

Suncor community support

The North America Onshore business at Suncor (formerly called Natural Gas) continues to find ways to invest in our various communities throughout Alberta and in northeast B.C., and Stakeholder Relations is working through a number of upcoming funding options based on input from local employees.

You may also be interested to note, however, some of the initiatives/ organizations we have funded in the recent past:

Spirit of the Peace Powwow Society received a donation to support the annual Spirit of the Peace Powwow. This is a community-building event that Suncor has supported since 2006 that brings many of the local communities together.

North Peace Secondary School presented one of their students with the Suncor Energy Science Award, an annual



Suncor employee Hsiu-Yan Chan speaks to children participating in ACTUA's Inspiring Aboriginal Youth Through Innovation program.

award sponsored by Suncor for scholastic achievement.

ACTUA's Inspiring Aboriginal Youth Through Innovation Program was offered this summer in the following B.C. and Alberta First Nation communities, thanks to a donation from the Suncor Energy Foundation: West Moberly, McLeod Lake, Sturgeon Lake, Horse Lake, Blueberry River and Saulteau. ACTUA engages youth with relevant, hands-on science, engineering and technology experiences. In the five years of ACTUA's partnership with the Suncor Energy Foundation, more than 88,000 Aboriginal youth have participated.

Elements Society Destination Conservation Program used a Suncor

donation to support their first year of the Destination Conservation program in all Fort St. John area schools for the 2011-2012 school year. The program will educate, inspire and empower individuals and communities to conserve energy and water, reduce waste and protect the environment.

Edson Volunteer Fire Department celebrated its 100th year with the FireFit Championships, Top Cop Challenge, and Paramedic First on Scene Challenge with the help of a Suncor donation. This event celebrating the fire department (which includes Suncor employees) took place on Sept. 10 and 11.

Boys & Girls Club of Edson received a donation to help support out-of-school care for children, regardless of their families' income.

Sunchild & O'Chiese Elders' Gathering works with the community's elders, Youth Justice Committee, RCMP and Victim Services Unit to develop a plan to focus on finding solutions to the high rate of crimes they are facing. They received a donation from Suncor to support this gathering.

Eckville Elementary School was in need of Smart Board systems for classrooms. Suncor provided the school with two of these systems, which will support improvements to the education of children through equal access to current technologies and resources.

Update from the business

In past issues of this newsletter, we've written fairly extensively about our asset sales or 'divestiture' strategy. In recent months, however, we have decided to delay the marketing of our remaining for-sale properties.

With the current market, we're not getting the kinds of offers we had expected or the types of offers we successfully saw in 2010. In addition, postponing additional divestitures will allow us to offset some of the production shortfalls seen in other areas of Suncor (e.g., some of our overseas operations). As mentioned in our Summer 2011 edition of this newsletter, the two former business units of Natural Gas and International & Offshore merged to create the business now called Exploration & Production (E&P). When the E&P business was created in January, we told our employees that a larger, diverse business would provide flexibility. This current situation is an example of that flexibility, and our ability to make the most of a diverse portfolio.

But back to our corner of the business: I am extremely pleased with our performance so far in 2011. While you can never focus too much on safety, our record there is on par with our expectations. And regarding production performance, we have done a great job at becoming more cost-efficient during this period of low natural gas prices, and we're seeing high reliability at our gas plants.

2011 has seen oil drilling successes in Western Canada as well, and we continue to have opportunities in front of us for the future. I'm also excited to continue projects like the ones described in the activity update on the left.

Thank you for all your support in these initiatives and others. Please do not hesitate to get in touch with any questions you might have.

Best regards,

*John Hoffman
general manager, North America Onshore*

Activity update

In the last issue of *In Your Community*, we had no drilling updates to report. At that time, drilling programs in areas near Rimbey, Rocky Mountain House, Medicine Hat, and the Pouce Coupe/Glacier area were completed and waiting for approval on the next phases. Since then, we have the following information to provide.

Kobes

We have begun a delineation program northwest of Fort St. John in the Kobes field. By completing this program, we will have a better understanding of the resource size and potential and can work toward a more detailed development plan for the area. We hope to be producing from a few of these new wells by the end of 2012.

Wilson Creek Cardium

Our Wilson Creek gas plant is located in West Central Alberta, where we have been operating for more than 50 years. In that same area, we have embarked on a new oil drilling program.

Suncor's current Cardium drilling program in the Wilson Creek area could span four to five years. Additional details for the program include:

- Four horizontal wells were already drilled in the first half of 2011, and completed from a single surface location. We called

this Phase 1. Associated facilities were installed over the summer so the wells could begin producing.

- Phase II drilling began in October 2011 with six wells to be drilled before year-end. Another 14 wells will be drilled throughout 2012, pending budgetary approval.
- Looking further ahead, Suncor also has preliminary plans for Wilson Creek Cardium drilling until 2015. These plans are subject to management and budgetary approval, but if all goes as planned the company could continue the project until 2015.

Ferrier Cardium

Drilling operations were recently wrapped up in the Rocky Mountain House area on new wells that were drilled as part of the Ferrier Cardium program. We expect these wells to be fully completed and tied in by the end of 2011, with the exception of one well to be finished in early 2012.

You may recall that our Winter 2010 issue of this newsletter predicted that we would be drilling about 30 new oil wells in the Ferrier field. Since then, however, we have drilled 16 oil producing and six water injection wells, to be completed and tied in this year. We are expecting the remaining wells in the program (10 oil wells and one water injection well) to begin drilling in July 2012. These wells are on schedule to be finished by December 2012 (subject to budget approvals).

Minimizing our footprint

For those who read our Winter 2010 issue of this newsletter, this may sound familiar,



A rig recently used on Suncor's Wilson Creek Cardium program.

but it's important to note that Suncor uses directional drilling for many of our wells. This means that a number of wells can be drilled from the same lease site, reducing our overall footprint.

For example, 90 per cent of the new wells in the Ferrier project are expected to be drilled from existing lease sites (or pads). In addition, we place high emphasis on routing new pipelines along existing rights of way, and any new buildings are integrated into the landscape by selecting neutral exterior colours designed to blend with natural vegetation.

Within any of the above areas, we encourage landowners, residents, or other stakeholders to direct any questions they may have about our activity levels to your local Suncor representatives, a member of our Stakeholder Relations team or a surface land representative. If you're not sure who to call, you can start with Anne Harding at 403-296-6813 or akharding@suncor.com.

Sage Grouse support



The sage grouse of southern Alberta has recently been listed as endangered under the Canada Species at Risk Act. Alberta Sustainable Resource Development is working to relocate the same breed of sage grouse from Montana to Alberta to try and repopulate the birds. Suncor has contributed significant funding in support of these efforts. The project is at early stages, but could see the relocation of more than 220 birds in the next four years, in hopes of increasing their population in the province.

OSQAR – Oil Sands Question and Response

Can we talk?

We've heard from you, our stakeholders, that you want more information about the oil sands and industry's performance, especially given public concern and media attention.

We recognize that actions speak louder than words and also that we must do a

better job in terms of our environmental performance.

As the company with the greatest production in the oil sands, we are taking the approach that we need to do a much better job of sharing information. And that's why we're pleased to offer the Oil Sands Question and Response, or OSQAR, to support constructive dialogue about the oil sands.

OSQAR started last year as an email newsletter subscription for people who are interested in our company, the oil sands and other energy issues. Each email newsletter addresses a topical, timely subject – with special emphasis on environmental issues – often providing references and links to both positive and not-so-positive third-party

commentary. Recently, OSQAR took on another form – a blog – in the hopes of increasing our audience and providing another venue for healthy discussion.

Through its conversational, "here's some things to think about" tone, OSQAR is intended to support constructive, balanced conversations about Suncor and the industry. You can access OSQAR in two ways:

1. Visit the blog at: <http://osqar.suncor.com>
2. Subscribe to the email newsletter at: <http://osqar.suncor.com>

On the right side of the page, underneath Archives, use the sign-up form to subscribe.

Suncor's community investments take new direction

We know that community investment is about more than just writing cheques. It's about getting involved, committing to finding ways to improve, and inspiring ourselves and others to think creatively about what we want for our communities.

Following Suncor's merger with Petro-Canada, we were provided with a unique opportunity to evaluate our existing community investment strategy and consider how we might engage differently with key communities to create a more meaningful impact for the future.

After much reflection, research and consultation, we are pleased to share the exciting new direction that Suncor's community investments are taking.

Our investments will now focus on helping communities grow, thrive and become more sustainable. By leveraging our skills as an integrated energy company, we believe we can help our communities achieve greater sustainability by investing in initiatives that:

- strengthen communities by cultivating community leaders
- build skills and knowledge for the current and future workforce
- foster the ability to think creatively through inspiring innovation
- build employee and volunteer capability by engaging citizens in community activities
- actively engage employees and communities in collaborating for a shared energy future.

We have decided to focus our investments in these areas because we believe that when used in combination, they allow unconventional solutions to surface – the type of 'outside the box' ideas that are essential to the development of strong and vibrant communities.

But we know that sustainable communities are not the product of one group acting in isolation. That's why at the heart of our community investment approach is a desire to proactively engage with a diverse group of partners to develop positive, meaningful relationships for the good of our communities, our company and future generations.

For more about community investment at Suncor, go to Suncor.com/community.



Suncor works closely with Aboriginal peoples and communities to build and maintain long-term, mutually beneficial relationships.

Rick George recognized as Canadian Energy Person of the Year

Suncor president and CEO Rick George has been named Canadian Energy Person of the Year by the Energy Council of Canada, recognizing his significant contribution to Canada's energy sector, nationally and internationally.

He was presented with the award during a ceremony at the TELUS Convention Centre in Calgary, Alta. last month.

In accepting the award, Rick told his audience, "At Suncor, but also throughout industry, we're challenging ourselves to develop a positive vision for how the oil

sands could become a key part of the 21st century energy mix. And, I believe, the work we're doing to address the people equation, the progress we're making on the technology front and the conversations with government all point to an impressive oil sands story."

Rick was acknowledged not only for his accomplishments in the energy business, but also for his contributions to the community at large through his strong sense of social responsibility and giving back to the community.



Rick George, left, accepts the Energy Person of the Year Award from Energy Council of Canada chair John Muir.

Sustainability in action

You've probably heard this before: Suncor is focused on being a responsible energy company. In so doing, we pursue a triple bottom line vision of sustainable development. That is, we believe energy development should occur in a way that provides economic prosperity, promotes social well-being, and preserves a healthy environment.

Why do we do it – and why is sustainable development so important at Suncor?

For a start, sustainable development is simply the right thing to do, but there's more to the story than that. We realize that our stakeholders, from the public at large to regulators, investors, employees and various interest groups, have increasingly high expectations and look to us to be top performers.

Let's take a closer look at sustainable development, using the following three examples from Suncor.



Until Civitas, no product has successfully balanced two key requirements, being both environmentally safe and effective. We introduced this product to the U.S. market two years ago and to our Canadian market within the last few months.

Healthy environment

- Civitas, a breakthrough golf course turf management product, developed by our Refining & Marketing business, works like a booster shot to help grasses' natural immunity to fight off fungal disease. Introduced just two years ago, Civitas is now in use at some 2,000 golf courses in the northern U.S. and has just been approved for use in Canada.

Social well-being

- In 2010, Suncor employees and retirees contributed more than 111,000 volunteer hours to their local communities; 660 organizations received funding through the SunCares Employee Grants Program in 2010. Over the past five years, employees, retirees and contractors,

with support from Suncor and the Suncor Energy Foundation, contributed more than \$19 million to United Way agencies and programs across Canada and the U.S.

Strong economy

- In 2009, royalties paid by Suncor totalled approximately \$1.2 billion, including \$645 million directed to Alberta government oil sands royalties. Suncor also paid more than \$1 billion in taxes in 2009 to governments in Canada and internationally.

Not only is sustainable development the right thing to do, it is good for business, and contributes to our continuing licence to operate at all our locations and businesses.

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This publication contains forward looking statements identified by words like "expected," "anticipate," "estimate," "plan," "schedule," "goal," "propose," "target" and "strategy". All statements that address expectations or projections about the future, including statements about our strategy for growth, costs, schedules, production volumes, operating and financial results and expected impact of future commitments, are forward-looking statements. Forward-looking statements in this edition of *In Your Community* include references to: Suncor's expectation that by the end of 2011, Suncor's renewable energy projects will displace the equivalent of nearly one million tonnes of carbon dioxide; the Cedar Point and Adelaide wind energy projects, and the expectation that the projects will generate clean energy to power up to 50,000 homes and avoid approximately 70,000 tonnes of carbon dioxide yearly; Suncor's beliefs that by delaying its planned divestitures, it can offset some production shortfalls it has seen in other areas of its business; and Suncor's activity update for its North America Onshore business, including expectations about production levels and drilling programs. These statements are not guarantees of future performance and involve a number of risks and uncertainties, and actual results may differ materially from those expressed or implied. Suncor's Earnings Release, Quarterly Report and Management's Discussion & Analysis for the third quarter of 2011 and its most recently filed annual information form/Form 40-F, annual report to shareholders and other documents it files from time to time with securities regulatory authorities describe the risks, uncertainties, material assumptions and other factors that could influence actual results and such factors are incorporated herein by reference. Copies of these documents are available without charge from Suncor at 150-6 Avenue S.W., Calgary, Alberta T2P 3Y7, by calling 1-800-558-9071, or by email request to info@suncor.com or by referring to the company's profile on SEDAR at www.sedar.com or EDGAR at www.sec.gov. Except as required by applicable securities laws, Suncor disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



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