

## FOR IMMEDIATE RELEASE

### Suncor Energy reports 2010 third quarter results

*All financial figures are unaudited and in Canadian dollars unless noted otherwise. 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 43 of our report to shareholders for the period ended September 30, 2010. Certain crude oil and natural gas liquid volumes have been converted to millions of cubic feet equivalent of natural gas (mmcf) on the basis of one barrel to six thousand cubic feet (mcf). Also, certain natural gas volumes have been converted to barrels of oil equivalent (boe) or thousands of boe (mboe) on the same basis. Mmcf, boe and mboe 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.*

*On August 1, 2009, Suncor Energy Inc. completed its merger with Petro-Canada. As such, results for the three and nine month periods ended September 30, 2010 reflect results of post-merger Suncor and the comparative figures for the three month period ended September 30, 2009 reflect results for two months of the post-merger Suncor and one month of legacy Suncor, and for the nine month period ended September 30, 2009 reflect results for two months of the post-merger Suncor and seven months of legacy Suncor prior to the merger.*

**Calgary, Alberta (Nov. 4, 2010)** – Suncor Energy Inc. today reported third quarter 2010 net earnings of \$1.022 billion (\$0.65 per common share), compared to net earnings of \$929 million (\$0.69 per common share) for the third quarter of 2009. Operating earnings in the third quarter of 2010 were \$654 million (\$0.42 per common share), compared to \$343 million (\$0.25 per common share) in the third quarter of 2009.

The increase in operating earnings was primarily due to additional upstream production and higher benchmark prices in the third quarter of 2010 compared to the third quarter of 2009. Higher benchmark prices were partially offset by the widening of light/heavy crude differentials and the stronger Canadian dollar relative to the U.S. dollar.

Cash flow from operations was \$1.630 billion (\$1.04 per common share) in the third quarter of 2010, compared to \$574 million (\$0.43 per common share) in the third quarter of 2009. The increase in cash flow from operations was primarily due to higher production volumes as well as higher realized prices.

Suncor's total upstream production during the third quarter of 2010 averaged 635,500 boe per day, compared to 531,800 boe per day in the third quarter of 2009. Stronger operational performance in July and August in Oil Sands and throughout the quarter in International and Offshore and an additional month of incremental production from legacy Petro-Canada assets in 2010 contributed to the increase. This was offset by production impacts from planned and unplanned maintenance.

Oil Sands production (excluding proportionate production share from the Syncrude joint venture) contributed an average of 306,600 barrels per day (bpd) in the third quarter of 2010, compared to third quarter 2009 production of 305,300 bpd. Oil Sands production in July and August, 2010 averaged 322,000 bpd and 331,000 bpd, respectively, offset by September production, which averaged 264,000 bpd. Third quarter 2010 production was impacted by planned maintenance at one of two oil sands upgraders in September, which continued into October.

“This was one of our strongest quarters for oil sand production in Suncor’s history,” said Rick George, president and chief executive officer. “Reaching these volumes while also completing major planned maintenance demonstrates a solid foundation for reliable production going forward.”

Cash operating costs for Suncor’s oil sands operations (excluding Syncrude) were \$33.60 per barrel in the third quarter of 2010, compared to \$32.25 per barrel during the third quarter of 2009. The increase in cash operating costs per barrel was primarily due to the additional month of incremental costs from legacy Petro-Canada in situ assets offset by lower natural gas usage in the third quarter of 2010.

Suncor’s proportionate production share from the Syncrude joint venture contributed an average of 31,700 bpd of production during the third quarter of 2010, compared to 24,800 bpd during the third quarter of 2009. The increase was primarily due to an additional month of production as a result of the merger.

Production from the Natural Gas business averaged 546 mmcf per day in the third quarter of 2010, compared to 581 mmcf per day during the third quarter of 2009, primarily due to decreased production volumes due to dispositions of non-core assets throughout 2010 partially offset by production added as a result of the merger.

Suncor’s International and Offshore business contributed an average of 206,200 boe per day of production in the third quarter of 2010 compared to 104,900 boe per day during the third quarter of 2009. The increase was primarily due to an additional month of incremental production from legacy Petro-Canada assets in 2010, higher production at White Rose offshore East Coast Canada, and new production from the Ebla gas project in Syria, which was commissioned during the second quarter of 2010. This was partially offset by production quotas negatively affecting Libya production.

Results from the Refining and Marketing business also benefited from the additional month of post-merger activity. Total refined product sales averaged 88,900 cubic meters per day in the third quarter of 2010, compared to 69,900 cubic meters per day in the third quarter of 2009.

## **Strategy and Operational Update**

In the company’s oil sands operations, Suncor is continuing construction on its Firebag Stage 3 in situ oil sands expansion. The planned expansion is currently expected to achieve first oil production in the second quarter of 2011, with volumes ramping up over an estimated 18 to 24 month period towards planned production capacity of approximately 62,500 barrels of bitumen per day. Suncor is also progressing with work on Firebag Stage 4, which is expected to add an additional 62,500 barrels of bitumen per day of production capacity.

In Suncor’s offshore East Coast Canada operations, development drilling in the North Amethyst portion of the White Rose Extensions continues with a total of 11 wells expected to be drilled through to late 2012. Development drilling for the first phase of the West White Rose development began in August, with first oil expected by early 2011. Primary production from the Hibernia South Extension project is expected in 2011.

Suncor continued with plans to divest of a number of non-core assets with the following milestones reached in the third quarter:

- On August 5, 2010, the company completed the previously announced sale of its Trinidad and Tobago assets, for net proceeds of US\$378 million.
- On August 13, 2010, the company completed the previously announced sale of its shares in Petro-Canada Netherlands B.V., for net proceeds of €316 million.

- On August 31, 2010, the company completed the previously announced sale of its non-core natural gas properties located in west central Alberta, known as Bearberry and Ricinus, for net proceeds of \$275 million.
- On September 8, 2010, the company reached an agreement to sell its non-core U.K. offshore assets for gross proceeds of £240 million. The sale is expected to close during the first quarter of 2011 and is subject to closing conditions, closing adjustments to the purchase price and regulatory and other approvals customary for transactions of this nature.
- On September 30, 2010, the company completed the previously announced sale of its non-core natural gas properties located in southern Alberta, known as Wildcat Hills, for net proceeds of \$351 million.

To date, Suncor has disposed of, or reached agreements to dispose of, assets for aggregate consideration of approximately \$3.5 billion prior to closing adjustments.

In September, Suncor marked an industry milestone, becoming the first oil sands company to complete surface reclamation of a tailings pond, a key step in returning the site back to nature. The 220-hectare site is located at Suncor's oil sands mining operations north of Fort McMurray. Known as Wapisiw Lookout, it was the company's first storage pond for oil sands tailings when commercial production began in 1967.

In Suncor's renewable energy operations, the St. Clair Ethanol Plant expansion project is expected to be completed on budget and on schedule in December 2010. The project is expected to double current production capacity, with the resulting ethanol blended fuels offsetting an additional 300,000 tonnes of carbon dioxide (CO<sub>2</sub>) per year. Construction of the Wintering Hills wind power project is continuing with completion targeted by the end of 2011. The Wintering Hills project is expected to offset 200,000 tonnes of CO<sub>2</sub> per year.

"Wind energy and biofuels production are an important part of Suncor's overall strategy to lower the carbon intensity of our total energy portfolio," said George. "We believe investments in renewable energy sources, combined with ongoing investments to reduce the environmental impact of existing energy sources strikes the right balance for the economy and the environment."

In the third quarter, Suncor began to ramp up commercial implementation of a new tailings management technology – called TRO™ – across its mining operations. Capital spending for large scale implementation of TRO™, remains subject to Board of Director approval. The technology has the potential to reduce tailings reclamation time by decades and speed the return of oil sands mining sites to natural habitat.

## **Outlook**

Suncor's outlook provides management's targets for 2010 in certain key areas of the company's business. Users of this forward-looking information are cautioned that actual results may vary materially from the targets disclosed. Readers are cautioned against placing undue reliance on this outlook.

The following operational outlook for 2010 has been revised from the operational outlook previously issued by management on July 29, 2010. The revisions are principally as follows:

- the realization on crude sales basket range has been adjusted to West Texas Intermediate (WTI) at Cushing less \$9.75 to \$10.75 per barrel from \$7.00 to \$8.00 per barrel as a result of a product mix more heavily weighted to sour synthetic crude and bitumen, resulting from the Oil Sands hydrotreater outage and disruptions to Enbridge pipeline service that limited export capacity of

heavy crude products from Western Canada and negatively impacted both sour synthetic crude and bitumen price realizations;

- Oil Sands cash operating costs range of \$38 to \$42 per barrel has been adjusted to \$38 to \$40 primarily as a result of performance to date;
- the Natural Gas production outlook related to remaining targeted divestitures has been adjusted to nil from 140 mmcf per day as a result of completed dispositions of the Ricinus/Bearberry/Wildcat Hills properties during the third quarter of 2010. While Natural Gas has completed its previously announced divestiture program and there are no further divestments that will impact our 2010 production outlook, Natural Gas is considering additional divestitures, subject to board approval, as part of its strategic business alignment;
- the East Coast Canada production outlook has been adjusted to 70,000 bpd (+/-5%) from 65,000 bpd (+/-5%) primarily as a result of improved performance to date; and
- the International production outlook has been adjusted to 110,000 bpd (+/-5%) from 133,000 bpd (+/-5%) as a result of completed dispositions of our Trinidad and Tobago assets and shares of Petro-Canada Netherlands B.V. during the third quarter of 2010. The production outlook related to remaining targeted divestitures has been adjusted to 16,000 boe per day from 40,000 boe per day also due to the completed dispositions in the third quarter of 2010.

These changes to the operational outlook have a corresponding impact on the total production outlook which has been adjusted to 590,000 boe per day (+/-5%) from 610,000 boe per day (+/-5%) and total production related to remaining targeted divestitures, which has been adjusted to 16,000 boe per day from 63,000 boe per day.

	Nine Months Actual Ended September 30, 2010	2010 Full Year Outlook
<b>Total production</b> (boe per day) – before remaining targeted divestitures <sup>(1)</sup>	<b>611,800</b>	590,000 (+/-5%)
<b>Total production</b> (boe per day) – related to remaining targeted divestitures <sup>(1)</sup>	<b>N/A</b>	16,000
<b>Oil Sands</b> <sup>(2)</sup>		
Production (bpd)	<b>268,600</b>	280,000 (+/-5%)
Sales		
Diesel	<b>9%</b>	8%
Sweet	<b>30%</b>	32%
Sour	<b>48%</b>	50%
Bitumen	<b>13%</b>	10%
Realization on crude sales basket <sup>(3)</sup>	<b>WTI @ Cushing less Cdn\$9.54 per barrel</b>	WTI @ Cushing less Cdn\$9.75 to Cdn\$10.75 per barrel
Cash operating costs <sup>(4)</sup>	<b>\$39.70 per barrel</b>	\$38 to \$40 per barrel
<b>Syncrude production</b> (bpd)	<b>34,300</b>	36,000 (+/-5%)
<b>Natural Gas</b>		
Production (mmcf per day) – before remaining targeted divestitures <sup>(5)</sup>	<b>621</b>	560 (+/-5%)
Production (mmcf per day) – related to remaining planned targeted divestitures	<b>N/A</b>	N/A
Natural gas	<b>90%</b>	91%
Crude oil and liquids	<b>10%</b>	9%
<b>East Coast Canada</b>		
Production (bpd)	<b>70,400</b>	70,000 (+/-5%)
<b>International</b>		
Production (boe per day) – before remaining targeted divestitures <sup>(1)</sup>	<b>135,000</b>	110,000 (+/-5%)
Production (boe per day) – related to remaining planned targeted divestitures <sup>(1)</sup>	<b>N/A</b>	16,000
Crude oil and liquids	<b>82%</b>	87%
Natural gas	<b>18%</b>	13%

- (1) Actual production results will be impacted by the timing of planned divestitures of assets.
- (2) Excludes Suncor's proportionate production share from the Syncrude joint venture.
- (3) Excludes the impact of hedging activities.
- (4) Cash operating cost estimates (excluding Syncrude) are based on the following assumptions: (i) production volumes and sales mix as described in the table above; and (ii) an average natural gas price of \$5.28 per mcf at AECO.
- (5) The Natural Gas full year outlook is lower than our year to date actual production due to the previously mentioned asset divestitures in 2010.

This outlook is based on Suncor's current estimates, projections and assumptions for the 2010 fiscal year and is subject to change. Assumptions are based on management's experience and perception of historical trends, current conditions, anticipated future developments and other factors believed to be relevant. Assumptions for the Oil Sands 2010 full year outlook include reliability and operational efficiency initiatives which we expect to minimize further unplanned maintenance in 2010. Assumptions for the Natural Gas, East Coast Canada and International 2010 full year outlook include reservoir performance, drilling results, facility reliability, changes in production quotas and successful execution of planned maintenance turnarounds.

### **Risk Factors Affecting Performance**

Factors that could potentially impact Suncor's operational outlook for 2010 include, but are not limited to:

- Bitumen supply. Ore grade quality, unplanned mine equipment and extraction plant maintenance, tailings storage and in situ reservoir performance could impact 2010 production targets.
- Performance of recently commissioned facilities. Production rates while new equipment is being lined out are difficult to predict and can be negatively impacted by unplanned maintenance.
- Unplanned maintenance. Production estimates could be negatively impacted if unplanned work is required at any of our mining, production, upgrading, refining, pipeline or offshore assets.
- Planned turnarounds. Production estimates could be negatively impacted if planned turnarounds are not effectively executed.
- Planned divestitures. Our inability to execute planned divestitures could impact our debt management and capital expenditure plans.
- Commodity prices. Significant declines in natural gas commodity prices could result in the shut-in of some of our natural gas production.
- Foreign operations. Suncor's foreign operations and related assets are subject to a number of political, economic and socio-economic risks. Suncor's operations in Libya may be constrained by production quotas.

### **Notice – Forward-Looking Information**

*Certain statements in this news release constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and "forward-looking information" within the meaning of applicable Canadian securities legislation (collectively, "forward-looking statements"). All forward-looking statements are based on Suncor's current expectations, estimates, projections, beliefs and assumptions based on information available at the time the statement was made and in light of Suncor's experience and its perception of historical trends.*

*Some of the forward-looking statements may be identified by words like "expected," "targets," "schedule," and similar expressions. In addition, all other 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 news release include references to:*

- *the planned expansion for Firebag Stage 3, including the expectation that it will achieve first production in the second quarter of 2011, with volumes ramping up over an estimated 18 to 24 month period toward planned production capacity of approximately 62,500 barrels of bitumen a day;*

- *the planned expansion for Firebag Stage 4, including the expectation that it will add another 62,500 barrels of bitumen per day of production capacity;*
- *developmental drilling plans for and anticipated production from the White Rose Extension, including the expectation that developmental drilling for the North Amethyst portion of the extension will produce 11 wells in total and will continue until late 2012 and scheduled first oil to be early 2011 for the West White Rose development;*
- *the expectation of primary production from the Hibernia South Extension in 2011;*
- *the ability of Suncor and the purchaser to meet the conditions of closing, the expected timing of closing and the consideration to be received with respect to certain of Suncor's U.K. offshore assets;*
- *the planned expansion of Suncor's St. Clair Ethanol Plant, including timing (to be completed on schedule by December 2010), budget and the expectation that the project will double current production capacity, with the resulting ethanol blended fuels offsetting an additional 300,000 tonnes of carbon dioxide per year;*
- *the Wintering Hills wind power project, including the expectation that the project will be able to generate enough clean electricity to displace 200,000 tonnes of carbon dioxide per year;*
- *TRO technology, including the expectation that the technology has the potential to reduce tailings reclamation time by decades and speed the return of oil sands mining sites to natural habitat; and*
- *Management's targets for 2010 in certain key areas of the company's business.*

*Forward-looking statements are not guarantees of future performance and involve a number of risks and uncertainties, some that are similar to other oil and gas companies and some that are unique to our company. Suncor's actual results may differ materially from those expressed or implied by our forward-looking statements and you are cautioned not to place undue reliance on them.*

*Risks, uncertainties and other factors that could influence actual results of all of Suncor's business segments include but are not limited to, market instability affecting Suncor's ability to borrow in the capital debt markets at acceptable rates; consistently and competitively finding and developing reserves that can be brought on-stream economically; success of hedging strategies; maintaining a desirable debt to cash flow ratio; changes in the general economic, market and business conditions; our ability to finance capital investment to replace reserves or increase processing capacity in a volatile commodity pricing and credit environment; fluctuations in supply and demand for Suncor's products; commodity prices, interest rates and currency exchange rates; volatility in natural gas and liquids prices is not predictable and can significantly impact revenues; Suncor's ability to respond to changing markets and to receive timely regulatory approvals; the successful and timely implementation of capital projects including growth projects and regulatory projects; risks and uncertainties associated with consulting with stakeholders and obtaining regulatory approval for exploration and development activities in our operating areas (these risks could increase costs and/or cause delays to or cancellation of projects); effective execution of planned turnarounds; the accuracy of cost estimates, some of which are provided at the conceptual or other preliminary stage of projects and prior to commencement or conception of the detailed engineering needed to reduce the margin of error and increase the level of accuracy; the integrity and reliability of Suncor's capital assets; the cumulative impact of other resource development; the cost of compliance with current and future environmental laws; the accuracy of Suncor's reserve, resource and future production estimates and its success at exploration and development drilling and related activities; the maintenance of satisfactory relationships with unions, employee associations and joint venture partners; competitive actions of other companies, including increased competition from other oil and gas companies or from companies that provide alternative sources of energy; labour and material shortages; uncertainties resulting from potential delays or changes in plans with respect to projects or capital expenditures; actions by governmental authorities including the imposition of taxes or changes to fees and royalties, changes in environmental and other regulations (for example, the Government of Alberta's review of the unintended consequences of the proposed Crown royalty regime, the Government of Canada's current review of greenhouse gas emission regulations); the ability and willingness of parties with whom we have material relationships to perform their obligations to us (including in respect of any planned divestitures); risks and uncertainties associated with the ability of closing conditions to be met, the timing of closing and the*

*consideration to be received with respect to the planned sale of any of Suncor's assets, including the ability of counterparties to comply with their obligations in a timely manner and the receipt of any required regulatory or other third party approvals outside of Suncor's control; the occurrence of unexpected events such as fires, blowouts, freeze-ups, equipment failures and other similar events affecting Suncor or other parties whose operations or assets directly or indirectly affect Suncor; failure to realize anticipated synergies or cost savings; risks regarding the integration of the two businesses after the merger; and incorrect assessments of the values of Petro-Canada. The foregoing important factors are not exhaustive.*

*Suncor's Earnings Release, Quarterly Report and Management's Discussion & Analysis for the third quarter of 2010 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 6th Avenue S.W., Calgary, Alberta T2P 3Y7, by calling 1-800-558-9071, or by email request to [info@suncor.com](mailto:info@suncor.com) or by referring to the company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) or EDGAR at [www.sec.gov](http://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.*

*Suncor Energy Inc. is Canada's premier integrated energy company. Suncor's operations include oil sands development and upgrading, conventional and offshore oil and gas production, petroleum refining, and product marketing under the Petro-Canada brand. While working to responsibly develop petroleum resources, Suncor is also developing a growing renewable energy portfolio. Suncor's common shares (symbol: SU) are listed on the Toronto and New York stock exchanges.*

- 30 -

For more information about Suncor Energy Inc. please visit our web site at [www.suncor.com](http://www.suncor.com).

For more information on the TRO tailings management process, wind power projects and other elements of Suncor's environmental, economic and social performance, see our 2010 Report on Sustainability at [www.suncor.com/sustainability](http://www.suncor.com/sustainability).

A full copy of Suncor's third quarter 2010 Report to Shareholders and the financial statements and notes (unaudited) can be obtained at [www.suncor.com/financialreporting](http://www.suncor.com/financialreporting) or by calling 1-800-558-9071 toll-free in North America.

To listen to the conference call discussing Suncor's third quarter results, visit [www.suncor.com/webcasts](http://www.suncor.com/webcasts).

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