SUNCOR ENERGY

News Release

Suncor Energy reports financial results for 2007 and operational goals for 2008

(All financial figures are approximate and in Canadian dollars unless otherwise noted.)

Certain financial measures referred to in this document are not prescribed by Canadian generally accepted accounting principles (GAAP). For a description of these measures, see "Non-GAAP Financial Measures" on page 5. This document makes reference to barrels of oil equivalent (boe). A boe conversion ratio of six thousand cubic feet of natural gas: one barrel of crude oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Accordingly, boe measures may be misleading, particularly if used in isolation.

Calgary, Alberta (January 22, 2008) – Suncor Energy Inc. today reported 2007 net earnings of $2.832 billion ($6.14 per common share), compared to $2.971 billion ($6.47 per common share) in 2006. Excluding the effects of the reduction of federal and Alberta income tax rates, net insurance proceeds (relating to a January 2005 fire), unrealized foreign exchange gains on the company's U.S. dollar denominated long-term debt and project start-up costs, 2007 net earnings were $2.239 billion ($4.86 per common share), compared to $2.350 billion ($5.12 per common share) in 2006. Cash flow from operations in 2007 was $3.805 billion, compared to $4.533 billion in 2006.

The decrease in net earnings primarily reflects the impact of scheduled and unscheduled maintenance that reduced crude oil production and increased operating expenses. The largest impacts on financial results were a scheduled 50-day maintenance shutdown to portions of Suncor's oil sands operation to tie in new facilities related to a planned expansion and a scheduled 120-day shutdown to portions of the Sarnia refinery to tie in new sour crude processing facilities. These impacts were partly offset by higher benchmark crude oil prices. The decrease in cash flow from operations was due to the same factors that impacted net earnings as well as an increase in cash income taxes during 2007.

"Suncor's goal in 2007 was to continue to build the financial and physical foundation for future growth and profitability," said Rick George, president and chief executive officer. "And we're on track to increase production capacity by 35% in 2008."

2007 Overview

- Combined oil sands and natural gas production in 2007 was 271,400 barrels of oil equivalent (boe) per day, compared to 294,800 boe per day in 2006. Oil sands production averaged 235,600 barrels per day (bpd) in 2007, compared to 260,000 bpd in 2006. Natural gas production averaged 215 million cubic feet equivalent (mmcfe) per day, compared to an average 209 mmcfe per day in 2006.

- Oil sands cash operating costs averaged $27.80 per barrel during 2007, compared to $21.70 per barrel in 2006. The increase in 2007 was primarily due to fixed costs being spread over lower production, as well as higher maintenance costs related to planned and unplanned shutdowns.

- Suncor continued to make progress on plans to expand Upgrader 2 and increase production capacity to 350,000 bpd, with completion targeted in 2008. As of December 31, the project was 95% complete.

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- In July, Suncor filed a regulatory application for the Voyageur South mine extension. Bitumen produced at the proposed project is expected to provide additional feedstock flexibility.

- In Suncor's downstream operations, investments were made to enable the company's Sarnia refinery to integrate up to 40,000 bpd of oil sands sour crude into the facility.

- In September, Suncor commissioned its fourth wind power project. The 76 megawatt facility located near Ripley, Ontario is the company's largest wind power project.

- Capital spending in 2007 totalled $5.4 billion. Net debt at year-end 2007 was $3.2 billion, compared to $1.8 billion at the end of 2006.

- Suncor achieved a company-wide return on capital employed of 28.3% in 2007 (excluding capitalized costs for major projects in progress), compared to 40.7% in 2006.

Fourth Quarter 2007

Suncor's net earnings for the fourth quarter of 2007 were $963 million ($2.08 per common share), compared to $358 million ($0.78 per common share) in the fourth quarter of 2006. Excluding the reduction of federal income tax rates, net insurance proceeds (relating to a January 2005 fire), the impacts of unrealized foreign exchange gains/losses on the company's U.S. dollar denominated long-term debt and project start-up costs, net earnings for the fourth quarter of 2007 were $598 million ($1.29 per common share), compared to $378 million ($0.82 per common share) during the fourth quarter of 2006. Cash flow from operations for the fourth quarter of 2007 was $1.104 billion, compared to $746 million in the fourth quarter of 2006.

The increase in net earnings primarily reflects higher oil sands operating revenues, as stronger price realizations more than offset lower production in the quarter. Net earnings were also positively impacted by lower oil sands royalty expense that primarily resulted from an increase in capital expenditures incurred. These factors were partially offset by lower earnings in refining and marketing due to the planned outage at the Sarnia refinery that resulted in increased product purchases to meet customer commitments. The increase in cash flow from operations in the fourth quarter of 2007, compared to the fourth quarter of 2006, was due to the same factors that impacted net earnings, partially offset by an increase in cash income taxes during the quarter.

Suncor's combined oil sands and natural gas production for the fourth quarter was 290,700 boe per day, compared to 301,100 boe per day in the same period of 2006. Natural gas production increased to an average of 229 mmcfe per day in the fourth quarter of 2007, compared to the 208 mmcfe per day recorded in the fourth quarter of 2006. Oil sands production in the fourth quarter of 2007 averaged 252,500 bpd, compared to fourth quarter 2006 production of 266,400 bpd.

Fourth quarter 2007 oil sands cash operating costs were $27.90 per barrel, compared to $25.65 per barrel in the same period of 2006. Cash operating costs per barrel were higher in the fourth quarter of 2007 primarily due to the operating costs being allocated across reduced production volumes.

In the downstream, a shutdown of the Sarnia refinery to tie in modified facilities was completed in November. During commissioning of the new facilities in December, operational difficulties were encountered resulting in a lengthier than planned start-up period. As a result, full production from the new facilities has not yet been achieved. Work is ongoing at the refinery to address this issue. Planned maintenance work was also conducted at the company's Commerce City refinery in the fourth quarter of 2007.

Operational Outlook

"We plan on establishing new milestones for our company in 2008 and anticipate a record-setting year for production," said George. "Safe, reliable, cost effective and environmentally responsible operations will be the focus."

Suncor's outlook provides management's targets for 2008 in certain key areas of the company's business. Outlook forecasts are subject to change.

	2008 Full Year Outlook
Oil Sands	
Production (bpd)	275,000 bpd to 300,000 bpd
Diesel	11%
Sweet	36%
Sour	49%
Bitumen	2%
Third-party processing	2%
Realization on crude sales basket	WTI @ Cushing less Cdn$4.25 to Cdn$5.25 per barrel
Cash operating costs (1)	$25.00 to $27.00 per barrel
Natural Gas	
Production (2) (mmcf equivalent per day)	205 to 215
Natural gas	93%
Liquids	7%

1. Cash operating cost estimates are based on the following assumptions: i) production volumes and sales mix as described in the table above; and ii) a natural gas price of $6.70 per gigajoule at AECO. This goal also includes costs incurred for third-party bitumen processing. Cash operating costs per barrel are not prescribed by Canadian generally accepted accounting principles (GAAP). This non-GAAP financial measure does not have any standardized meaning and therefore is unlikely to be comparable to similar measures presented by other companies. Suncor includes this non-GAAP financial measure because investors may use this information to analyze operating performance. This information should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. See "Non-GAAP Financial Measures".

2. Production target includes natural gas liquids (NGL) and crude oil converted into mmcf equivalent at a ratio of one barrel of NGL/crude oil: six thousand cubic feet of natural gas. This conversion ratio is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. This mmcf equivalent may be misleading, particularly if used in isolation.

Factors that could potentially impact Suncor's financial performance include:

- Planned maintenance at oil sands. Upgrader 1 is expected to be shut down for approximately 30 days in the second quarter while scheduled maintenance is underway. Although this shutdown is reflected in operational targets for the year, production estimates could be impacted if unplanned work is identified, or the schedule is impacted by labour or material supply issues. During the outage, Upgrader 2 is expected to continue producing approximately 200,000 bpd.

- Completion and commissioning of an expansion to Upgrader 2 during the second quarter to enable production capacity of 350,000 bpd. Production rates during the ramp-up period are difficult to predict and can be impacted by bitumen supply, as well as planned and unplanned maintenance. However, Suncor expects to move towards the 350,000 bpd capacity in the fourth quarter.

- Regulatory requirements at the company's oil sands base plant and in-situ operation. Suncor plans to incur maintenance and capital expenditures to construct and commission emission abatement equipment. The timing and scope of this work could impact 2008 results.

- Bitumen supply. If Suncor encounters unexpected issues in meeting regulatory requirements aimed at controlling emissions at both base plant and the in-situ operation, there may be further bitumen supply restrictions that could impact 2008 production targets.

- Production volumes at the Sarnia refinery. Suncor is lining-out new facilities at the refinery and this work could impact future production. In addition, third-party hydrogen is in tight supply and this could also reduce production volumes resulting in increased purchases of products to meet customer requirements.

- Crude oil hedges. Suncor has hedging agreements for 10,000 bpd in 2008. These costless collar hedges have an average floor of US$59.85 per barrel with an average ceiling of US$101.06 per barrel in 2008.

Information on risks, uncertainties and other factors that could affect these plans is included in Suncor's annual report to shareholders and other documents filed with regulatory authorities.

Net Earnings Components

This table sets forth some of the factors impacting Suncor's net earnings.

($ millions after tax) (unaudited)	Fourth Quarter 2007	Fourth Quarter 2006	Years ended December 31 2007	Years ended December 31 2006
Net earnings before the following items:	**598**	378	**2 239**	2 350
Impact of income tax rate changes on opening future income tax liabilities (1)	**360**	-	**427**	419
Oil sands fire accrued insurance proceeds (2)	**-**	27	**-**	232
Unrealized foreign exchange gain (loss) on U.S. dollar denominated long-term debt	**16**	(43)	**215**	-
Project start-up costs	**(11)**	(4)	**(49)**	(30)
Net earnings as reported	**963**	358	**2 832**	2 971
Net earnings per share attributable to common shareholders as reported	**$2.08**	$0.78	**$6.14**	$6.47

(1) Reflects Q4 2007 federal rate reduction of 3.5%, Q2 2007 federal rate reduction of 0.5%, Q2 2006 federal rate reduction of 3.1% and Q2 2006 Alberta rate reduction of 1.5%.

(2) Net accrued property loss and business interruption proceeds net of income taxes and Alberta Crown Royalties.

Non-GAAP Financial Measures

Certain financial measures referred to in this news release, namely cash flow from operations, return on capital employed (ROCE) and oil sands cash and total operating costs per barrel, are not prescribed by GAAP. These non-GAAP financial measures do not have any standardized meaning and therefore are unlikely to be comparable to similar measures presented by other companies. Suncor includes these non-GAAP financial measures because investors may use this information to analyze operating performance, leverage and liquidity. The additional information should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

Cash flow from operations is expressed before changes in non-cash working capital. A reconciliation of net earnings to cash flow from operations is provided in the schedules of segmented data, which are an integral part of the company's fourth quarter financial statements.

A reconciliation of cash flow from operations on a per common share basis is presented in the following table:

Reconciliation of cash flow from operations on a per share basis (unaudited)

		Fourth Quarter 2007	Fourth Quarter 2006	Years ended December 31 2007	Years ended December 31 2006
Cash flow from operations ($ millions)	A	**1 104**	746	**3 805**	4 533
Weighted average number of common shares outstanding - basic (millions of shares)	B	**462**	460	**461**	459
Cash flow from operations - basic (per share)	A/B	**2.39**	1.62	**8.25**	9.87

The following tables outline the reconciliation of oil sands cash and total operating costs to expenses included in the schedules of segmented data in Suncor's fourth quarter financial statements.

Oil Sands Operating Costs - Total Operations

(unaudited)		Fourth Quarter 2007 $ millions	Fourth Quarter 2007 $/barrel	Fourth Quarter 2006 $ millions	Fourth Quarter 2006 $/barrel	Years ended December 31 2007 $ millions	Years ended December 31 2007 $/barrel	Years ended December 31 2006 $ millions	Years ended December 31 2006 $/barrel
Operating, selling and general expenses		**652**		696		**2 435**		2 198	
Less: natural gas costs, inventory changes and stock-based compensation		**(96)**		(134)		**(353)**		(361)	
Less: non-monetary transactions		**(21)**		(22)		**(102)**		(126)	
Accretion of asset retirement obligations		**10**		7		**41**		28	
Taxes other than income taxes		**16**		8		**55**		36	
Cash costs		**561**	**24.10**	555	22.65	**2 076**	**24.15**	1 775	18.70
Natural gas		**84**	**3.60**	74	3.00	**307**	**3.55**	276	2.90
Imported bitumen (net of other reported product purchases)		**5**	**0.20**	-	-	**8**	**0.10**	6	0.10
Cash operating costs	A	**650**	**27.90**	629	25.65	**2 391**	**27.80**	2 057	21.70
Project start-up costs	B	**13**	**0.55**	6	0.25	**60**	**0.95**	38	0.40
Total cash operating costs	A+B	**663**	**28.45**	635	25.90	**2 451**	**28.75**	2 095	22.10
Depreciation, depletion and amortization		**129**	**5.60**	104	4.25	**462**	**5.40**	385	4.05
Total operating costs		**792**	**34.05**	739	30.15	**2 913**	**34.15**	2 480	26.15
Production (thousands of barrels per day)		**252.5**		266.4		**235.6**		260.0	

Oil Sands Operating Costs - In-situ Bitumen Production Only

(unaudited)		Fourth Quarter 2007 $ millions	Fourth Quarter 2007 $/barrel	Fourth Quarter 2006 $ millions	Fourth Quarter 2006 $/barrel	Years ended December 31 2007 $ millions	Years ended December 31 2007 $/barrel	Years ended December 31 2006 $ millions	Years ended December 31 2006 $/barrel
Operating, selling and general expenses		**69**		57		**273**		209	
Less: natural gas costs and inventory changes		**(34)**		(32)		**(134)**		(103)	
Taxes other than income taxes		**2**		1		**7**		4	
Cash costs		**37**	**9.95**	26	8.05	**146**	**10.85**	110	8.95
Natural gas		**34**	**9.15**	32	9.90	**134**	**9.90**	103	8.35
Cash operating costs	A	**71**	**19.10**	58	17.95	**280**	**20.75**	213	17.30
In-situ (Firebag) start-up costs	B	**-**	**-**	-	-	**-**	**-**	21	1.70
Total cash operating costs	A+B	**71**	**19.10**	58	17.95	**280**	**20.75**	234	19.00
Depreciation, depletion and amortization		**25**	**6.80**	20	6.20	**83**	**6.20**	68	5.55
Total operating costs		**96**	**25.90**	78	24.15	**363**	**26.95**	302	24.55
Production (thousands of barrels per day)		**40.4**		35.1		**36.9**		33.7	

ROCE is calculated as net earnings (2007 - $2,653 million; 2006 - $2,997 million) adjusted for after-tax financing expense (2007 - income of $179 million; 2006 - loss of $26 million) for the twelve month period ended; divided by average capital employed (2007 - $9,376 million; 2006 - $7,357 million). Average capital employed is the sum of shareholders' equity and short-term debt plus long-term debt less cash and cash equivalents, at the beginning and end of the year, divided by two, less average annual capitalized costs related to major projects in progress (as applicable). For more detail on how ROCE is calculated, see page 58 of Suncor's 2006 Annual Report.

This news release contains forward-looking statements that address goals, expectations or projections about the future. These statements are based on Suncor's current goals, expectations, estimates, projections and assumptions, as well as its current budgets and plans for capital expenditures. Some of the forward-looking statements may be identified by words like "goal", "targeted", "expected", "plans", "forecasts", "should", "estimates", "may", "could", "proposed", "outlook", "continues" and similar expressions. These statements are not guarantees of future performance. Actual results could differ materially, as a result of factors, risks and uncertainties, known and unknown, to which Suncor's business is subject. These could include: changes in general economic, market and business conditions; fluctuations in supply and demand for Suncor's products; fluctuations in commodity prices and currency exchange rates; the impact of stakeholder consultation; the regulatory process; technical issues; environmental issues; technological capabilities; new legislation; the occurrence of unexpected events; Suncor's capability to execute and implement its future plans; actions by governmental authorities including the imposition of taxes or increases to fees and royalties, changes in environmental and other regulations (for example, the Government of Alberta's current negotiation with Suncor in connection with the Crown Royalty regime, the Government of Canada's current review of greenhouse gas emission regulations and the issuance of government and regulatory control and protection orders); and changes in current plans. Further discussion of the risks, uncertainties and other factors that could affect these plans, and any actual results, is included in Suncor's annual report to shareholders and other documents filed with regulatory authorities.

Suncor Energy Inc. is an integrated energy company headquartered in Calgary, Alberta. Suncor's oil sands business, located near Fort McMurray, Alberta, extracts and upgrades oil sands and markets refinery feedstock and diesel fuel, while operations throughout western Canada produce natural gas. Suncor operates a refining and marketing business in Ontario with retail distribution under the Sunoco brand. U.S.A. downstream assets include pipeline and refining operations in Colorado and Wyoming and retail sales in the Denver area under the Phillips 66® brand. Suncor's common shares (symbol: SU) are listed on the Toronto and New York stock exchanges.

Suncor Energy (U.S.A.) Inc. is an authorized licensee of the Phillips 66® brand and marks in the state of Colorado. Sunoco in Canada is separate and unrelated to Sunoco in the United States, which is owned by Sunoco, Inc. of Philadelphia.

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To listen to the conference call discussing Suncor's fourth quarter results, visit www.suncor.com/webcasts.