

Suncor supports major expansion at Memorial University

Suncor Energy is investing in the future of offshore engineering research in Newfoundland and Labrador, with its support of a major expansion to engineering infrastructure at Memorial University.

On March 1, Suncor Energy and the Research & Development Corporation of Newfoundland and Labrador (RDC) announced a \$6.8 million contribution to add a 1,090-square-metre extension to the S.J. Carew Building, home to the Faculty of Engineering and Applied Science.

Suncor is contributing \$2 million to the project. The expansion will add an additional floor to the building, and will provide an integrated space for research teams at Memorial to collaborate with local technology and offshore companies. It will also enable the university to increase its contract research related to the ocean/engineering sector and develop highly qualified personnel in these areas.

"The Faculty of Engineering and Applied Science is at the forefront of ocean technology and offshore research, areas of R&D vital to the oil and gas industry," said Alan Brown, former vice president, East Coast Canada for Suncor Energy.

"This centre is a great opportunity to help both the university and faculty continue to grow and lead the way in innovative research and development, building a legacy of expertise and competitiveness for the province."



Alan Brown, Dr. John Quicoe of the Faculty of Engineering and Applied Science and Glen Janes of RDC at the March announcement of the Suncor Energy Offshore Research and Development Centre.

Suncor Energy enjoys a long standing relationship with Memorial University, and has provided funding in the past for a number of Chairs, specific research programs and investments in the Faculty of Engineering and Applied Science and the School of Music.

The contribution aligns with Suncor Energy's East Coast R&D/Education and Training (E&T) strategy, which is committed to stimulating industry innovation and optimizing human resource potential.

"This expansion will definitely spark innovation, delivering value for everyone concerned," said Brown. "The engineering faculty can continue to conduct cutting-edge research, while attracting world-class expertise. Suncor will benefit from the industry-specific R&D activity, and excellent graduates. Overall, this will become a key economic driver, in terms of industry growth and development, for the province as a whole. It really is a win-win-win situation."

Fuelling the future—a focus on women in oil and gas

It was an event more than 25 years in the making and Suncor Energy was there.

The first Women in Oil and Gas conference that took place in Newfoundland and Labrador happened in 1985 and had approximately 200 delegates. This year, more than 400 business leaders from across the country descended upon St. John's for two days focussed on providing industry with practical guidance for improving the participation of women in the industry.

The Terra Nova development, operated by Suncor Energy, was a sponsor of this prestigious event. Kim Keating, Engineering & Technology Team Lead in Suncor Energy's East Coast region, sat on the steering committee. The conference was not only for women, but was primarily targeted on leaders who can influence and make informed decisions which support the business case for diversity, she said.

"We have a demographic crunch coming in terms of baby boomers retiring," Keating said. "It's going to be more challenging in the future to find qualified people and there is a huge opportunity to increase the talent pool, by simply embracing diversity in the workplace."

Whether discussing opportunities or barriers facing women, the event touched on all areas of the oil and gas industry, from engineers to executives and well sites to boardrooms. Sessions sparked discussions, generated debates and brought forward best in class strategies for all delegates to bring back to their respective companies for future consideration.

Terra Nova Young Innovator Award

Recognizing outstanding academic achievement

Two researchers from Memorial University have been awarded the Terra Nova Young Innovator award for 2010. The recipients, Dr. Joerg Evermann and Dr. Matt Rise, were honoured at a luncheon in March 2011.

"The Terra Nova Young Innovator Award recognizes outstanding and innovative research," says Kim Keating, Engineering and Technology Team Lead, Suncor Energy. "These researchers contribute significantly, not only to our academic community, but to the research and development capacity of our province. We are very pleased to support these researchers as they progress their work."

The award, launched in 2009, was established to recognize, promote and support outstanding and innovative faculty researchers whose work has the potential to be of significance to the community at large.

While the scopes of research of this year's recipients are varied and diverse, the common thread amongst all is the innovation that sets them apart. Dr. Evermann's studies focus on information research, specifically databases. His award-winning research will examine why people make the decisions they do when integrating multiple databases. Dr. Rise's research into the genetic basis of fish response defenses will aid the aquaculture industry, as he examines Atlantic salmon response to a bacterial pathogen.

"The Terra Nova Young Innovator Awards recognize the work of outstanding



Kim Keating joins Drs. Matt Rise and Joerg Evermann, recipients of the Terra Nova Young Innovator Awards, and Dr. Christopher Loomis, vice-president (Research) at a reception for the award winners.

young researchers at this university," said Dr. Christopher Loomis, vice-president (research). "The funding provided by our sponsors, Suncor Energy and the

Terra Nova development, will enable Drs. Evermann and Rise to investigate their innovative ideas from which new valued-added products and services often emerge."

Suncor releasing 2011 Report on Sustainability next month

When we launched our decade-long growth plan in 2010, we clearly realized that growth brings opportunity—but also a set of new challenges. The biggest one of all: balancing increased development with the need to live up to our social and environmental responsibilities, both as individual companies and collectively as an industry.

performance.
partnerships.
possibilities.



At Suncor, we believe the key to meeting this challenge lies in substantially increased and improved collaboration. As an industry, we need to work together, and with you, our stakeholders, to ensure we develop energy in ways that enhance social and economic benefits for society, while minimizing cumulative environmental impacts.

To that end, the overarching theme of our 2011 Report on Sustainability is exactly that—collaboration. Within that broad theme, the report examines what we at Suncor see as three pillars for ensuring a sustainable energy industry—performance, partnerships and possibilities.

Performance is about we've achieved to date, as a company and an industry, on the social, environmental and economic fronts.

Partnerships refer to how we can raise the bar on industry-wide performance by finding new and innovative ways to work together.

Possibilities speak to what we can hope to achieve over the long term if energy companies and all stakeholders agree to collaborate constructively in pursuit of common goals and aspirations.

Last year, Suncor marked some significant sustainability milestones. In September, we became the first oil sands company to complete surface reclamation of a tailings pond—a key step in returning the site back to nature.

This achievement was a great source of pride for everyone at Suncor. It also

reinforced our strong belief that, when it comes to sustainability, the key is to seek clear solutions to real challenges—and then deliver on our commitments. We promised to be the first oil company to achieve surface reclamation of a tailings pond.

In a similar spirit, 2010 saw us begin commercial implementation of new tailings technologies pioneered by our company. This innovation will allow us to reduce our backlog of tailings as well as the need for future ponds—and to reclaim entire mine sites in a third of the time it now takes. By the end of 2012, we expect to have spent \$1.2 billion to incorporate the technology into our operations.

Suncor is Canada's largest independent energy company; our leading position in the oil sands is supported by integrated operations in refining and marketing, North American natural gas production and oil and gas production internationally and offshore Eastern Canada. As such, we believe we have an obligation to be a leader when it comes to public discussions on energy policy and climate change.

To that end, Suncor was an early and proactive advocate of developing a Canadian sustainable energy strategy—one that assesses the nation's long-term energy requirements and identifies the mix of proven and potential energy sources that can best meet those requirements. Such a strategy would examine how energy is both produced

and used and include clear targets for reducing greenhouse gas emissions.

As much as Suncor is committed to improved collaboration, we also intend to keep leading by example. Our annual Report on Sustainability is a thorough and candid account of Suncor's performance and the challenges we continue to face going forward. It also updates Suncor's progress on our own performance goals to achieve reductions by 2015 in four key areas—water use, land disturbance, energy efficiency and air emissions.

This year's report will be available at www.suncor.com/sustainability by mid-July. At Suncor, we've always seen this report as more than just a corporate document; our hope is that it can also stimulate constructive discussion on the challenges and choices associated with energy development. We ask you to read it carefully and give us your feedback. With a shared commitment to excellence and innovation, we can work together to build a more sustainable energy future.

Suncor stakeholders— an important 'say' in how we do business

At Suncor, we're committed to developing and maintaining positive, meaningful relationships with stakeholders in all of our operating areas. We define stakeholders as individuals or groups who could be impacted by our operations or who could, through their actions, affect our business.

Each stakeholder is important to Suncor. As such, the process to build positive, long-term relationships is assessed for each project. Each stakeholder engagement process is designed to foster productive dialogue and decision-making, giving consideration to project size, the scope of the impacts, and the degree to which the stakeholders themselves wish to be involved. Suncor's stakeholder relations efforts strive to balance the need for engagement and transparency with legal obligations relating to confidentiality and securities regulations.

We're listening

Suncor always seeks to understand the needs and concerns of our stakeholders and strives to develop relationships based on transparency, mutual respect and trust. We also appreciate the variety of perspectives of our stakeholders, which is why we regularly solicit input and feedback on key issues affecting the company and energy industry. To help us achieve this goal, we recently invited over 1,700 individuals from diverse regions and backgrounds, to participate in an important research project.

The responses and concerns of these stakeholders provide us with candid and constructive feedback—from people just like you. The results will be used to enhance our understanding of your needs and interests, and ultimately, guide our future stakeholder engagement and strengthen our performance going forward.

A look ahead—Suncor unveils ten year growth strategy

Late last year, we announced our long-term growth plans to increase production to more than one million barrels of oil equivalent per day by 2020.

The announcement included an overview of our 2011 capital spending plans for responsible growth, and sustainment of our assets, as well as a new strategic partnership with Total E & P Canada.

The key components of Suncor's plan includes growth in our Alberta oil sands resources through in situ, mining and upgrading development, as well as moderate growth through strategic investments in our international and offshore operations.

Our in situ operations are expected to continue the development of Firebag stages 3 through 6 and development of a second stage at MacKay River, Alberta. And we expect to continue to develop and make strategic investments in our international and offshore operations.

To accelerate our oil sands mining and upgrading capacity, Suncor has entered into a strategic partnership with Total,

a global oil and gas company headquartered in Paris, France. We expect the partnership to focus on jointly developing the Fort Hills and Joslyn oil sands mining projects and restarting construction of our Voyageur upgrader at Suncor's oil sands operations near Fort McMurray, Alberta.

As always, our foundation is to focus on responsible development and to maintain our sustainability mindset through the next decade and beyond. That includes a relentless effort towards continuous improvement through technology and innovation, continued investments in renewable energy, and our on-going focus on safety and reliability.

The highlights of our growth plans include:

Voyageur Upgrader (200,000 barrels per day)

- Suncor 51% and operator
- Total 49%

Fort Hills mining project

- Suncor 40.8% interest (was 60%) and operator
- Total 39.2% interest (was 20%)
- Teck Resources 20%

Joslyn mining project

- Suncor 36.75% working interest
- Total 38.25% (was 75%) and operator
- Other partners 25%

2011 capital spending plans

Suncor also announced that our Board of Directors approved a \$6.7 billion capital spending plan for this year. Suncor expects \$2.8 billion will be directed toward growth, while \$3.9 billion in spending is targeted to sustaining existing operations, including significant planned maintenance to support reliability and further deployment of our new tailings reclamation technology.

We believe our growth plan strikes the right balance between well managed, responsible growth and investments to support safe, steady and reliable production from our existing operations.

The Voyageur Upgrader, Fort Hills and Joslyn mining projects are subject to approval by all of the partners in these ventures, Suncor's board of directors and certain regulatory authorities.

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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 publication include references to: Suncor's environmental goals; Suncor's long term growth plans to increase production to more than one million barrels of oil equivalent by 2020; the key components of Suncor's long term growth plans, including those related to Firebag stages 3 to 6 and development of a second stage at MacKay River, Alberta; Suncor's expectation that it will continue to develop and make strategic investments in its international and offshore operations. Suncor's expectation that it will spend \$1.2 billion by the end of 2012 on tailings technologies; partnership with Total, including plans for the Voyageur Upgrader, Fort Hills mining project and Joslyn mining project; 2011 capital spending plans; Suncor's Exploration and Production's group's goal to generate stable, low-cost oil and gas production to fund current and future growth projects of Suncor; the expectation that Suncor's expanded St. Clair Ethanol Plan, along with Suncor's investment in four operating wind power projects, will displace the equivalent of nearly one million tonnes of carbon dioxide per year. 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 first 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. Certain natural gas volumes in this publication have been converted to barrels of oil equivalent (boe) on the basis of one barrel to six thousand cubic feet. Boes may be misleading, particularly if used in isolation. A conversion ratio of one barrel of crude oil or natural gas liquids to six thousand cubic feet of natural gas is based on an energy equivalency conversion method primarily applicable at the burner tip and does not necessarily represent value equivalency at the wellhead. TM Trademark of Suncor Energy Inc.