happy with the progress we've seen, but you're never going to hear me say mission accomplished, or that I'm comfortable with where we're at with safety because we should always have chronic unease around that. I'm proud of what the company has done. I'm proud of having been in the company for 20 years. But I know we can do better and that's what this is all about.

Matthew E. Spiegelman: And just one quick follow-up on inflation. I think we all have seen across the industry there's a lot of inflation with these high commodity prices. If we were to go back – and that, obviously, has an impact on the synergy realization, but it's still a net benefit at a high commodity price. If the commodity price were to go back to a lower environment, say, a \$60 type environment, how much of this inflation would be sticky and what would the inflation picture look like in your cost structure there?

Kris Smith: And do you want to take that one, Alister?

Alister Cowan: Yeah. I mean, obviously, the sticky part is going to be in labor rates. Contractor rates, which are a big part of our cost structure as you saw from my slide, they move up and down, and that's partly why we're seeing such big impacts on our cost structure. They're catching up over the last several years. As prices go down, they will go down as well. What we have to be careful of is we don't embed higher employee labor rates within our workforce. That's the one thing that we're very conscious of doing.

Kris Smith: Troy, do you want to ask the question from the webcast.

Troy Little (VP Investor Relations, Suncor Energy Inc.): Question from Webcast: This is a question about the refining business. Can you tell us about any major maintenance activity you expect in 2023, as well as any initiatives to improve performance in refining?

Kris Smith: Yeah. I'm going to pass this over to Arnel, but before I do, Arnel actually wasn't presenting today, just given the time. I do want to take a moment just to introduce Arnel to the room. Arnel joined us... (**Arnel: in March**) ...of this year. We had a senior leader retire. And Arnel has over 25 years in the refining industry, predominantly with Shell as well as with NOVA Chemical, and has been terrific since he's joined us. But do you want to take that one, Arnel?

Arnel Santos: Sure. Thanks. Let me start with the improvements. First, I would say consistent with what you have heard from my peers, key to sustained reliable operation is capability, and in this case, really working on people, work processes, work structures, leadership and culture. So, the focus I have with my team since I joined and going forward is to maintain that focus on each of those elements with specific improvement areas, whether it's people competencies, the way we learn, the effectiveness of our work processes.

So, you've heard OEMS - our Op's Excellence Management System, do we have the right structure to make sure that we have the right accountabilities and leadership competencies in the field to make sure that we have the right ability to implement HOP and OD behaviors in our field. So, that will be a big focus for ourselves, has been since I joined and will continue going forward.

With respect to maintenance, we have a few next year. In the Commerce City refinery, we have the cat cracker turnaround in the second quarter. In Edmonton, we have the coker maintenance in the second quarter. In Montreal, we have the hydro-treating units in the second quarter. And in Sarnia, we have the hydrocracker maintenance in the second quarter.

Throughout the year, we will continue to address our plan gaps in our reliability threats. So, we'll do things like the boiler maintenance in Edmonton. So that will progressively address our risks to continue reliability.

Troy Little: That's great. Kris, I'll turn it back to you.

Kris Smith: I think there might have been a question over here. Did I see one? No. Any other questions? Oh, Bryan?

Bryan Pilsworth (Foyston, Gordon & Payne Inc): Kris, you sort of hinted when Alister was talking, and you were talking about the 2 billion free fund flow lift that you wanted to get and you're two thirds of that way there. And then you sort of hinted that there's more to do, given the headwinds that you're... that the company is facing. Just kind of, I guess, maybe it's an easy one, but are there kind of some projects that you could hint at that could provide the step change? I mean, the interconnect with Syncrude was a great one. Replacing the Coker, another great one. Are there kind of things out there that the team is thinking of but hasn't quantified yet?

Kris Smith: Yeah. Thanks. It was hopefully stronger than a hint because yes, we want to do more. And I think, Bryan, like there's not a specific project I want to talk about today, but I will talk about it and specifically you're putting your finger right on it, which is really in the area that Peter has right now in mine upgrading, along with Shelley's. Can't forget the In Situ sitting there as well.

As I'm looking and talking with Peter and the teams, our opportunities around regionalization, whether it's manpower, whether it's managing supplies and services. The other piece to is, recall, we just implemented our SAP S4 system, which – those aren't the most painless things to do in the world. But the promise of that is actually our ability to manage our materials and services in a totally different level.

And then the other piece is the actual kit up there. So, are there other investments we can make? There may be opportunities to further upsize some of these connections. How we think about the connectivity of – we've got the three mines, two upgraders, two In Situ plants, resource around it. And we have – everything comes down to the largest tank farm in the region and we connected – full connected to our Edmonton refinery as well.

So, we're going to be looking hard because I think there's going to be still more low hanging fruit for us in that part of the system. We'll continue to look around the rest of the company. But I think the real like, lever movers for us over the next number of years is going to be there.

Bryan Pilsworth: Sorry, just maybe one more quick one, just... for Peter, just what's the frequency for maintenance schedule for Fort Hills? And just in terms of improving that or extending that kind of turnaround period, like some of your peers have done, what kind of cost is associated with that?

Peter Zebedee: Well, I'll speak to the frequency in particular. Usually, we do two minor maintenance interventions a year at Fort Hills. It's consistent with industry practice. This year is a bit different, I mean, this year by 2023, because we actually have the first ever larger maintenance turnaround for regulatory inspection and that really drives a critical path, along with the installation of some new processing equipment that we need for - in extraction for higher fines ores, which will be really important for our 2024 delivery.

I've actually been very happy with the Fort Hills team this year. They've done two excellent maintenance outages. So, these are not of the scale like of a Syncrude or a base plant. So, they're much smaller than that. They beat the schedule by a couple of days. They beat the budget. And so, I still think there's much more to go there, but we'll be able to kind of shorten the duration of that by quite a bit, I think. So, I'm hopeful that there's still more opportunity to go after.

The costs of these maintenance outages are not really material. They're not kind of multi-hundred-million-dollar events that you see at a Syncrude or a base plant. So, it'll just be about managing efficiencies and the contract execution that we have around that. Yeah.

Kris Smith: Okay, Thanks, Bryan... Greg?

Greg Pardy: Kris, last one, probably not a fair question, but how should we think about just the timing on this whole CEO process and so on? I mean, clearly, you look as though you are doing the job and very happy doing the job, but how should we think about all that? Thanks.

Kris Smith: Yeah. Greg, I can't really comment on that. I mean, at the end of the day, the board is going through – but I can tell you the board is going through a very robust process. They're, obviously, taking this extremely seriously. And I know that they're going through a robust process. I expect it's going to be complete in Q1 as they go through it.

I mean, my focus has been and it's kind of been clear since the first call I did back in August, right, is my job is doing everything I can to drive this company forward and deliver. And so, I've been very thankful - the board has supported me through it and supporting me to do the things to deliver value and do the right things around the company. That's what I'm going to do, and this process will get played out here over the next few months.

Greg Pardy: Thanks

Kris Smith: Well, with that, first of all, I want to thank everybody. We may have lost the people on the line. I don't know, Troy. It was a long session, but we had a lot to share with you today. I hope you had a feeling and I feel very strongly we've got a company here with a tremendous value proposition. I mean, not only because we're undervalued, in my view, but because we've got this great set of assets, this model, and we've got a clear execution plan and a lot of focus and a commitment to how we're going to manage our capital allocation going forward.

So, I just want to thank everybody. We're going to, I don't know, is the line been cut off in the back. We want to thank everybody on the line two for hanging in and thanks very much.

[Webcast concludes]