



PUBLIC DISCLOSURE DOCUMENT

Voyageur South

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Forward-looking statements

This document contains certain forward-looking statements that are based on Suncor's current expectations, projections and assumptions. All statements that address expectations or projections about the future, including statements about Suncor's strategy for growth and the impact of future commitments, are forward-looking statements. These statements are not guarantees of future performance as they are based on current facts and assumptions and involve a number of risk and uncertainties. Suncor's actual results may differ materially from those expressed in this document.

1 Project Summary

Suncor Energy is initiating regulatory approval, environmental assessment and stakeholder consultation on plans to develop an expanded mining operation to be integrated into the company's existing oil sands operations near Fort McMurray, Alberta. The proposed project, named Voyageur South, would be located north of Fort McMurray on the west side of Highway 63 about three kilometres southwest of Suncor's existing oil sands operations, directly south of the proposed Voyageur upgrader. Pending regulatory and Board of Directors' approval, Suncor plans to initiate construction in 2009 and commence production in 2011.

Current plans call for production of 120,000 barrels per day of bitumen over an approximate 40-year operational life. The proposed project is intended to support efficient and systematic development of known oil sands resources, maximizing value from existing assets and planned infrastructure, equipment and facilities. The bitumen produced at Voyageur South, along with the bitumen feed from other Suncor facilities, including in-situ operations, is expected to provide feedstock flexibility for the company's upgrading facilities while also forming the foundation for potential future increases in synthetic crude oil production beyond 2012.

In addition to mining operations, the project proposal calls for ore preparation, bitumen extraction, reclamation and tailings storage areas, related pipelines and roads, maintenance and administrative buildings and associated infrastructure.

Project impacts are expected to be mitigated through the proposed use of new technologies and processes and by integrating the project with Suncor's existing operations:

- Introduction of mobile ore-preparation technology is expected to result in reduced air emissions, in particular nitrogen oxides (NOx), as compared to truck and shovel mining operations.
- Integration of electric power utilities and heat systems in existing facilities would reduce greenhouse gas emissions at the project's primary extraction facility compared to a stand-alone facility.
- Potential new primary extraction technology is expected to reduce energy consumption per barrel of production and related air emissions.
- Continued use and further enhancement of Consolidated Tailings technology is expected to help reduce the fluid stored in tailings ponds. In addition, Suncor is conducting a large-scale test of new tailings technology that could lead to earlier reclamation and more efficient water use.
- Planned management of water impacts will include a fish habitat "no net loss" compensation plan providing equivalent habitat to be created or protected elsewhere, preferably in the region, to offset watershed disturbance.
- Compared to traditional truck and shovel operations, the mining technology proposed by Suncor is expected to require a smaller workforce, thus mitigating some of the project-specific socio-economic impacts in the region.

A comprehensive Environmental Impact Assessment (EIA) will be submitted with the application for the project and will consider all phases of development from construction through to reclamation. A Socio-Economic Impact Assessment (SEIA) will also be submitted with the application, providing details on workforce planning and infrastructure issues, as well as a cost-benefit analysis for the project.

Suncor will provide stakeholders with an open and transparent consultation process that facilitates engagement, participation and input into the proposed project.

2 Project Overview

Suncor proposes to develop an expanded mining operation to be integrated into the company's existing oil sands operations near Fort McMurray, Alberta. The proposed project targets production of 120,000 barrels of bitumen per day as feedstock for Suncor's upgrading operations. With a projected operational life of approximately 40 years, this bitumen supply, along with investments in in-situ bitumen recovery, is expected to provide feedstock flexibility for the company's upgrading facilities while also forming the foundation for potential future increases in synthetic crude oil production beyond 2012.

New technology proposed for the mine is expected to help mitigate the environmental and social impacts of development and help improve operational performance.

Preliminary project development plans may be modified as a result of stakeholder consultation, regulatory decisions, market analysis and ongoing development of the new technology. By mid-2007, Suncor expects to submit to regulators a formal application to proceed with the Voyageur South project. The application will reflect the results of consultation, identifying potential impacts while specifying steps the company expects to take to mitigate concerns.

Pending regulatory approval, Suncor plans to initiate construction of fixed plants and infrastructure in 2009 and commence production in 2011.

Suncor Energy is an integrated energy company focused on developing one of the world's largest petroleum resource basins – the Athabasca oil sands. In 1967, we were the first to develop the oil sands on a commercial scale. Now, with 40 years of experience behind us, Suncor has become a major North American energy producer and marketer, but we remain committed to the pioneering principles of sustainability, innovation and community consultation that are the foundation of our success. Those principles will be key to our proposed Voyageur South development.

INTEGRATING THE VOYAGEUR SOUTH PROJECT INTO SUNCOR'S GROWTH STRATEGY

Suncor has detailed plans in place to reach a production goal of 500,000 to 550,000 barrels per day by the 2010 to 2012 timeframe. The bitumen supply required to feed this production goal is expected to come from three primary sources:

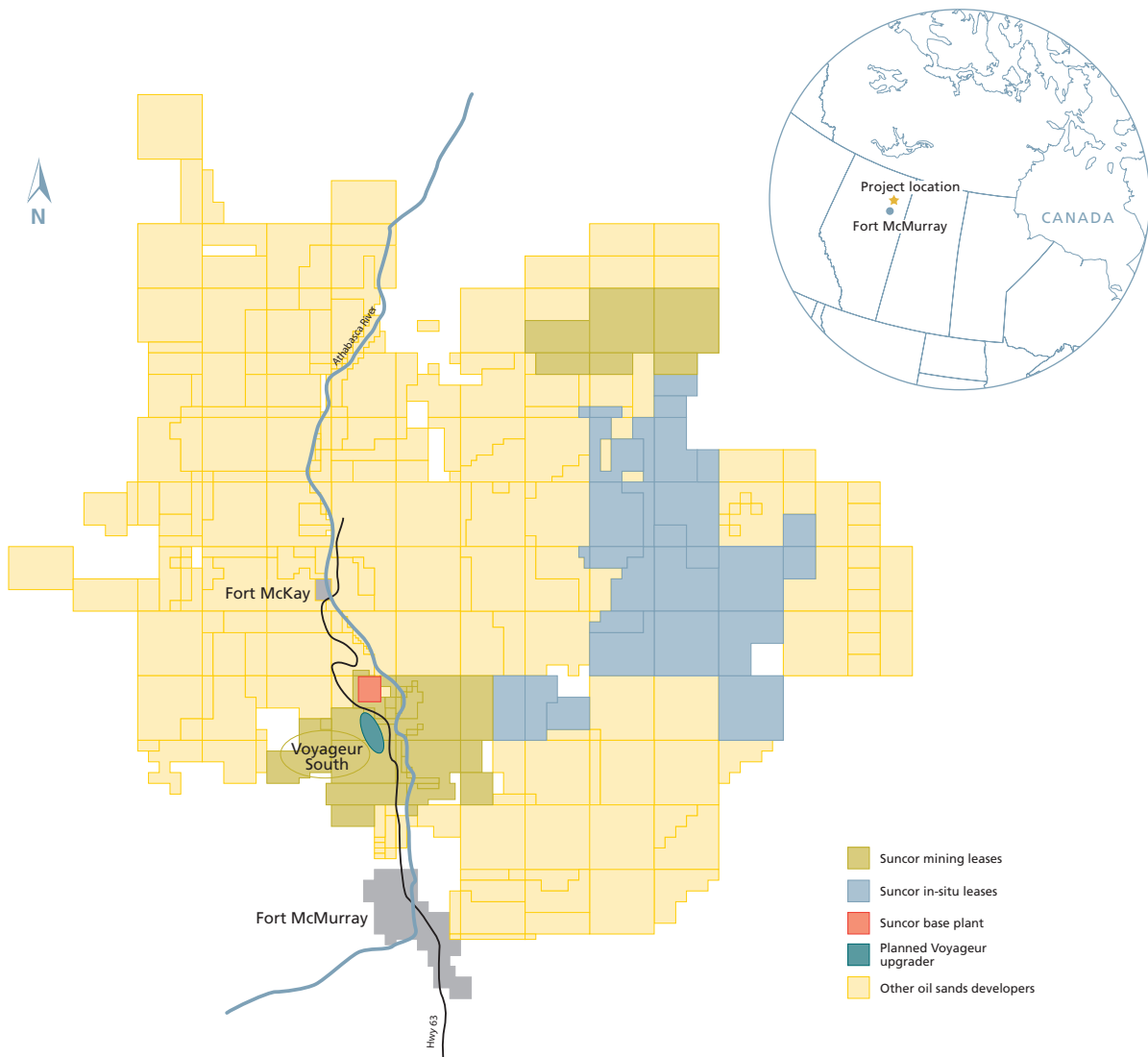
- oil sands mining and extraction
- in-situ resource recovery
- third party bitumen supplies

Suncor's oil sands operations are supported by natural gas operations in Western Canada and refining and marketing businesses in Ontario and Colorado. While working to responsibly develop hydrocarbon resources, Suncor is also investing in wind and bio-fuel projects.

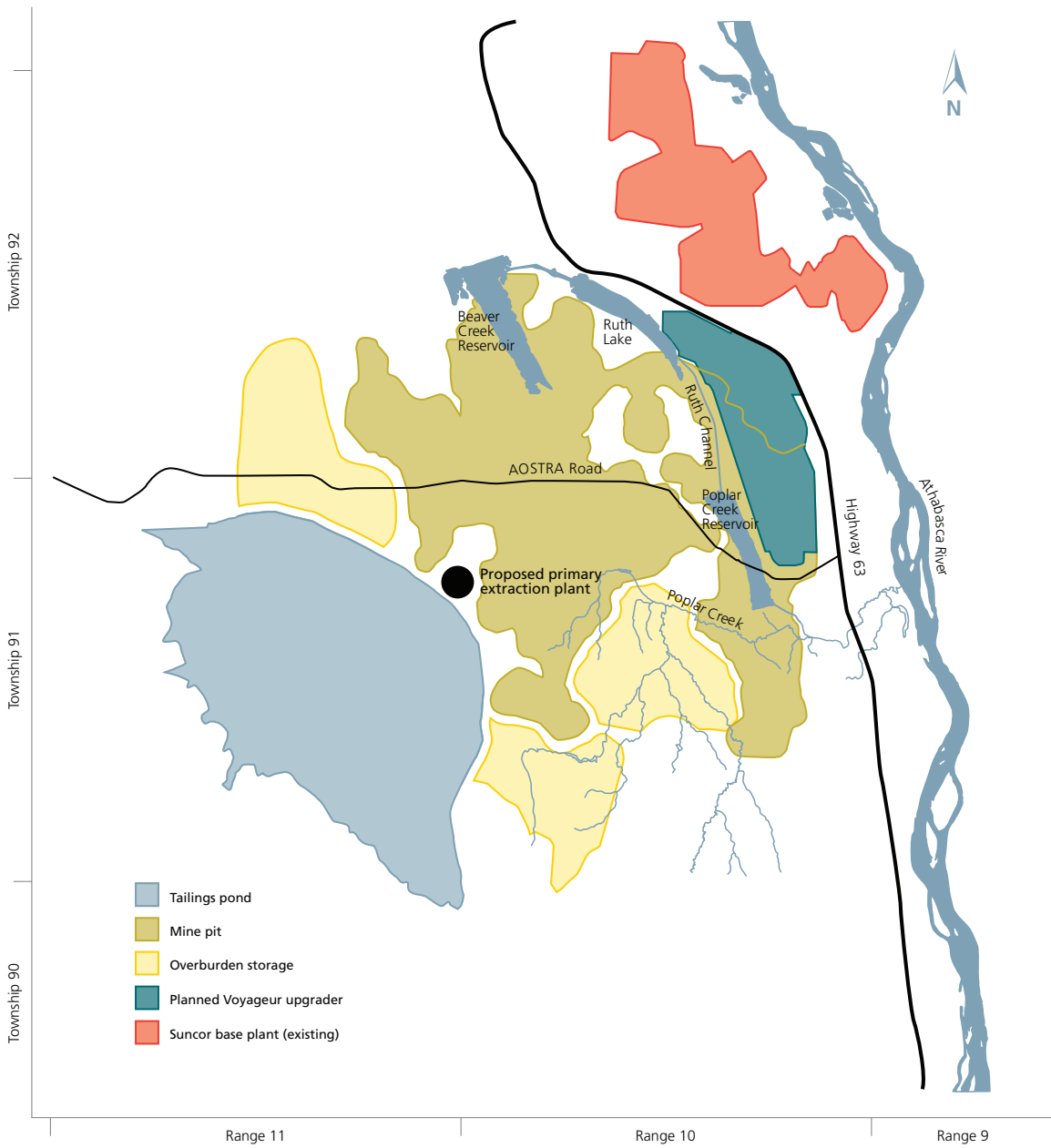
Location

The proposed Voyageur South project is located west of Highway 63, south of the proposed Voyageur upgrader in Townships 90 to 92, Ranges 9 to 11 west of the 4th Meridian. The majority of the project footprint (approximately 23,000 hectares) is on Suncor's Oil Sands Lease 23 with portions on Suncor Fee Lot 2 and Oil Sands Permits 0390 and 0391. The proposed mining area is bordered to the north by Syncrude Canada's Lease 17 and to the northeast by Suncor Fee Lot 2.

In the project area, Suncor has completed sufficient drilling to support a regulatory application; additional drilling through the winter of 2006/2007 is expected to further define potential pit boundaries and the potential location of fixed plants, waste areas and a tailings pond.



Voyageur South Detail Map



Mine Plans

Access to the project will initially be provided by the existing AOSTRA Road and ultimately via an overpass already planned to connect Suncor's Voyageur upgrader to existing facilities. As the project is developed, the AOSTRA Road will be rerouted around the operating area.

Pending approvals, the project area will be prepared for mining operations. Preparation involves clearing and draining the area, with muskeg and topsoil set aside for future reclamation. Existing streams and watercourses are to be diverted from the project area. Mine drainage will control water flow around the development and contain mine and process-affected water.

When preparation work is complete, Suncor plans to use truck and shovel mining equipment to excavate overburden, the layer of clay, silt and gravel that covers the oil sands ore deposit. This material will be used to construct an external (out-of-pit) tailings area and in-pit dykes, or placed in adjacent waste storage areas for future construction or reclamation use. Soil materials will be stockpiled for later use or placed directly on reclamation areas as they become available.

Suncor plans to use new technology for oil sands ore preparation once commercial mining operations begin (see process diagram on page 2-7). Shovels will feed ore directly to a mobile ore-preparation system that will first crush and then slurry ore for hydro-transport to the primary extraction plant. Compared to traditional truck and shovel oil sands operations, the introduction of mobile ore-preparation technology is expected to reduce the size of the mine-haul trucking fleet required for transporting oil sands ore. This, in turn, is expected to reduce emissions of nitrogen oxides (NOx). The smaller trucking fleet is also expected to reduce noise and enhance operational performance (reducing fleet capital and maintenance costs, road maintenance and fuel costs). While the size of the mining workforce is expected to be smaller as compared to traditional truck and shovel mining, Suncor does not expect any reduction in the company's total workforce.



Supporting Infrastructure

In addition to mining operations, the project is expected to include bitumen extraction, co-generation facilities, reclamation and tailings storage areas, related pipelines and roads, maintenance and administrative buildings, and associated infrastructure. The project utilities (in particular water and heat energy) are planned to be integrated with Suncor's current facilities.

Extraction facilities to be built as a part of the project may also employ new technology. This technology, based on Suncor pilot testing, is expected to deliver bitumen recoveries equal to conventional extraction, with the potential benefit of reducing energy consumption, thereby reducing air emissions.

Bitumen froth from the extraction plant is to be processed at new facilities to be constructed adjacent to the existing froth treatment plant, east of Highway 63. These facilities use naphtha to further clean the bitumen by removing remaining minerals and water. Froth feed, diluted bitumen product and naphtha recovery systems would be integrated with the existing facilities.

Tailings Management

Tailings from the extraction process will be initially stored in an out-of-pit tailings pond. These tailings will subsequently be transferred into a new in-pit tailings pond as Consolidated Tailings (see below). Tailings from the froth treatment plant will be stored in an existing pond on the east side of Highway 63.

ACCELERATING RECLAMATION

Suncor uses the Clark Hot Water Process to extract bitumen from oil sand. The tailings from this process are a slurry of water, clay, sand and residual bitumen.

This slurry is stored in ponds, where the clay/water mixture forms a stable suspension. In time, these fine clay particles settle to form a fluid-like deposit called mature fine tailings.

As oil production increases, the area affected by tailings ponds also expands. Suncor uses Consolidated Tailings (CT) technology to reduce the large fluid volumes created by the tailings ponds. This technology uses gypsum, an oil sands byproduct, to accelerate the transformation of tailings into solid material capable of supporting vegetation and wildlife.

3 Environmental Considerations

As part of the regulatory approval process, Suncor will submit a comprehensive Environmental Impact Assessment (EIA), including a cumulative effects assessment, that will identify the potential impacts of the proposed Voyageur South project. This assessment will also identify potential mitigation measures to be undertaken by Suncor.

As Suncor prepares the regulatory application and EIA for submission in mid-2007, we will consult with stakeholders to solicit their input into the scope of environmental studies and work to ensure their concerns are understood and considered in the design and development of the project. Stakeholder input will also be important in designing appropriate mitigation strategies to address environmental and socio-economic impacts.

Cumulative Environmental Impacts

Cumulative effects of oil sands development, in combination with other industrial and municipal activity, is a concern for Suncor and all stakeholders in the Regional Municipality of Wood Buffalo. The project EIA will address cumulative impacts as required by the EIA Terms of Reference to be issued by Alberta Environment.

Suncor is already an active proponent and participant in multi-stakeholder groups focused on managing cumulative effects of oil sands development. For example, Suncor is taking a leadership role in the Cumulative Environmental Management Association (CEMA), which provides a forum for dialogue with stakeholders and regulators to jointly identify environmental challenges and provide recommendations to government on how to best protect the environment.

As part of ongoing partnerships with environmental groups, Suncor is also working with the Wood Buffalo Environmental Association and the Regional Aquatics Monitoring Program.

Land Reclamation

Suncor is committed to reclaiming all lands that are disturbed as a part of oil sands development and strives to ensure the reclaimed landscape will have equivalent capability to that which existed prior to the company's activities.

With the Voyageur South project, Suncor intends to:

- Use best practices to minimize terrestrial footprint.
- Continue using and enhancing Consolidated Tailings technology to reduce the fluid volumes stored in tailings ponds.
- Continue research into improved tailings technology. Suncor is conducting large-scale tests of new technology that could further improve tailings management, leading to earlier reclamation and more efficient water use. Suncor expects to be in a position to decide on the commercial applicability of this technology in 2007 and, if appropriate, will integrate this technology into development of the proposed project.

Air

Suncor is committed to ensuring regional air quality is not adversely impacted by the project. Emission abatement strategies are integral to these development plans. While Voyageur South will result in an incremental increase in emissions, Suncor intends to continue to invest in new technologies and practices to minimize potential impacts.

Plans for the project include a number of measures to minimize air emissions, including:

- Introduction of mobile ore-preparation technology that is expected to result in reduced air emissions, in particular nitrogen oxides (NOx), as compared to truck and shovel mining operations.
- Integration of electric power utilities and heat systems with existing facilities that is expected to reduce emissions of greenhouse gases at the project's primary extraction facility compared to non-integrated facilities.
- Potential new primary extraction technology that, if employed, is expected to reduce energy consumption and related air emissions.

Water and Aquatics

The Voyageur South project, as currently proposed, will require significant alteration of the Beaver Creek and Poplar Creek watersheds. These alterations will involve the removal of Ruth Lake and the man-made Beaver Creek and Poplar Creek Reservoirs and their interconnecting channels. To offset the expected impacts to the ecosystem, Suncor is committed to developing a "no net loss" fish habitat compensation plan in consultation with regulatory agencies and stakeholders. "No net loss" means that if fish-supporting habitat is disturbed, an equivalent habitat will be created or enhanced elsewhere, preferably in the region. Suncor is also considering an alternate mine plan that could minimize water disruption by leaving some of the land, which contains economically recoverable oil sands ore, undisturbed.

The final mine development plan submitted by Suncor will reflect a thorough examination of these options, input from regulators and stakeholders and all relevant environmental, social and economic factors.

Suncor will also design and implement a drainage system to both control water flow around the development and contain mine and process-affected water. We are currently assessing the water requirements associated with the operation of the proposed project (including process water, utility water and potable water). We have not yet concluded our assessment of potential water withdrawals from the Athabasca River, but Suncor is committed to minimizing water consumption, in particular during low-flow periods, and maximizing use of recycled water.

Other Environmental Considerations

In addition to the land, air and water impacts associated with the proposed project, Suncor's Environmental Impact Assessment will also address:

- wildlife habitat and movement;
- noise;
- odour;
- visual esthetics;
- human health;
- traffic;
- safety;
- archeology and paleontology resources; and
- traditional ecological knowledge and traditional land uses.

The EIA will provide all interested stakeholders with an understanding of the development footprint associated with the project. The regulatory application will reflect input from stakeholders and mitigation plans that Suncor will put in place to responsibly develop the resource.

4 Socio-economic Considerations

The pace and scale of oil sands development has resulted in significant social and economic benefits to Fort McMurray and surrounding communities, but it has also raised concerns about the capacity of the region to accommodate current and planned growth. Suncor has a long history of working with stakeholders, including the region's Aboriginal communities, to understand and help address those concerns, and we will continue that work.

Taking Measures to Address Regional Stresses

As Suncor prepares the regulatory application, we will consult with stakeholders to solicit input and ensure their concerns are understood and considered in the design and development of the project. Some of the ways in which negative impacts could be mitigated include:

- The new mining technology proposed by Suncor is expected to require a smaller workforce than traditional truck and shovel oil sands operations, thus mitigating some of the project-specific socio-economic impacts in the region.
- Use of construction camps, already planned as part of the Voyageur upgrader, to help ease local accommodation pressures.
- Mitigation of traffic volume and congestion on Highway 63 through continued provision of bussing for employees and the planned construction of an overpass to connect Suncor's operations while improving the free flow of traffic.
- Participation with industry and educational institutions to assist in local skills development and training.
- Identification of innovative community partnerships to address local issues.
- Mitigation of labour shortages in the region by moving significant portions of modular fabrication outside of the region.
- Continued active participation in the Athabasca Regional Issues Working Group, an industry group dedicated to providing accurate, timely information and expertise to assist stakeholders and governments in planning for oil sands growth, and in addressing socio-economic issues related to oil sands development.

In addition to these measures, Suncor also continues to invest in community development. In 2006, Suncor and the Suncor Energy Foundation invested \$11.2 million in more than 900 charitable organizations and non-profit groups in Canada and the United States. Approximately 44% of this investment was directed to initiatives in northern Alberta and the Wood Buffalo region.

Workforce details and preliminary capital costs for the proposed mine will be defined as part of a socio-economic impact analysis to be submitted with the project application.

Responsibility to our Aboriginal Neighbours

Suncor seeks to enhance relationships with our neighbours, including Aboriginal communities. We believe responsible development must take into account their issues and concerns about the effect of industrial development on traditional land and resources.

Building on our Relationships

With Voyageur South, Suncor intends to:

- Update traditional ecological knowledge (TEK) information provided by our Aboriginal neighbours. This is particularly important as the proposed development is in an area traditionally used by neighbouring Aboriginal communities.
- Continue to consult with Aboriginal communities on both the proposed project and Suncor's ongoing operations.
- Continue to advance and support initiatives that promote healthy Aboriginal communities.
- Continue efforts to increase Aboriginal participation in the skilled, professional and managerial areas of Suncor's workforce.
- Identify opportunities for manufacturing and services that provide community-based business opportunities, while providing Suncor with goods and services.
- Continue to support education and training initiatives in the region, with a strong focus on literacy and career preparation for young people.

Providing Broad Economic Benefits

Economic performance is a fundamental component of Suncor's vision of sustainable development. Providing the energy products and services consumers require enables Suncor to generate value for shareholders and create jobs and spin-off benefits. At the same time, revenues paid to government contribute to the provision of services such as health care, education and civic infrastructure. Between 2002 and 2006, Suncor contributed approximately \$5 billion in taxes and royalties to provincial and federal governments, including more than \$1 billion paid in royalties to the Province of Alberta in 2006.

With the Voyageur South project Suncor expects to:

- Plan for future workforce needs through active support of training initiatives, consultation and coordination with other industry members, and advocacy of innovative approaches to regional and national labour supplies.
- Contribute taxes and royalties throughout the life of the project.

5 Consultation Plan

Suncor believes the best business decisions are made when the company listens and responds to the needs of stakeholders. Through information sharing, consultation and collaboration, the company works with stakeholders – individuals or groups who may be affected by our operations – to understand issues and concerns and strive to reach mutually beneficial solutions.

Suncor will provide stakeholders with opportunities to participate in an open and transparent consultation process that facilitates engagement, participation and input into the proposed project.

In addition to regular and ongoing stakeholder engagement, Suncor will also:

- Provide timely project-related information to stakeholders through news releases, mail-outs, advertising, web sites, community newsletters and public meetings.
- Meet face-to-face and work with stakeholders to discuss project plans, identify issues and seek resolution to concerns.
- Provide opportunities for collaborative approaches to issues through partnerships, alliances and multi-stakeholder forums.

STAKEHOLDER RELATIONS

Suncor operates according to a set of principles that guide and influence the company's relationships with stakeholders:

- Those affected by Suncor's business have a right to be informed about our activities, participate in a transparent stakeholder engagement process and be involved in issues and opportunities that affect them.
- Stakeholders will be provided with timely and accurate information about our business and Suncor will take into account the needs and concerns of stakeholders when making decisions on the company's behalf.
- Suncor will actively seek stakeholder input and feedback on its business decisions and will respond to what we learn.
- Suncor will encourage stakeholders to define the manner in which they wish to be consulted, and will strive to remain flexible and responsive to stakeholder preferences.
- Those acting on behalf of Suncor must be willing to be influenced by stakeholders and, where appropriate, act on the input even if it means making changes to the company's business plans.
- Suncor respects the values and culture of each stakeholder. When disagreement with stakeholders occurs and cannot be resolved, our employees will always demonstrate respect for the diversity of views presented.

6 Regulatory Process and Schedule

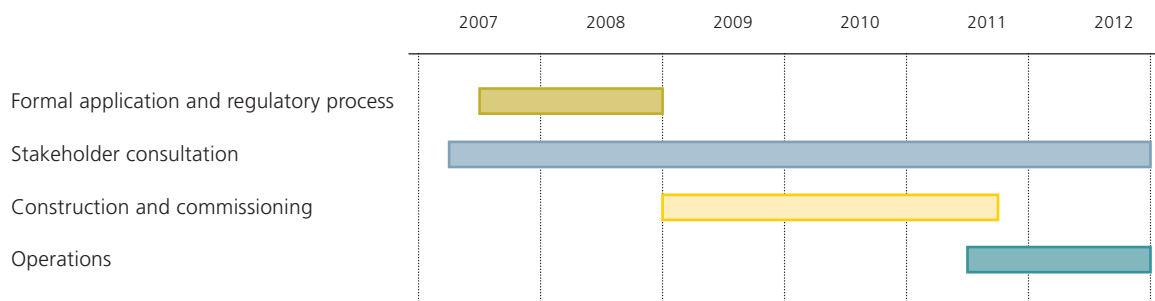
Before filing applications with regulatory agencies, Suncor plans to engage with stakeholders to identify and resolve as many issues as possible outside the formal regulatory review process. After filing, stakeholders will have an opportunity to review these applications and provide further input to the regulatory decision-makers. Suncor plans to file an application to Alberta Environment and the Alberta Energy and Utilities Board in mid-2007.

The following key submissions are required by the regulatory process:

- Submission for public review of proposed Terms of Reference for an Environmental Impact Assessment of the project (as required under the Alberta *Environmental Protection and Enhancement Act*).
- Submission of an integrated application for approval of the project to the Alberta Energy and Utilities Board (as required under the Alberta *Oil Sands Conservation Act*).
- Submission of the integrated application to Alberta Environment for an amendment to Suncor's Environmental Operating Approvals (as required under the Alberta *Environmental Protection and Enhancement Act*).
- Submission of any other applications necessary under other provincial and federal legislation.

This Public Disclosure Document marks the beginning of Suncor's stakeholder engagement efforts related to the proposed project. Consultation with stakeholders will be ongoing throughout the regulatory process, construction and operation of the proposed oil sands development.

Voyageur South Project Schedule



7 Contact Information

The address of the proponent is:

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T9H 3E3

For more information about the Voyageur South project and questions or concerns relating to this public disclosure document, please contact:

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or

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For more information about Suncor Energy, visit the company's web site at www.suncor.com.



The Dow Jones Sustainability Index (DJSI) follows a best-in-class approach comprising the sustainability leaders from each industry. Suncor has been part of the index since the DJSI was launched in 1999.



As an Imagine Caring Company, Suncor contributes 1% of its domestic pretax profit to registered charities.

