

Innovation + technology = 45 big years



Suncor workers leave the oil sands plant, circa 1967.

Peace rallies, protests, the summer of love – and the birth of Northern Alberta's oil sands industry. The year was 1967, and it was the beginning of major cultural, political and business shifts around the world, including the start of a new industry that would have an enormous influence on Suncor, the Fort McMurray region and Alberta.

This summer marked the 45th anniversary of our oil sands operation, and we've come a long, long way. When Great Canadian Oil Sands made the first

commercial foray into the Athabasca oil sands, opening a 45,000-barrel-per-day plant, everything from the way we mined to the political and economic climate was vastly different than it is today.

We had just over 700 employees. We used bucketwheels and conveyors to move the oil sands. The world oil price was \$3 per barrel. And the cost of gasoline in Fort McMurray: just 33 cents a gallon.

From oil embargoes and Canada's National Energy Program to the weather of northern Alberta and tailings ponds, challenge has been a constant. But so has success – the pace of our innovation and development has increased dramatically.



About 80 per cent of Canada's oil sands are too deep to mine and must be tapped using the in situ process. This year, MacKay River celebrated 10 years of in situ production.

Today, Suncor produces more than 300,000 barrels per day in the oil sands and is one of the largest companies in the industry, providing thousands of jobs and putting billions of dollars into the economy.

Another milestone occurred on Sept. 12, when MacKay River, the oil sands' second-oldest steam assisted gravity drainage (SAGD) development, celebrated the 10th anniversary of first steam injection.

Some 50 original employees brought their experience from many other industries. The mix of capabilities created a strong and cohesive culture – and together they made great strides to improve SAGD performance. Today, MacKay produces about 32,000 barrels daily and is known as one of the industry's most reliable facilities.

Tool kit, video hit the classroom

Ask Anne Marie Toutant why Suncor needs to take an active role in energy literacy – particularly with youth and teachers – and the answer, at least to her, couldn't be more apparent.

"It's incredibly important that balanced viewpoints of important Canadian topics are available to Canada and to the world," says Anne Marie, VP optimization & integration – Oil Sands & In Situ. "The world needs energy. Canadian oil sands companies are responsible developers, and there's great recovery from the reserves we access. What's more, Suncor has an incredibly engaged workforce that joins us from all over the world. We have a responsibility to educate people about these facts."

Suncor is taking a multi-faceted approach to improving energy literacy in schools across Canada. That includes the creation of a tool kit for teachers and a video called *The Big and Small of It*, which explains the evolution of the oil sands. We also encourage employees to participate in outreach programs with their children's schools. The tool kit was designed to mesh with school curricula Canada-wide.



Suncor's Anne Marie Toutant advocates for energy literacy.

Shared values make good neighbours



Suncor firefighters show their might at the Fort McKay Treaty Days.

A tug of war, a dunk tank, food and sunshine are all the makings of a perfect day, and a great way to celebrate a long-standing relationship. Taking part in Treaty Days is just one way Suncor supports and gets to know our neighbours in Fort McKay.

"The event is centred on our commitment to relationship building and supporting the community," says Karen Olson, senior advisor stakeholder relations – Wood Buffalo. "It's a prime opportunity to actively demonstrate and live our principles and be involved in the communities where we do business."

Suncor not only sponsors the event along with other industry, but employees enthusiastically get involved. Ed Ma, legal counsel – Oil Sands and Mark Prystupa,

manager stakeholder relations – Wood Buffalo, took their turn in the dunk tank this year, and a dozen Suncor employees walked in the parade, handing out candy and prizes.

But maintaining a good relationship isn't all fun and games. Completely surrounded by industry on all sides, Fort McKay is a unique community and naturally, residents have questions about industry impacts. To help them get answers about issues like employment, business development, regulator approval processes, operations and updates on our projects, Suncor participates in events like a recent trade show hosted by the Fort McKay Sustainability Department.

"We get valuable feedback at these events, where you have informal opportunities to engage with community members, discovering their concerns and being there to answer their questions," explains Karen.

Karen says Fort McKay is willing to work with Suncor.

"We have the same goals: to ensure we are using environmentally sustainable practices in all our operations and being cognizant of the impacts to the communities we are working in."

Suncor STEPS up

It may sound like the latest dance reality TV show, but STEP has nothing to do with an award-winning cha cha. STEP, or the Suncor Transportation Enhancement Project, is an initiative to reduce the number of vehicles on the road in and around Fort McMurray. The first STEP priority – an improved transit system to encourage people to leave their vehicles at home – was implemented in mid-July.

On an average day, close to 3,500 vehicles turn off Highway 63 at the Suncor Oil Sands exit, making up approximately one-third of the traffic volume on this busy stretch of road.

As a member of the Fort McMurray community, Suncor has a responsibility to be part of the traffic solution instead of contributing to the problem. With the growth projected for the region over the next decade, STEP couldn't come at a better time.

"We're improving the transit system to make commuting by bus more convenient than driving," says Bill Grainger, Suncor's director of transportation.

Improvements include additional pick-up and drop-off times, fewer stops per route, and a more regular on-site shuttle service. The team continues to adjust service based on feedback and suggestions from users.

Take the oil sands tour

Despite what you may have heard from anti-oil sands campaigners, what happens in Alberta's north is not a secret we're trying to keep. It's quite the opposite, really.

Not only do we welcome and encourage visitors, we also work with Fort McMurray Tourism to offer guided bus tours of our oil sands operations from late May through September. Anyone, from foreign dignitaries to tourists passing through the province, can visit oil sands production sites. We believe that by visiting, people will see not only the effect of oil sands development but also the enormous economic and engineering achievement that it represents for Canada.

Our hope is that visitors will take away a first-hand understanding of the contribution our sector is making to

keep the wheels of transport turning across North America, and also our efforts to reduce development impacts on Alberta's environment.

But we understand that not everyone can make it to the oil sands in person. That's why we also offer a virtual tour on our website. To get a glimpse into the inner workings of our oil sands site, go to suncor.com/videos and select Oil Sands Tour.

As of November 2012, Suncor guided 3,393 individuals on 155 tours through our oil sands sites. We are hoping to host more visitors in 2013. Notable attractions include:

- an opportunity to visit the Oil Sands Discovery Centre where you can experience the story of the oil sands from the driver's seat of a 150-tonne truck
- the Aurora Borealis, nature's free light show, which we think beats anything Las Vegas can offer



Oil sands site tours are readily available for those who can (and can't) make the trip.

- reclamation in action, where the former site of a tailings pond is being transformed into a mixed wood forest and small wetland.

So when you consider your summer travel plans, don't discount heading to the Fort McMurray area.

To book your oil sands tour, go to fortmcmurraytourism.com/tours.

Canada's Oil Sands Innovation Alliance launched

Canada's Oil Sands Innovation Alliance (COSIA), publicly announced in March, isn't the first industry organization formed to address the environmental challenges of oil sands development, but it does promise to be different than anything we've seen yet.

Founded by Suncor's president and CEO Steve Williams and the leaders of 13 other like-minded oil sands companies, COSIA represents an unprecedented level of collaboration for the industry.

It builds on advancements made by other industry and research development associations, including the Oil Sands Leadership Initiative, the Canadian Oil Sands Network for Research and Development, the Oil Sands Tailings Consortium, and the Petroleum Technology Alliance of Canada. And with multiple companies and associations coming together in this manner, barriers to funding, intellectual property and human resources should be eliminated.

Aside from the magnitude of collaboration, COSIA is different on a few other fronts:

- Oversight of COSIA and work on its focus areas of tailings, water, land and greenhouse gases will come directly from oil sands industry chief executives, who have a knack for getting things done.
- COSIA is a single organization with a clear line of sight to performance improvements, including yet-to-be-determined performance goals for each of the focus areas.
- COSIA will enable industry players to work together to avoid duplication of effort, share collective expertise and build on one another's successes to improve environmental performance and the pace of performance delivery by the industry.
- COSIA also provides better access to key industry players for anyone with ideas or potential solutions for advancing performance in the focus areas.

While COSIA can't claim to be the first organization created to tackle the environmental impacts of oil sands development, we think it is well positioned for success.

For more on COSIA, check out their website at cosia.ca.



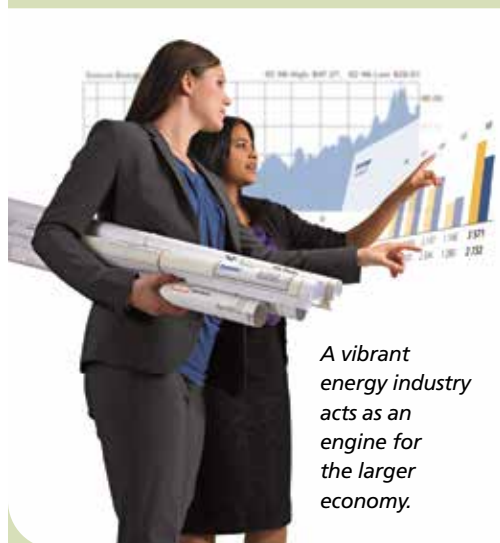
Steve Williams, Suncor's president and CEO, helped launch the alliance March 1 in Calgary.

Photo: COSIA

What do you think of In Your Community?

Please share your thoughts via the attached postcard or online at suncor.com/inyourcommunity

We're in it for the long haul



A vibrant energy industry acts as an engine for the larger economy.

Suncor has been working hard to develop energy resources in a way that creates social benefits for our communities, improves environmental performance and generates economic growth:

"If too much emphasis is put on short-term economic gain at the expense of promoting strong communities or a healthy environment, long-term economic costs are almost certain to occur," said Steve Williams, Suncor's president and CEO, in the 2012 Report on Sustainability.

"The economic wealth generated by responsibly developing this resource base provides today's social benefit of good jobs and government revenues – while also generating the investment capital needed to help realize tomorrow's environmental technologies and new energy sources."

The benefits of Suncor's success are reflected in these 2011 numbers:

- Paid \$2.27 billion in royalties. We also paid income taxes of approximately \$900 million to governments in Canada and internationally.
- Capital and exploration expenditures totalled \$6.9 billion in 2011, compared to \$6.0 billion in 2010.
- Our combined spending on goods and services was almost \$10.9 billion.
- We have more than 11,000 vendors spanning all provinces, Northwest Territories, Yukon, the United States and 43 other countries.
- The range of goods and services is extensive and includes heavy equipment, drilling, construction, engineering, environmental services, trucking, chemicals, electrical, and hospitality services.

For more information on Suncor's 2011 results, go to suncor.com/sustainability.

OSQAR celebrates a milestone

Suncor's Oil Sands Question and Response (OSQAR) e-newsletter and blog marked a significant milestone when it published its 100th edition on Sept. 5. To celebrate this achievement we:

- held our first-ever OSQAR live text chat. Hosted on our OSQAR blog, panelists Gord Lambert, Suncor's vice president, sustainability; Ed Whittingham, executive director, Pembina Institute; and David Layzell, executive director, Institute for Sustainable Energy, Environment and Economy; and professor, department of biology, University of Calgary, were on hand to take questions from our readers on oil sands development. To read the chat history, go to osqar.suncor.com/osqar-live-chat.html.

- announced an official OSQAR app. Coming soon for all mobile devices, this new app will make it easier to read OSQAR on the go as well as explore video and photo content related to the oil sands. Watch the OSQAR blog at osqar.suncor.com for details on how to get 'OSQAR to go' for your mobile device.

- produced a special OSQAR video. Go behind the scenes with the OSQAR team for a tongue-in-cheek look at how each edition is planned, written and published. To view the video, go to osqar.suncor.com/a-milestone-for-osqar.html.

OSQAR's popularity has grown since the first edition was launched in April 2010. The e-newsletter now has more than 2,000 subscribers and the blog, launched



OSQAR published its 100th edition on Sept. 5, 2012.

in June 2011, attracts about 1,125 readers per week.

Here's what's in store for the next 100 editions: We'll continue tackling controversial oil sands development topics. We'll also continue inviting others to contribute through guest columns, as we believe offering a variety of perspectives facilitates knowledge and encourages fact-based dialogue.

To subscribe to OSQAR, log on to osqar.suncor.com/subscribe.html.

Sign up at www.suncor.com/emailalerts to be notified when new *In Your Community* newsletters are available online

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. These statements are not guarantees of future performance and involve a number of risks and uncertainties, and actual results may differ materially from those expressed or implied. Suncor's Earnings Release, Quarterly Report and Management's Discussion & Analysis for the third quarter of 2012 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.