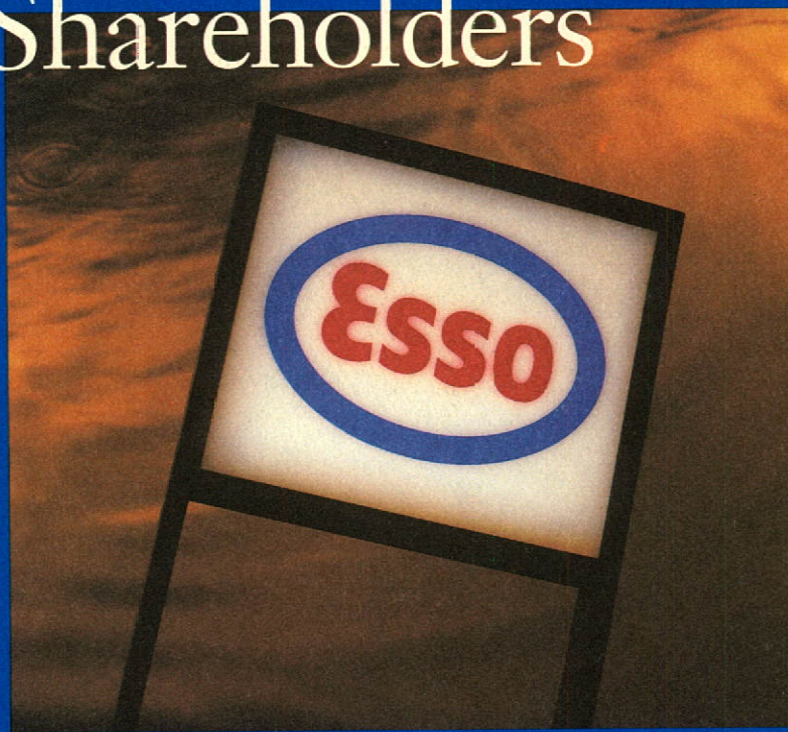


1992 Annual Report to Shareholders



Imperial Oil

COMPANY PROFILE

Imperial Oil Limited is one of Canada’s largest corporations and has been a leading member of the country’s petroleum industry for more than a century. The company’s mission is to create shareholder value through the development and sale of hydrocarbon energy and related products.

Imperial is the country’s largest producer of crude oil and a major producer of natural gas. It is also the largest refiner and marketer of petroleum products — sold primarily under the Esso brand — with a coast-to-coast supply network. As well, the company is a major supplier of petrochemicals and fertilizers.



About this report

This report embodies the dominant theme at Imperial Oil in 1992 — expense reduction. Annual-report production costs were reduced by about 25 percent for 1992, bringing total cost reductions to more than 40 percent over the past two years.

About the cover

The “evening sky” behind the Esso logo that forms part of our cover is, in fact, a film of Hydraul 56, a company product widely used in commercial and industrial markets. It is one of more than 700 products manufactured by Imperial Oil to serve the needs of our many customers.

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Financial Highlights

	1992	1991	1990
Net earnings (millions of dollars)	195	162	256
Cash provided from operating activities	1 436	1 180	1 034
Capital and exploration expenditures	467	574	678
Return on average capital employed (percent)	2.4	2.3	3.5
Return on average shareholders' equity	2.9	2.4	3.7
Total debt as a percentage of capital	28.9	28.1	31.0
Per-share information (dollars)			
Net earnings	1.01	0.84	1.34
Cash provided from operating activities	7.41	6.11	5.42
Dividends	1.80	1.80	1.80

HIGHLIGHTS

Earnings Per Share
(dollars)



Earnings grew by 20 percent because of expense reductions and improved oil-sand results.

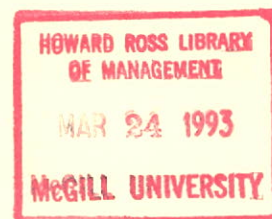
Operating Expenses
(millions of dollars)



Operating expenses were reduced by 15 percent, or \$492 million, from the previous year.

A corporate-wide expense-reduction program greatly exceeded targets in 1992 and made a major contribution to growth in earnings.

The company used its strong cash flow to build a reserve of more than \$1 billion in cash and marketable securities by year-end.



LETTER TO SHAREHOLDERS



R. B. (Bob) Peterson (right)
Chairman and chief executive officer

R. A. (Ron) Brenneman (left)
President

For the Canadian oil industry, 1992 was another difficult year, characterized by over-supply, weak product prices and intense competition in many areas of the business.

While these factors combined to constrain Imperial's financial performance, the company's 1992 earnings were a marked improvement over 1991. Considerable progress was made during the year in those areas of the business that lay within our control. In particular, results from the company's determined attack on costs exceeded expectations in 1992, with overall operating expenses being reduced by 15 percent, or \$492 million.

About half of these savings came from staff reductions. Some 1,800 employees left the

company during 1992. This brought Imperial's year-end workforce to approximately 10,000, the lowest number of employees the company has had in more than 45 years.

The remaining cost reductions came from a wide variety of operational economies, ranging from the virtual elimination of gasoline promotions to a 50-percent cutback in travel expenses throughout the organization.

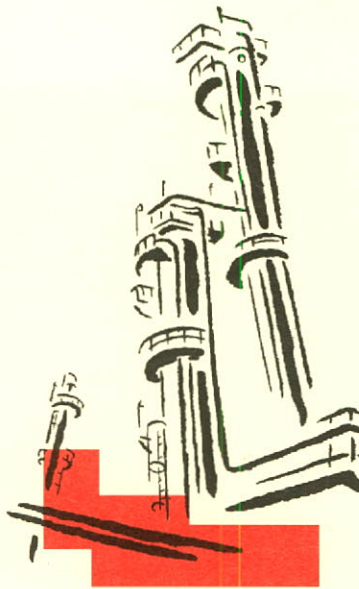
Significant advances were also made during the year in restructuring the organization in the light of today's economic climate and general business environment. This restructuring saw the company abandon unprofitable lines of business, eliminate many tasks of marginal value and reallocate

resources to the most productive endeavors. As a result, we continued to make good progress during the year toward being a highly flexible, cost-efficient and customer-responsive company, capable of maximizing returns to shareholders in both good times and bad.

The emphasis that the company placed on efficiency and cost containment throughout 1992 enhanced the profitability of all three of our major business activities — natural-resource production, petroleum products and chemicals.

Natural-resource operations made a substantial contribution to 1992 earnings. Lower operating costs, a marked improvement in markets for heavy oil, and a fall in the value of the Canadian dollar all boosted results in this vital sector of our business.

In the petroleum-products area, efficiency was improved by reducing refining costs, by closing many less productive retail outlets and by shedding



unprofitable or unpromising sales volumes. These and other similar measures have greatly improved competitiveness. However, with competitors also doing their utmost to improve productivity, industry leadership becomes a constantly moving target, demanding new initiatives and continuous improvement in every aspect of operations.

Imperial's determination to stay ahead of the competition will call for further restructuring — including the closure of more marketing and distribution facilities — and stringent control of costs. The company believes that there is a bright future for the most efficient participants in this business.

The company's chemical operations delivered improved results over 1991. Reduced expenses and increased sales volumes contributed to a substantial improvement in earnings.

The numerous actions taken by Imperial in 1992 to boost productivity were designed not only to improve short-term earnings but to position the company for a business environment that is unlikely to improve substantially in the near future. We do not expect to see any sudden change in the outlook for the oil and gas business. As is the case with other resource-based industries, most of the things we produce and manufacture — crude oil, natural gas, gasoline and chemicals — have become commodities in plentiful supply and are likely to remain so for the foreseeable future.

While there are welcome signs of a slow recovery from the stubborn recession of the past few years, there is little evidence

to suggest any marked acceleration in Canada's rate of economic growth. In the near term, we can expect only modest improvement in those sectors that drive demand for the company's output.


In the resources end of the business, we are encouraged by the brighter outlook for natural-gas prices, but the market

fundamentals that drive crude-oil prices continue to be weak. In petroleum products, the outlook is for a continuation of plentiful supplies and sluggish demand. And we expect to see continuing surplus capacity among manufacturers of petrochemicals and fertilizers.

Imperial's 1993 business plan, therefore, is based on the

expectation of continued flat demand, intense competition and weak producer prices. While revenues are unlikely to increase substantially, we expect near-term profits to benefit from further internally generated economies.

In specific terms the company will pursue four priorities.



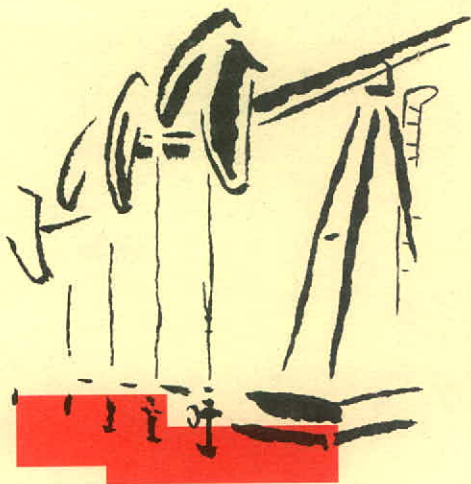
While revenues are unlikely to increase substantially, we expect near-term profits to benefit from further internally generated economies.

The first is to concentrate on maintaining and improving our profitable sales volumes. As we continue to divest ourselves of unprofitable or marginally profitable business, it is essential that we pay careful attention to our core customer base. By focusing our efforts on these customers and their needs we will become an even stronger competitor in the marketplace.

Our second priority is to maintain our emphasis on cost reduction by taking advantage of the many opportunities for efficiency improvements that still exist in every area of the business.

Third, we will continue to improve the productivity of our asset portfolio. This will be done through careful and prudent investment and through the further sale of nonstrategic assets when opportunities present themselves.

And, finally, we will continue to focus on the superior performance of our day-to-day business. Essentially this means being the most efficient company in the industry in executing the fundamentals of our business and meeting the needs of our customers better, cheaper and faster than the competition.



Looking further ahead, it is reasonable to expect that over time we will see an improvement in those external factors — particularly in crude-oil and natural-gas prices and in markets for petrochemical products — that will allow our company to return to the path of long-term growth.

In the meantime, we do not intend to wait for an upturn in these external factors to bring about an improvement in our own results. The steps we have taken to respond to the current environment will improve our profitability in the near term and strengthen our ability to take full advantage of future opportunities.

Imperial has many strengths that will serve us well in the future. We have Canada's largest reserves and production of crude oil. We are the country's largest refiner and marketer of petroleum products. We are also one of the leading producers of natural gas and a significant Canadian manufacturer of polyethylene.

Our technology is second to none: for example, our oil-sands operations alone are supported by one of the largest private heavy-oil

research capabilities in the world at our Calgary research centre. We have an excellent asset mix and one that is constantly being upgraded. We also have one of the strongest financial standings in the Canadian oil industry; debt is at a comfortable level and at the end of 1992 the company's cash reserves were in excess of \$1 billion. And, of critical importance, our people possess a wide range of professional, technical and managerial skills.

It is customary for management to take this opportunity to thank employees for their contributions during the past year. On this occasion, however, a special word of appreciation is appropriate. It was a particularly demanding year for them. In addition to their day-to-day responsibilities, they were required to implement a major corporate restructuring, a task that brought many challenges. On behalf of our shareholders, we would like to thank them for their ongoing efforts.

February 24, 1993

A highly successful corporate-wide cost-reduction program sparked a 20-percent improvement in Imperial's 1992 earnings despite weak markets for many of the company's products.

REVIEW OF OPERATIONS

Net earnings including unusual items were \$195 million in 1992, compared with \$162 million in 1991 (1990 – \$256 million).

The 1992 unusual items were losses of \$63 million on asset sales. Unusual items in 1991 included gains of \$149 million on asset sales, less a \$77-million provision for workforce-reduction programs, for a net gain of \$72 million (1990 – a loss of \$29 million).

Earnings excluding unusual items increased to \$258 million in 1992 from \$90 million the previous year (1990 – \$285 million).

Significantly lower operating costs in virtually every area of the company's operations were the main reason for the increased earnings. Operating expenses were reduced by \$492 million, or about 15 percent, to \$2.86 billion

from \$3.35 billion the previous year (1990 – \$3.37 billion).

Those major savings more than offset a five-percent decline in operating revenues caused mainly by lower prices for petroleum products.

A discussion of results from the company's three main operating segments begins on page 8.

Corporate and other accounts recorded a charge to

Employees

	1992	1991	1990	1989	1988
Number of full-time employees at December 31	10 152	11 936	14 702	15 248	12 161
Total payroll and benefits (millions of dollars) (1)	918	1 196	1 206	1 094	901
Payroll and benefits per employee (thousands of dollars) (2)	74.0	76.3	68.5	63.5	63.7

(1) This includes both the company's payroll and benefit costs as well as its share of the Syncrude joint-venture payroll and benefit costs. It excludes workforce-reduction costs.

(2) These are calculated by dividing the total payroll and benefits for full-time company employees by the monthly average number of full-time company employees.

earnings of \$64 million, down substantially from last year's charge of \$240 million (1990 – \$157 million). The main reasons for the improvement were higher investment income, lower interest expense and interest on a tax-refund issue dating from the mid-1970s. As well, last year's results included the \$77-million provision for workforce reduction.

Expenditures on research and development in Canada totaled \$69 million in 1992, compared with \$90 million in 1991 (1990 – \$95 million).

More than half the expenditures were directed toward finding improved methods for recovering heavy crude oil, conventional crude oil and natural gas. Most of the remainder was spent on

developing new and improved petroleum products — with particular emphasis on lubricating oils — and better processes for manufacturing them.

Details on the company's environmental, health and safety activities are contained in a separate section that begins on page 21.

Earnings Summary

millions of dollars	1992	1991	1990	1989	1988
Earnings before unusual items	258	90	285	317	573
Unusual items	(63)	72	(29)	33	—
Net earnings	195	162	256	350	573

Earnings by Segment

millions of dollars	1992	1991	1990	1989	1988
Natural resources	151	277	431	326	143
Petroleum products	94	123	(42)	139	315
Chemicals	14	2	24	80	104
Corporate and other	(64)	(240)	(157)	(195)	11
Net earnings	195	162	256	350	573

Earnings Sensitivities

after tax	
Each \$1(U.S.)-a-barrel change in crude-oil prices	+/- \$ 70 million
Each \$0.10-a-thousand-cubic-feet change in natural-gas prices	+/- \$ 10 million
Each one-cent difference in sales margins a litre of petroleum product	+/- \$ 120 million
Each one-cent decrease (increase) in the value of the Canadian \$ vs. the U.S. \$	+(-) \$ 15 million

A 19-percent reduction in operating expenses and improved oil-sand results contributed significantly to the performance of the resources segment.

NATURAL RESOURCES

Earnings from natural resources were \$151 million in 1992, compared with \$277 million the previous year (1990 – \$431 million).

Those results included unusual losses of \$58 million on asset sales in 1992, compared with gains of \$149 million in 1991 (1990 – a net loss of \$32 million on unusual items).

Earnings excluding unusual items were \$209 million in 1992, compared with \$128 million in 1991 (1990 – \$463 million).

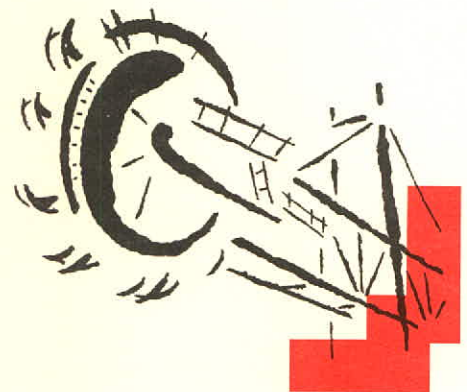
Revenues from natural resources were \$2.3 billion, down marginally from \$2.4 billion the previous year (1990 – \$3.2 billion). Declining revenues from lower conventional-oil and gas production were almost totally

offset by higher prices for blended Cold Lake bitumen (very heavy oil) and by record Syncrude production.

Light crude-oil prices in Canada did not change materially in 1992 versus 1991.

But prices for Canadian heavy crude oil increased by about 20 percent from the previous year in response to stronger international and regional markets. New heavy-oil upgrading and refining capacity in Canada and the United States began operation during the latter half of 1992, contributing to stronger regional demand.

The company's financial results and development opportunities are very sensitive to the price of crude oil.



Each \$1 (U.S.) a barrel change in the average price of oil over a year can increase or decrease the company's after-tax earnings by about \$70 million. Since being deregulated in 1985, Canadian oil prices have ranged from a high of \$39 (U.S.) a barrel to a low of \$11 (U.S.) a barrel. The average price over that period — up to the end of 1992 — has been \$19 (U.S.) a barrel. The average price in 1992 was \$20 (U.S.).

The Canadian price of crude oil is also affected by the U.S.-Canadian-dollar exchange rate. Each one-cent decrease in the value of the Canadian dollar versus its U.S. counterpart increases after-tax earnings by \$15 million on an annual basis, and vice versa.

Natural-gas prices improved modestly in 1992 as gas markets tightened throughout North America. The company received an average selling price of \$1.45 a thousand cubic feet in 1992, up seven cents from 1991.

Net production of crude oil and natural-gas liquids (NGLs) totaled 268,000 barrels a day, down 10,000 barrels a day from 1991 (1990 – 298,000 barrels a day).

Net production of conventional oil declined by about 15 percent to 106,000 barrels a day in 1992 from 124,000 barrels a day in 1991 (1990 – 148,000 barrels a day).

About 60 percent of the decline in conventional-oil production resulted from sales of oil-producing properties — part of the company's ongoing program of asset-mix improvement.

Natural declines in the productivity of conventional-oil reservoirs — partly offset by development drilling and enhanced-recovery schemes — accounted for about 30 percent of the reduction.

Capacity rationing on the main oil pipeline from western

Canada to eastern markets accounted for the remainder, with the main impact being felt toward the end of the year. Imperial, along with other members of the petroleum industry, is working to minimize the future impact of any capacity restrictions on oil production.

Net production of Cold Lake bitumen was 79,000 barrels a day in 1992, up 4,000 barrels a day from the previous year (1990 – 85,000 barrels a day). In response to improved market conditions, the company began steam injection at Cold Lake phases 7 & 8 in October 1992. Those phases will increase Cold Lake's net bitumen production by 6,000 barrels a day by mid-1993 and by 18,000 barrels a day at the end of the year.

Financial Statistics

millions of dollars	1992	1991	1990	1989	1988
Earnings	151	277	431	326	143
Revenues	2 315	2 402	3 205	2 855	1 881
Capital and exploration expenditures					
Exploration	72	120	111	314	122
Production	143	200	232	3 570	680
Heavy oil	28	59	51	63	282
Other	—	—	5	16	23
Total capital and exploration expenditures	243	379	399	3 963	1 107
Capital employed at December 31	6 140	7 042	7 458	8 315	5 138
Return on average capital employed (percent)	2.3	3.8	5.5	4.2	3.0

Syncrude had another record production year in 1992, shipping its 600-millionth barrel of oil since starting up in 1978. Production increased to 180,000 barrels a day from 165,000 barrels in 1991 (1990 – 156,000 barrels a day). Imperial's share, based on its 25-percent interest in Syncrude, was 45,000 barrels a day in 1992, up from 41,000 barrels a day in 1991 (1990 – 39,000 barrels a day).

Reflecting this higher production, Imperial's earnings

from Syncrude operations rose to \$60 million in 1992 from \$45 million the previous year (1990 – \$68 million).

Net production of natural gas available for sale fell by 11 percent, to 325 million cubic feet a day in 1992 from 365 million cubic feet a day the previous year (1990 – 397 million cubic feet).

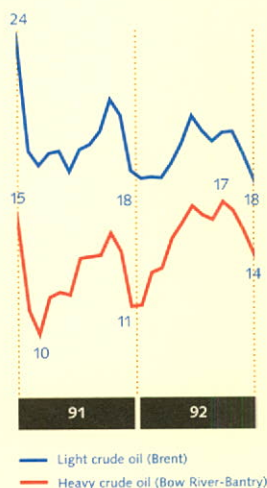
Two-thirds of the decline was attributable to the sale of gas properties. The remaining reduction was due to natural reservoir decline. A full year of

production from the Ring Border field, which began operation in late 1991, helped offset the decline.

Total natural-gas sales were 542 million cubic feet a day in 1992, compared with 581 million cubic feet in 1991 (1990 – 611 million cubic feet).

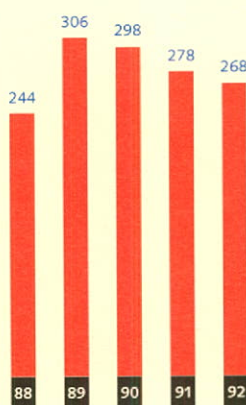
Total natural-resource operating expenses were reduced substantially — by about 19 percent in 1992 from the previous year, making a significant contribution to earnings.

Crude Oil Prices
(U.S. dollars per barrel)



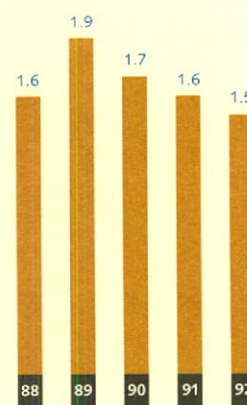
Stronger markets caused heavy-oil prices to increase by more than 20 percent.

Crude Oil and NGLs Net Production
(thousands of barrels a day)



Oil production fell as lower output of conventional crude offset increases in heavy-oil volumes.

Crude Oil and NGLs Net Proved Reserves
(billions of barrels)



Total proved oil reserves fell by four percent, mainly because of declining conventional reserves.

Crude Oil and NGLs

thousands of barrels a day (1,2)	1992		1991		1990		1989		1988	
	gross	net	gross	net	gross	net	gross	net	gross	net
Crude-oil production										
Conventional	135	106	159	124	184	148	192	159	121	105
Cold Lake	83	79	79	75	88	85	88	85	91	88
Syncrude	45	45	41	41	39	39	37	37	38	38
Total crude-oil production	263	230	279	240	311	272	317	281	250	231
NGLs available for sale	39	38	39	38	31	26	30	25	17	13
Total crude-oil and NGL production	302	268	318	278	342	298	347	306	267	244
Cold Lake sales including diluent	110		110		120		119		134	

Natural Gas

millions of cubic feet a day (1,2)	1992		1991		1990		1989		1988	
	gross	net	gross	net	gross	net	gross	net	gross	net
Production (3)	561	482	641	550	639	537	643	534	399	316
Production available for sale (4)	401	325	445	365	498	397	498	389	272	189
Sales	542		581		611		607		388	

(1) Volumes a day are calculated by dividing total volumes (including those of Texaco Canada Inc. from February 24, 1989) for the year by the number of days in the year.

(2) Gross production is the company's share of production (excluding purchases) before deducting the shares of mineral owners or governments or both. Net production excludes those shares.

(3) Production of natural gas includes amounts used for internal consumption with the exception of amounts reinjected.

(4) Production available for sale excludes amounts used for internal consumption and amounts reinjected.

About half the reduction was achieved through efficiencies in field operations and reductions in purchased services. Restructuring of the organization accounted for about 40 percent of the decrease, as 460 jobs, principally in staff-support functions, were eliminated. Asset divestments accounted for the remaining cost reductions.

Average unit-production costs on an oil-equivalent basis fell to \$6.45 a barrel, a reduction of 11 percent from the previous year.

The company continued to upgrade its asset base by selling non-core oil and gas properties where satisfactory value could be obtained. Proceeds from those sales totaled \$188 million, down from \$353 million in 1991

(1990 – \$355 million).

The largest property sale was Imperial's interest in the Obed sour-gas field. The sale followed an earlier decision to suspend operations as a result of low gas and sulphur prices and high operating costs.

Also during 1992, the company's interest in the Byron Creek Collieries open-pit coal mine was sold as part of a

Average Prices

dollars	1992	1991	1990	1989	1988
Conventional crude-oil sales (a barrel) (1)	21.35	21.15	25.12	19.40	15.74
Natural-gas sales (a thousand cubic feet) (1)	1.45	1.38	1.55	1.50	1.48
Par crude-oil price at Edmonton (a barrel)	23.77	23.42	27.64	22.18	18.70
Heavy crude-oil price at Hardisty (Bow River-Bantry, a barrel)	18.64	15.41	21.51	18.21	14.43

(1) These prices exclude all transportation costs.

Proved Reserves of Crude Oil and Natural Gas (1)

Year ended	Crude oil and NGLs (millions of barrels)						Natural gas (billions of cubic feet)			
	Conventional		Cold Lake		Syncrude		Total			
	gross	net	gross	net	gross	net	gross	net	gross	net
1988	567	473	910	828	472	330	1 949	1 631	3 113	2 478
1989	930	784	876	795	458	315	2 264	1 894	5 087	4 258
1990	855	680	847	766	439	297	2 141	1 743	4 730	3 827
1991	743	585	818	738	424	283	1 985	1 606	4 184	3 396
1992	629	502	829	719	408	327	1 866	1 548	3 236	2 651

(1) Gross reserves are the company's share of reserves before deducting the shares of mineral owners or governments or both. Net reserves exclude these shares.

strategy to focus financial and management resources on core oil- and gas-producing assets. With that sale, the company no longer has any active coal-mining operations.

Total capital and exploration expenditures were \$243 million in 1992, down from \$379 million the previous year (1990 – \$399 million). Expenditures focused mainly on modifications to existing

facilities and on enhanced-oil recovery.

Exploration expenditures were \$72 million in 1992, down from \$120 million the previous year (1990 – \$111 million).

Imperial participated in six exploration wells in 1992, compared with 40 in 1991 (1990 – 52 wells).

The company's exploration strategy is to focus on selected areas of western Canada where

there is significant potential for sizeable discoveries of natural gas that can be developed at low cost and brought to market quickly.

Capital and exploration expenditures of \$370 million are planned for 1993.

Imperial's net proved reserves of crude oil and NGLs were 1,548 million barrels at the end of 1992, down four percent from 1,606 million barrels at

the end of 1991 (1990 – 1,743 million). Production during the year accounted for 97 million barrels of the decline, while asset sales accounted for an additional 16 million barrels. Those declines were partly offset by 50 million barrels of net revisions to existing reserves, mainly at Syncrude. Exploration added five million barrels, principally in the Rainbow area of northern Alberta.

Net proved reserves of natural gas fell to 2.7 trillion cubic feet at the end of 1992, down 745 billion cubic feet, or 22 percent, from 3.4 trillion cubic feet at the end of 1991

(1990 – 3.8 trillion). Revisions to existing reserves accounted for 349 billion cubic feet of the reduction. Asset sales accounted for an additional 227 billion cubic feet. Gas production during the year was 169 billion cubic feet.

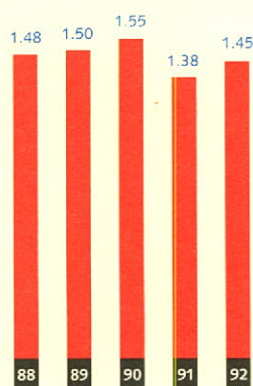
During 1992, Imperial reassessed the commercial viability of building an upgrader to convert Cold Lake bitumen into light crude oil and other refinery feedstocks. The study concluded that proceeding with such a project at this time was not attractive.

Imperial has stepped up efforts to develop new

technology that will enhance the value of the company's very large reserves of heavy oil. Work is proceeding on innovative methods of producing Cold Lake bitumen at lower cost, as well as on increasing total recovery rates. Alternatives to existing production methods are being tested.

While technological advances in this area require time and painstaking effort, they have the potential to greatly enhance the company's natural-resource results over the longer term.

Natural Gas Average Prices
(dollars a thousand cubic feet)



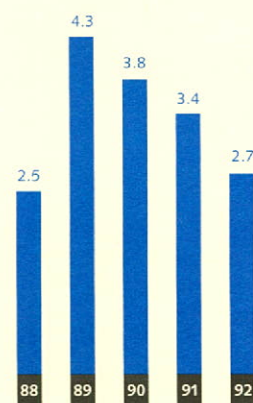
Natural-gas prices improved modestly as North American markets tightened.

Natural Gas Sales
(millions of cubic feet a day)



Asset sales accounted for two-thirds of the reduction in natural-gas production.

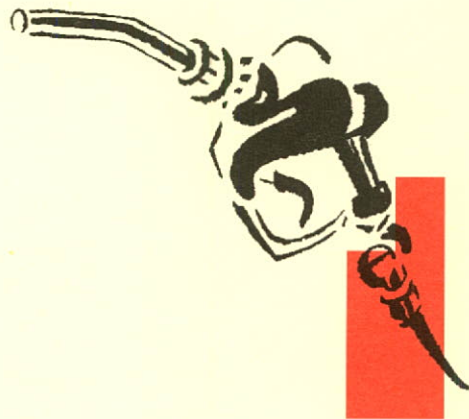
Natural Gas Net Proved Reserves
(trillions of cubic feet)



Revisions to existing reserves and asset sales were the main reasons for the decline in gas reserves.

In a marketplace characterized by oversupply and weak prices, the company achieved significant cost reductions and restructured the petroleum-product business to focus on profitable market segments.

PETROLEUM PRODUCTS



Earnings from petroleum products were \$94 million in 1992, compared with \$123 million in 1991 (1990 – a loss of \$42 million). Results for 1992 included, as an unusual item, a \$5-million loss on asset sales. Also included was a net charge of \$30 million for business restructuring.

Total Canadian demand for petroleum products increased by about 1.5 percent in 1992, but still remains well below its recent peak in 1989. The continuing surplus in refining capacity and marketing facilities has led to an intensely competitive marketplace.

In this environment, the

petroleum-product segment has focused on reducing costs, withdrawing from low-margin business to concentrate on profitable markets and rebalancing its entire supply system.

Revenues from petroleum products were \$7.5 billion, a reduction of more than \$530 million, or 6.6 percent, from \$8.1 billion the previous year (1990 – \$9.8 billion). Most of the decline was caused by lower selling prices.

Imperial's 1992 sales of petroleum products were 73 million litres a day, down by 2.4 percent from 74.8 million litres a day the previous year

Financial Statistics

millions of dollars	1992	1991	1990	1989	1988
Earnings	94	123	(42)	139	315
Revenues	7 530	8 061	9 758	8 414	5 684
Capital expenditures					
Marketing	66	89	103	1 369	115
Refining	43	63	89	766	64
Total capital expenditures	109	152	192	2 135	179
Capital employed at December 31	3 321	3 727	3 998	3 954	1 914
Return on average capital employed (percent)	2.7	3.2	(1.1)	3.8	17.1

Sales Volumes (millions of litres a day) (1,2)

Gasolines	30.9	31.2	32.1	31.9	19.5
Heating, diesel and jet fuels	25.0	26.7	29.1	31.1	23.7
Heavy fuel oils	7.2	7.3	9.7	8.6	5.2
Liquefied petroleum gas, lube oils and other products	9.9	9.6	10.5	11.1	8.2
Total petroleum products	73.0	74.8	81.4	82.7	56.6
Total domestic sales of petroleum products (percent)	91.5	89.0	92.9	92.8	90.7

Refinery Utilization (millions of litres a day) (2)

Total refinery throughput (3)	63.4	66.6	76.9	77.3	55.8
Refinery capacity at December 31	83.9	83.9	87.1	87.3	66.3
Refinery utilization as a percentage of total capacity	76	79	88	89	84

(1) Excludes sales made under purchase and sale agreements with other companies (see page 31, revenues).

(2) Volumes a day are calculated by dividing total volumes (including those of Texaco Canada from February 24, 1989) for the year by the number of days in the year.

(3) Crude oil and feedstocks that are processed in the refinery atmospheric distillation units.

One thousand litres is equal to approximately 6.3 barrels.

(1990 – 81.4 million litres a day). The largest factor in that reduction was the company's decision to discontinue low-margin export sales. Imperial also reduced participation in a number of low-margin domestic markets. At the same time, the company's position in markets

for key products such as lubricants and heating oil was sustained.

Imperial accelerated efforts to reduce costs and increase efficiency throughout the entire refining and marketing organization during 1992.

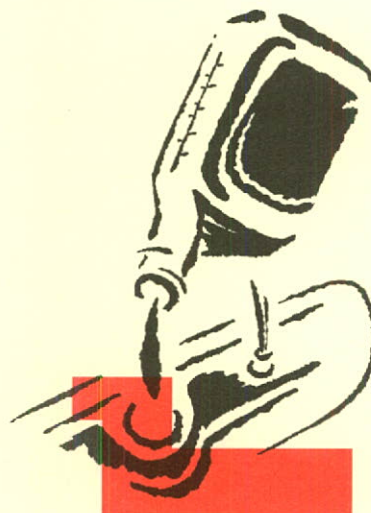
Operating expenses were cut by

18 percent as the company virtually eliminated major gasoline promotions, reduced staff, closed surplus marketing facilities and increased refinery efficiency while lowering throughput.

In marketing, the company launched a major program to improve the efficiency of the Esso network and to eliminate surplus facilities. During 1992, the company removed the Esso sign from more than 280 service stations. About 250 of those outlets were closed outright; the remainder continued operation under competing banners.

As lower-volume outlets were debranded, the productivity of the company's total network of branded stations increased to 1.7 million litres per station in 1992 from 1.6 million litres in 1991.

The company also closed 52 bulk plants and eight distribution terminals during 1992.



Part of the company's strategy for improving returns in an oversupplied, low-growth market is to reduce the amount of capital employed.

During the next three years, Imperial plans to close or debrand more than 500 service stations, bulk plants and distribution terminals.

In refining, a vigorous drive was launched to move the company's refineries into the first quartile (top 25 percent) of efficiency rankings in North America, as determined by an independent surveying organization. Job restructuring reduced total staff requirements, increased operating flexibility and sharply reduced the need for outside contractors. By year-end, all refineries had made significant progress toward first-quartile cost and staffing standards.

In terms of individual refineries, the Strathcona refinery in Edmonton remains very well positioned for the long term, because of its competitive cost structure and its geographical location. The Sarnia and Nanticoke refineries in Ontario are now being operated on an integrated basis, which has resulted in higher yields and lower near-term capital requirements. The Dartmouth refinery in Nova Scotia has achieved cost savings that will allow continued operation at least until major new capital investment is required. Although the Ioco refinery in British Columbia has exceeded cost-reduction expectations, its future is limited because of its relatively small size.

Part of the company's strategy for improving returns in an oversupplied, low-growth market is to reduce the amount of capital employed in the business.

Consistent with that approach, capital expenditures in the products segment were reduced to \$109 million in 1992, down \$43 million, or 28 percent, from the previous year (1990 – \$192 million). Expenditures were directed mainly at sustaining existing facilities and strengthening the company's retail network.

In 1993, capital expenditures of about \$165 million are planned.

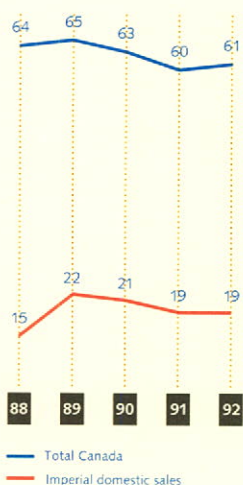
The company also made significant progress during the year in reducing working capital. Inventory volumes were reduced by 22 percent. Accounts receivable were reduced by 14 percent

as a result of better collection procedures and shorter payment terms in many market segments.

Looking ahead, business conditions in 1993 are expected to be essentially the same as they were in 1992. The company intends to pursue similar business strategies to strengthen its position in key markets.

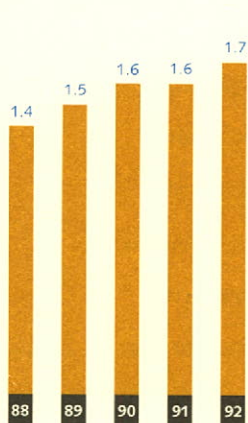
The company is confident of its long-term ability to compete profitably in the very competitive petroleum-product business. Imperial has substantial capital resources, the nation's most productive network of retail outlets, a balanced distribution of facilities in every region of the country, a highly competitive and improving unit-cost structure, and an unmatched research capability to develop better products and manufacturing processes.

Gasoline, Heating, Diesel and Jet Fuel Sales Volumes
(billions of litres)



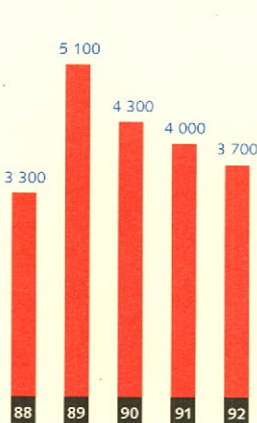
Despite withdrawing from low-margin markets, Imperial maintained domestic sales of high-value products.

Branded Service Station Throughput
(millions of litres per year)



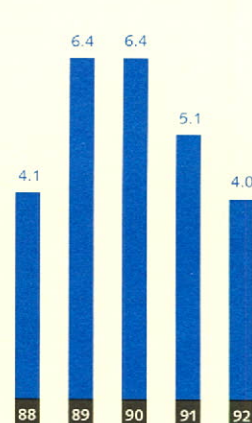
The productivity of Imperial's retail network increased as low-volume sites were closed or debranded.

Branded Automotive Retail Outlets



Imperial's retail outlets continued to decline as the company shed unprofitable and marginal stations.

Crude-oil and Product Inventories
(billions of litres, at December 31)



Improved inventory management resulted in further sharp declines in inventories in 1992.

The company's chemical operations achieved substantially better results in 1992 by selling significantly greater volumes of petrochemicals and fertilizers and by achieving cost efficiencies that offset generally weaker prices.

CHEMICALS

Earnings from chemical operations were \$14 million in 1992, compared with \$2 million the previous year (1990 – \$24 million). Earnings include a \$5-million after-tax provision for non-productive assets.

Revenues increased by about six percent in 1992, to \$920 million from \$868 million in 1991 (1990 – \$915 million).

The increased revenues resulted from higher sales volumes, as the company

sold out essentially all of the production capacity of its major chemical manufacturing operations in Ontario and Alberta.

Sales volumes of solvents, higher olefins and energy chemicals increased by eight percent. Sales of polyethylene and polyvinyl-chloride resins each grew by 20 percent following low-cost expansions at the Sarnia chemical plant in late 1991. The capacity of both units was further increased in the last quarter of 1992, the full benefit of which will be seen in 1993.

Fertilizer sales reached record levels, increasing by 10 percent from the previous

year, primarily in response to favorable spring planting conditions.

Chemical selling prices continued to erode because of surplus international capacity for most of the products the company manufactures. Prices of Imperial's main plastic products fell by more than six percent. Fertilizer prices were essentially unchanged from the previous year.

Chemicals reduced non-volume-dependent operating expenses by 10 percent in 1992 through workforce restructuring and other cost-reduction measures. Because of the 10-percent increase in sales, volume-dependent expenses increased. In total,



The company has responded to free trade by changing its manufacturing strategy and realigning the marketing focus to take advantage of a strategic supply location.

operating expenses declined by three percent.

A major factor shaping the company's chemical business — particularly polyethylene — has been the Canada-U.S. free-trade agreement. Imperial has responded by changing its manufacturing strategy and realigning the marketing focus to take advantage of the strategic position Sarnia holds for supplying major industrial consumers in the northeastern United States.

In manufacturing, Imperial has brought new capacity on stream at very low cost by debottlenecking existing plants rather than building grass-roots facilities. Improvements in productivity have lowered costs. In 1992, those initiatives moved the company's polyethylene

and related feedstock production units into the first quartile (top 25 percent) of efficiency among North American plastic manufacturers.

Marketing competitiveness has been enhanced by taking advantage of the company's relationship with Exxon Chemical Americas and by establishing a firm reputation for quality products and services.

As a result of those measures, Imperial's U.S. sales of polyethylene resins have grown to represent 60 percent of the company's total output in 1992, up from just 10 percent in 1988, the year before enactment of the free-trade agreement.

Consistent with an increased focus on quality, the solvent-manufacturing unit at Sarnia

Financial Statistics

millions of dollars	1992	1991	1990	1989	1988
Earnings	14	2	24	80	104
Revenues	920	868	915	960	990
Capital expenditures	33	26	42	50	32
Capital employed at December 31	817	842	851	809	827
Return on average capital employed (percent)	1.7	0.2	2.9	9.8	12.1
Sales volumes (thousands of tonnes a day)					
Petrochemicals	2.6	2.4	2.2	2.1	2.1
Agricultural chemicals	4.7	4.3	4.4	4.1	4.3

One tonne is equal to approximately 1.1 short tons or 0.98 long tons.

became the first Imperial production facility to receive the International Standards Organization's coveted ISO 9002 quality rating. The ISO 9000 series of ratings are based on a rigorous set of standards that evaluate all manufacturing, customer-service and other processes to ensure that customers receive consistently high levels of product quality. The Paramins-additives production unit in Sarnia has subsequently received an ISO 9002 rating. Other units will seek ISO 9000 registration in the near future.

At the beginning of 1992, the company indicated that it did not consider its fertilizer operations to be a core business. While these operations have continued to generate significant cash flow, the rate of return has been relatively low because of the large amount of capital invested in the business during the early 1980s and the generally oversupplied condition of

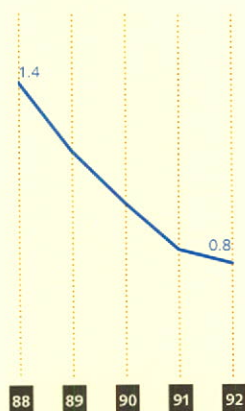
fertilizer markets since then. The company has subsequently looked at divestment prospects for this business and has determined that market conditions do not warrant a sale at this time.

As a result, Imperial has decided to continue operating the fertilizer business and to focus on further improving productivity and developing additional high-margin specialty products.

Capital expenditures for chemicals in 1992 were \$33 million compared with \$26 million in 1991 (1990 – \$42 million). Planned capital expenditures for chemicals in 1993 are \$30 million.

Looking ahead to 1993, conditions in chemical markets are expected to remain about the same as they were this year. In this environment, the company will continue to emphasize quality improvements and strict expense management.

Polyethylene Price
(thousands of dollars a tonne)



Polyethylene prices have been driven down by a world supply surplus.

Fertilizer Sales
(thousands of tonnes)



Fertilizer sales reached record levels due to favorable planting conditions in western Canada.

Imperial's commitment to environmental protection and employee health and safety is underpinned by a range of specific, coordinated programs.

ENVIRONMENT, HEALTH AND SAFETY

Environment

The goal of the company's environmental programs is to ensure compliance with government regulations and adherence to Imperial's own rigorous standards, which often lead the industry. For example, in 1992, the company's Sarnia chemical plant and Nanticoke refinery were rated best in terms of water-effluent quality for their respective industries in Ontario, according to a report published by the provincial environment ministry.

Over the past few years, Imperial has placed considerable emphasis on a program the company calls "operations integrity." That program sets demanding expectations for safe

and reliable management of all of the company's activities.

As part of the operations integrity program, all relevant company facilities have been surveyed over the past five years — 1,000 surveys in all. The findings of those surveys have been used to develop specific action plans to ensure regulatory compliance and prudent risk management.

In 1992, the company spent \$47 million on facilities and equipment to protect the environment. For example, it expanded the gasoline vapor-recovery program to a third distribution terminal — this one near Hamilton, Ont. — and purchased more equipment to enhance oil-spill response

capability. The company also spent \$31 million on site restoration at locations where operations have been discontinued.

In the quest for better and less costly ways to remediate properties, technology is an important ally. For example, in 1992, the company developed and tested a new soil-washing technique that holds great promise for cleaning up industrial sites contaminated by hydrocarbons. As well, two portable site-remediation systems were successfully tested. One uses catalytic conversion and heat to destroy hydrocarbon vapors after they are removed from the soil in a separate process called vapor

extraction. The other treats contaminated groundwater with hydrogen peroxide and ultraviolet light to destroy residual hydrocarbons.

Detailed inventories of solid and liquid waste from company operations were completed during 1992. This information will help identify cost-effective reduction opportunities.

Chemical operations have led the company in developing emission inventories and abatement strategies. Among their achievements are a 50-percent reduction of emissions at the Sarnia polyethylene plant, and the virtual elimination of start-up emissions at the sulphuric acid unit of the Redwater fertilizer plant.

The company, on its own and as a member of several industry associations, contributes to the development of environmental policy and provides expertise for defining industry codes of practice on environmental issues.

One example of this cooperative effort with



government and industry associations is work done on voluntary reductions of sulphur in diesel fuel for on-road use. Another example is vapor recovery at large urban distribution terminals.

The company also helped launch, in collaboration with industry, retailers and governments, a used-oil collection program that will eventually be available nationwide. This program, currently operating in Ontario and British Columbia, encourages individuals who change their own oil to return the used product for proper disposal and recycling.

Used oil can be reprocessed into new products, as is the case with Esso-brand Entech engine

and hydraulic oils, which bear the federal government's EcoLogo for products that offer Canadian consumers an environmental choice.

Imperial also helped other companies develop products from used materials. The chemical segment and Sarnia research centre worked on a process to help Enviroblock Surfacing Canada Inc. make an interlocking paving block from waste plastics, used tires and used asphalt. This product won *The Financial Post's* 1992 "Green Product" annual environmental award.

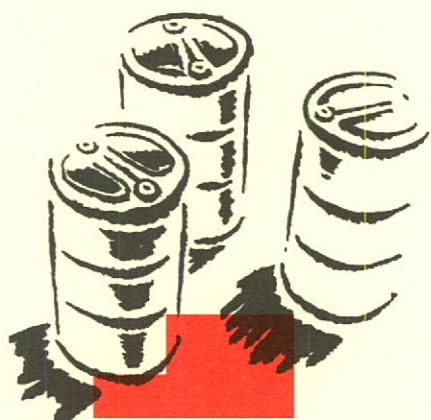
Health and safety

Imperial continues to emphasize safe work practices in every area of business. In 1992, the company had fewer lost time injuries than in 1991, but the total number of injuries increased. There were two contractor fatalities in 1992.

During the year, Imperial renewed its focus on awareness programs and training. The company also initiated work on further understanding human factors that affect safety.

Strong cash flow enabled Imperial to build a substantially improved financial position in 1992.

FINANCIAL REVIEW



By year-end, the company's balance of cash and highly liquid securities stood at just over \$1 billion, up from \$293 million the year before (1990 – minus \$64 million).

About a quarter of the company's billion-dollar cash reserve has been earmarked for further debt reduction. The remaining balance, together with anticipated cash flow over the next couple of years, will still exceed the company's expected needs for capital expenditures and current dividend payments.

Imperial wants to ensure that this cash balance and strong cash flow translate into improved shareholder value. Several methods for achieving that goal are currently being evaluated, and the company

expects to be in a position to announce specific measures later this year.

Focus on lower interest costs

Since the acquisition of Texaco Canada Inc. in 1989, which was initially financed primarily through borrowing, Imperial has placed a high priority on reducing debt to lower interest costs and restore financial flexibility.

At the same time as debt has been reduced, it has also been restructured to obtain the lowest possible rates. That has been done mainly by placing a large part of the debt in variable-rate notes denominated in U.S. dollars.


Since first adopted on a large scale several years ago, this strategy has resulted in interest rates about 3.5 percentage points lower, on average, than comparable rates available in Canada. Even with recent currency fluctuations taken into account, this strategy has resulted in substantial net savings for the company.

During 1992, the average interest rate on the company's debt fell to six percent, down from 7.6 percent the previous year (1990 – nine percent).

Debt-related interest expense fell to \$150 million in 1992, a reduction of 26 percent from \$203 million in 1991 (1990 – \$341 million).

Key debt-related ratio improves

The company's interest-coverage ratio, an important measure of ability to pay interest charges on its debt, also improved in 1992 from the previous year. On an earnings basis, interest coverage increased to 3.9 times, from 2.2 times in 1991 (1990 – 2.3 times).



Cash provided from operating activities increased by more than 20 percent to \$1,436 million in 1992.

On a cash-flow basis, which the company believes is an even better measure of debt-handling capability, interest coverage improved to 12.3 times, from 8.8 times the previous year (1990 – 4.6 times).

At year-end, the company's total debt — including financial guarantees — accounted for less than 29 percent of its capital structure. As conditions in financial markets permit, the company plans to make additional debt payments that will reduce debt towards a target of about 25 percent of capital.

Sources and uses of funds

Cash provided from operating activities increased by more than 20 percent, to \$1,436 million in 1992 from \$1,180 million in 1991 (1990 – \$1,034 million). Higher cash flow from earnings contributed \$155 million of the increase. The remaining improvement came from better management of working capital.

The latter change reflects the initial success of the company's efforts to effect a permanent reduction in working-capital requirements. Changes to payment terms and a substantial reduction in inventory volumes played a key part in that result.

Imperial's shareholders received dividends

Financial percentages and ratios (1)

	1992	1991	1990
Total debt as a percentage of capital (2)	28.9	28.1	31.0
Interest coverage ratios			
Earnings basis	3.9	2.2	2.3
Cash-flow basis	12.3	8.8	4.6

(1) For definitions see page 33.

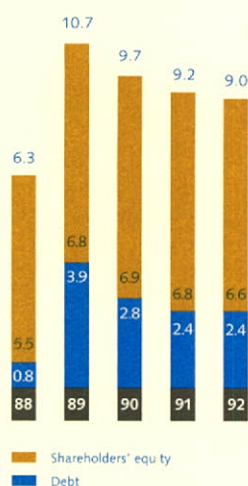
(2) Total debt includes guarantees relating to third-party debt.

of \$349 million, or \$1.80 a share in 1992, compared with \$347 million in 1991 (1990 – \$342 million).

Capital and exploration expenditures were \$467 million in 1992, compared with \$574 million in 1991 (1990 – \$678 million). Total expenditures were considerably lower than the \$635 million projected at the beginning

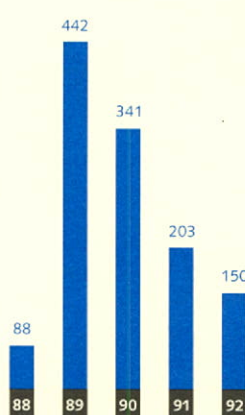
of 1992. The main reasons for the change were reduced investments in petroleum-product operations and lower exploration and development expenditures. Capital and exploration expenditures are expected to increase to \$585 million in 1993. That amount will be financed from internally generated funds.

Debt and Shareholders' Equity
(billions of dollars)



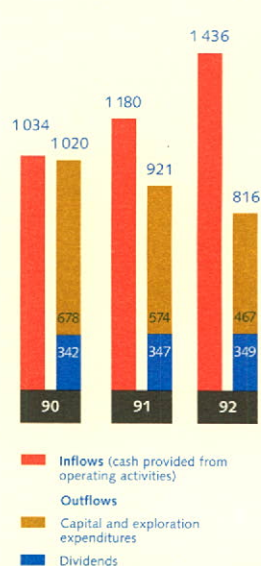
Total debt remained less than 30 percent of the company's capital structure.

Debt-Related Interest Expense
(millions of dollars)



Lower interest rates caused interest expense to fall by 26 percent.

Cash Flows
(millions of dollars)



Cash flow rose by 22 percent, considerably exceeding outflows for capital expenditures and dividends.

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF EARNINGS (a)

For the years ended December 31

millions of dollars	1992	1991	1990	1989	1988
Revenues					
Operating revenues	8 952	9 436	11 226	10 223	7 105
Interest and investment income (2)	175	62	72	97	100
Total Revenues (1)	9 127	9 498	11 298	10 320	7 205
Expenses					
Exploration	70	89	94	129	123
Purchases of crude oil and products	3 472	3 597	4 205	3 630	2 325
Operating	2 857	3 349	3 366	3 136	2 316
Commodity and other taxes (5)	1 122	1 096	1 758	1 619	964
Depreciation and depletion	894	833	884	815	462
Interest (12)	158	230	345	457	102
Total Expenses	8 573	9 194	10 652	9 786	6 292
Unusual Items (1,3)	(101)	(31)	(210)	22	—
Earnings Before Income Taxes	453	273	436	556	913
Income Taxes (8)	258	111	180	206	340
Net Earnings (15)	195	162	256	350	573
Per-Share Information (dollars)					
Net earnings (9)	1.01	0.84	1.34	1.95	3.50
Dividends	1.80	1.80	1.80	1.80	1.80

The notes referred to on this and the following two pages are found in the notes to the consolidated financial statements, pages 34 to 40.

The summary of significant accounting policies and glossary of terms are found on pages 30 to 32.

(a) Certain comparative figures have been reclassified to conform with the current year's presentation. There is no effect on earnings.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the years ended December 31

millions of dollars

inflow (outflow)	1992	1991	1990	1989	1988
Operating Activities					
Net earnings	195	162	256	350	573
Exploration expenses (b)	70	89	94	129	123
Depreciation and depletion	894	833	884	815	462
(Gain)/loss from divestments	101	(94)	(376)	(22)	—
Asset write-downs (3)	—	—	236	—	—
Deferred income taxes and other	(112)	3	(421)	(66)	162
Cash flow provided from earnings (c)	1 148	993	673	1 206	1 320
Receivables	57	400	(401)	131	7
Inventories and prepaids	174	208	(68)	(6)	57
Liabilities	57	(421)	830	(192)	(109)
Change in operating assets and liabilities	288	187	361	(67)	(45)
Cash Provided From Operating Activities	1 436	1 180	1 034	1 139	1 275
Investing Activities					
Payments for capital and exploration expenditures	(467)	(574)	(678)	(5 686)	(1 386)
Proceeds from sale of property, plant and equipment, and other long-term assets	245	410	1 003	170	17
Marketable securities – net	(750)	(5)	—	94	91
Cash Provided From (Used In) Investing Activities	(972)	(169)	325	(5 422)	(1 278)
Financing Activities					
Long-term debt issued	—	228	—	3 006	34
Repayment of long-term debt	(78)	(410)	(1 278)	(32)	(30)
Short-term debt – net	(58)	(241)	176	103	(17)
Common shares issued (9)	—	111	119	1 319	—
Dividends paid	(349)	(347)	(342)	(309)	(293)
Cash Provided From (Used In) Financing Activities	(485)	(659)	(1 325)	4 087	(306)
Increase (Decrease) In Cash	(21)	352	34	(196)	(309)
Cash At Beginning Of Year	286	(66)	(100)	96	405
Cash At End Of Year (a)	265	286	(66)	(100)	96

(a) Total cash and marketable securities at December 31, 1992, was \$1,022 million (1991 – \$293 million; 1990 – \$(64) million).

(b) Exploration expenses, deducted in arriving at net earnings, are reclassified and included in investing activities in the consolidated statement of cash flows.

(c) Includes dividends received from equity investments of \$13 million (1991 – \$13 million; 1990 – \$21 million).

CONSOLIDATED BALANCE SHEET (a)

As at December 31

millions of dollars	1992	1991	1990	1989	1988
Assets					
Current assets					
Cash	265	286	—	—	96
Marketable securities at cost	757	7	2	2	28
Accounts receivable	1 008	1 052	1 411	1 055	796
Inventories of crude oil and products (15)	468	604	801	785	399
Materials, supplies and prepaid expenses	140	178	189	182	149
Income taxes recoverable	—	—	—	—	71
Total current assets	2 638	2 127	2 403	2 024	1 539
Investments and other long-term assets	216	245	296	523	364
Property, plant and equipment (1)	9 965	10 760	11 378	12 206	7 494
Goodwill	373	400	432	478	10
Total Assets	13 192	13 532	14 509	15 231	9 407
Liabilities					
Current liabilities					
Outstanding cheques, less cash	—	—	66	100	—
Short-term debt	—	58	299	123	20
Accounts payable and accrued liabilities (14)	1 316	1 471	1 655	1 397	923
Income taxes payable	247	110	421	27	—
Total current liabilities	1 563	1 639	2 441	1 647	943
Long-term debt (6)	2 243	2 356	2 563	3 859	805
Other long-term obligations (4)	1 173	1 048	955	785	618
Commitments and contingent liabilities (7)					
Total Liabilities	4 979	5 043	5 959	6 291	2 366
Deferred Income Taxes	1 577	1 699	1 685	2 107	1 556
Shareholders' Equity					
Common shares (9)	2 977	2 977	2 866	2 746	1 426
Net earnings retained and used in the business					
At beginning of year	3 813	3 999	4 087	4 059	3 781
Net earnings for the year	195	162	256	350	573
Dividends	(349)	(348)	(344)	(322)	(295)
At end of year	3 659	3 813	3 999	4 087	4 059
Total Shareholders' Equity	6 636	6 790	6 865	6 833	5 485
Total Liabilities, Deferred Income Taxes and Shareholders' Equity	13 192	13 532	14 509	15 231	9 407

The summary of significant accounting policies, the glossary of terms and the notes are part of these consolidated financial statements.

(a) Certain comparative figures have been reclassified to conform with the current year's presentation.

Approved by the directors



Chairman and chief executive officer



President

MANAGEMENT REPORT

The accompanying consolidated financial statements and all information in this annual report are the responsibility of management. The financial statements have been prepared by management in accordance with generally accepted Canadian accounting principles and include certain estimates that reflect management's best judgements. Financial information contained throughout this annual report is consistent with these financial statements.

Management has developed and maintains an extensive system of internal control that provides reasonable assurance that all transactions are accurately recorded, that the financial statements realistically report the company's operating and financial results, and that the company's assets are safeguarded. The company's internal audit department reviews and evaluates the adequacy of and compliance with the company's internal controls. As well, it is the policy of the company to maintain the highest standard of ethics in all its activities.

Imperial's board of directors has approved the information contained in the financial statements. The board fulfills its responsibility regarding the financial statements mainly through its audit committee, details of which are provided on page 46.

Price Waterhouse, an independent firm of chartered accountants, was appointed by a vote of shareholders at the company's last annual meeting to examine the consolidated financial statements and provide an independent professional opinion.



R.B. Peterson



R.A. Brenneman
February 24, 1993


AUDITORS' REPORT

To the Shareholders of Imperial Oil Limited

We have audited the consolidated statements of earnings and of cash flows of Imperial Oil Limited for each of the three years in the period ended December 31, 1992, and the consolidated balance sheet as at December 31, 1992, and 1991. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the results of operations and cash flows of the company for each of the three years in the period ended December 31, 1992, and its financial position as at December 31, 1992, and 1991, in accordance with generally accepted accounting principles in Canada.



Chartered Accountants
1 First Canadian Place
Toronto, Ontario
February 24, 1993

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of Imperial Oil Limited and its subsidiaries. Intercompany accounts and transactions are eliminated. A list of significant subsidiaries is shown on page 33. A significant portion of the company's activities in natural resources is conducted jointly with other companies. The accounts reflect the company's proportionate interest in such activities.

Inventories

Inventories are recorded at the lower of cost or net realizable value. The cost of crude oil and products is determined primarily using the LIFO (last-in, first-out) method.

Investments

The principal investments in companies other than subsidiaries are accounted for using the equity method. They primarily represent interests in crude-oil and product pipeline companies. They are recorded at the original cost of the investment plus Imperial's share of earnings since the investment was made, less dividends received. Imperial's share of the after-tax earnings of these companies is included in "interest and investment income" in the consolidated statement of earnings. Other investments are recorded at cost. Dividends from other investments are recorded as income.

Property, Plant and Equipment

Property, plant and equipment, including related preoperational and design costs of major projects, are recorded at cost. Cost for property, plant and equipment of acquired companies is the fair market value to the company at the date of acquisition.

The company follows the successful-efforts method of accounting for its exploration and development activities. Under this method, costs of exploration acreage are capitalized and amortized over the period of exploration or until a discovery is made. Costs of exploration wells are capitalized until their success can be determined. If the well is successful, the costs remain capitalized; otherwise they are expensed. Capitalized exploration costs are reevaluated annually. All other exploration costs are expensed as incurred. Development costs, including the cost of natural gas and natural-gas liquids used as injectants in enhanced (tertiary) oil-recovery projects, are capitalized.

Maintenance and repair costs are expensed as incurred. Improvements that increase or prolong the service life or capacity of an asset are capitalized.

Investment tax credits and other similar grants are treated as a reduction of the capitalized cost of the asset to which they apply.

Depreciation and depletion (the allocation of the cost of assets to expense over the period of their useful lives) are calculated using the unit-of-production method for producing properties. Depreciation of other plant and equipment is calculated using the straight-line method, based on the estimated service life of the asset. In general, refineries are depreciated over 25 years; other major assets, including chemical plants and service stations, are depreciated over 20 years.

Gains or losses on assets sold or otherwise disposed of are included in the consolidated statement of earnings.

Goodwill

Goodwill is charged to earnings on a straight-line basis over the period of expected continuing value, to a maximum of 20 years. The amortization of goodwill is included in depreciation and depletion expense.

Site-Restoration Costs

Provision for site-restoration costs (net of any expected recoveries) is made if they can be reasonably determined. This provision is based on engineering estimates of costs, taking into account the anticipated method and extent of remediation consistent with legal requirements, industry practices, current technology and possible use of the site. For natural-resource assets, accruals are made over the useful life of the asset using the unit-of-production method. For other assets, a provision is made at the time management approves the sale or closure of a facility.

Revenues

Certain purchases and sales of crude oil and products are undertaken to improve the company's operating efficiency. Some of the company's crude-oil production is sold and other types of crude oil are purchased to optimize refining operations. Product purchase/sale agreements with other companies help the company to meet its supply requirements while reducing transportation and other costs. Such sales and purchases are offset in the consolidated statement of earnings.

Consumer Taxes and Crown Royalties

Taxes levied on the consumer and collected by the company are excluded from the consolidated statement of earnings. These are primarily provincial taxes on motor fuels and the federal goods and services tax. Crown royalties are also excluded.

In order to encourage investment, the Province of Alberta has reduced the amount of royalties payable during the early years of certain projects by allowing for the deduction of certain capital costs in determining royalties. The result is an increase in the company's share of production, which is accounted for as additional income.

Foreign-Currency Translation

Monetary assets and liabilities receivable or payable in foreign currencies have been translated at the rates of exchange prevailing on December 31. Exchange gains and losses arising from the translation of long-term debt are amortized over the remaining term of the debt.

Gains and losses on financial instruments used as hedges against foreign-currency exposures are offset against the associated losses and gains of the hedged item.

Financial Instruments

Financial instruments are recorded at historical cost, and unless otherwise indicated, their fair values approximate the recorded amounts.

The fair values of cash, marketable securities, accounts receivable, and current liabilities approximate recorded amounts because of the short period to receipt or payment of cash. The fair value of the company's long-term debt is estimated based on quoted market prices for the same or similar issues or on the current rates offered to the company for debt of the same remaining maturity. The fair values of other financial instruments held by the company are estimated primarily by discounting future cash flows using current rates for similar financial instruments under similar credit risk and maturity conditions.

Interest Costs

Interest costs are included in expenses as incurred.

Natural-Gas Take-Or-Pay Contracts

Amounts received under take-or-pay contracts for future delivery of natural gas are recorded as deferred revenue. These amounts are included in sales revenue when the gas is delivered.

GLOSSARY OF TERMS

Capital employed is total assets less current liabilities, excluding short-term debt and the current portion of long-term debt.

Cash represents cash in bank and cash equivalents, which are all highly liquid securities with a maturity of three months or less when purchased.

Debt represents amounts borrowed from external sources and capital leases. These amounts include long-term debt due within one year but exclude unamortized foreign-exchange gains or losses on debentures and notes.

Deferred income taxes are the difference between income taxes deducted in calculating earnings in accordance with generally accepted accounting principles and taxes currently payable under income-tax legislation. They result from certain deductions from income being recognized in different periods for tax and accounting purposes. The largest source of deferred income taxes is depreciation and depletion, where deductions are made earlier for tax purposes than for accounting purposes. Deferred income taxes are not a liability under the law.

Hedges are actions taken to offset the risk to the company of market fluctuations. The most common involve agreements to buy or sell foreign currency in the future at a set rate, so as to offset the risk from fluctuations in foreign-exchange rates.

Marketable securities are securities of the governments of Canada and the provinces, banks, and other corporations, with a maturity of longer than three months when purchased. These highly liquid securities either are short-term, with a fixed interest rate, or are floating-rate securities, with rates dependent upon short-term interest rates.

Net realizable value is the estimated selling price of an asset, less the estimated costs of preparing the asset for sale and of selling it.

Operating assets and liabilities consist of current assets and liabilities together with other long-term assets and certain other long-term obligations.

Per-share information is calculated by dividing the respective nominal amounts by the average number of shares outstanding, weighted monthly.

FINANCIAL PERCENTAGES AND RATIOS

Total debt as a percentage of capital

$$= \frac{\text{debt} + \text{guarantees to third parties}}{\text{debt} + \text{guarantees to third parties} + \text{shareholders' equity}}$$

Interest-coverage ratios

Earnings basis

$$= \frac{\text{net earnings} + \text{interest expense} + \text{income taxes}}{\text{interest expense}}$$

Cash-flow basis

$$= \frac{\text{cash provided from operating activities} + \text{income-tax payments} + \text{before-tax debt-related interest expense}}{\text{before-tax debt-related interest expense}}$$

Price to earnings ratio

$$= \frac{\text{closing share price as at December 31}}{\text{net earnings per share}}$$

Price to cash-flow ratio

$$= \frac{\text{closing share price as at December 31}}{\text{cash provided from operating activities per share}}$$

Return on average capital employed

$$= \frac{\text{net earnings} + \text{after-tax interest expense}}{\text{average capital employed}}$$

Return on average shareholders' equity

$$= \frac{\text{net earnings}}{\text{average shareholders' equity}}$$

SIGNIFICANT SUBSIDIARIES

at December 31, 1992 (a)

Esso Resources Enterprises Ltd.
Imperial Oil Resources Limited
Imperial Oil Resources N.W.T. Limited
Imperial Oil Resources Production Limited
Imperial Oil Resources Ventures Limited
The Imperial Pipe Line Company, Limited
McColl-Frontenac Petroleum Inc.
Metro Fuel Co. Ltd.
Mr. Lube Canada Inc.
Winnipeg Pipe Line Company Limited

(a) See page 30, principles of consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 BUSINESS SEGMENTS

millions of dollars	Natural resources			Petroleum products			Chemicals		
	1992	1991	1990	1992	1991	1990	1992	1991	1990
Revenues									
External	715	755	822	7 368	7 877	9 515	883	827	871
Inter-segment sales	1 600	1 647	2 383	162	184	243	37	41	44
Total revenues	2 315	2 402	3 205	7 530	8 061	9 758	920	868	915
Expenses before depreciation and depletion (a)	1 341	1 578	1 740	7 078	7 592	9 520	829	811	821
Depreciation and depletion (b)	560	526	556	239	229	245	69	56	55
Total expenses	1 901	2 104	2 296	7 317	7 821	9 765	898	867	876
Unusual items (note 3)									
Gain/(loss) from divestments	(96)	94	118	(5)	—	14	—	—	—
Workforce-reduction provisions	—	—	—	—	—	—	—	—	—
Asset write-downs	—	—	(236)	—	—	—	—	—	—
Total unusual items	(96)	94	(118)	(5)	—	14	—	—	—
Earnings before income taxes	318	392	791	208	240	7	22	1	39
Income taxes (note 8)									
Current	250	189	416	162	38	208	25	17	36
Deferred	(83)	(74)	(56)	(48)	79	(159)	(17)	(18)	(21)
Total income taxes	167	115	360	114	117	49	8	(1)	15
Net earnings	151	277	431	94	123	(42)	14	2	24
Property, plant and equipment									
Cost	9 673	10 093	10 227	4 488	4 544	4 480	1 283	1 269	1 247
Accumulated depreciation and depletion	3 294	3 045	2 688	1 831	1 750	1 599	630	579	524
Net property, plant and equipment	6 379	7 048	7 539	2 657	2 794	2 881	653	690	723
Total assets	6 693	7 529	8 174	4 305	4 783	5 437	917	934	969
Total capital employed	6 140	7 042	7 458	3 321	3 727	3 998	817	842	851
Capital and exploration expenditures	243	379	399	109	152	192	33	26	42

(a) Includes inter-segment purchases that are eliminated in the consolidated amounts.

(b) Includes \$32 million of goodwill charged to earnings in 1992 (1991 – \$38 million; 1990 – \$59 million). The accumulated amortization of goodwill at December 31, 1992, is \$111 million (1991 – \$140 million; 1990 – \$103 million).

The information in the above tables is presented as though each segment were a separate business activity. Inter-segment sales are made essentially at prevailing market prices. The consolidated figures exclude all inter-segment transactions. The company operates its business in Canada, in the following industry segments:

Natural resources includes the exploration for and production of crude oil and natural gas.

Petroleum products consists of the refining of crude oil into petroleum products and the distribution and marketing of these products.

Corporate and other			Consolidated		
1992	1991	1990	1992	1991	1990
161	39	90	9 127	9 498	11 298
23	21	16	—	—	—
184	60	106	9 127	9 498	11 298
253	273	373	7 679	8 361	9 768
26	22	28	894	833	884
279	295	401	8 573	9 194	10 652
—	—	244	(101)	94	376
—	(125)	(350)	—	(125)	(350)
—	—	—	—	—	(236)
—	(125)	(106)	(101)	(31)	(210)
(95)	(360)	(401)	453	273	436
(57)	(147)	(68)	380	97	592
26	27	(176)	(122)	14	(412)
(31)	(120)	(244)	258	111	180
(64)	(240)	(157)	195	162	256
500	401	382	15 944	16 307	16 336
224	173	147	5 979	5 547	4 958
276	228	235	9 965	10 760	11 378
1 277	286	(71)	13 192	13 532	14 509
1 403	352	62	11 681	11 963	12 369
82	17	45	467	574	678

Chemicals consists of the manufacturing and marketing of various hydrocarbon-based chemicals and chemical products, including fertilizers.

Corporate and other includes assets and liabilities that do not specifically relate to business segments — primarily cash, marketable securities, various investments, long-term debt and consolidating adjustments. Net earnings in this category include income and gains from investments, interest expense on financing activities and consolidating adjustments.

2 INTEREST AND INVESTMENT INCOME

Includes \$117 million (1991 – \$24 million; 1990 – \$20 million) of interest on income-tax refunds. The \$117 million results primarily from a recent court decision.

3 UNUSUAL ITEMS

The before-tax loss from unusual items was \$101 million in 1992 (1991 – \$31 million; 1990 – \$210 million). See note 1.

The after-tax impact of the unusual items was:

millions of dollars	1992	1991	1990
Gain/(loss) from divestments (a)			
Natural resources	(58)	149	116
Petroleum products	(5)	—	10
Corporate and other (b)	—	—	208
Total gain/(loss) from divestments after income taxes	(63)	149	334
Workforce-reduction provisions (c)	—	(77)	(215)
Asset write-downs (d)	—	—	(148)
Total unusual items after income taxes	(63)	72	(29)

(a) The company has divested certain assets as part of its ongoing restructuring to improve the efficiency of its operations. Divestments prior to 1992 were also made in order to reduce debt incurred in the 1989 acquisition of Texaco Canada Inc., and to meet commitments to the Government of Canada resulting from that acquisition.

(b) Represents the 1990 sale of the company's interest in Interhome Energy Inc.

(c) These provisions cover the cost of workforce-reductions in 1991 and 1990.

(d) In 1990 the company wrote off previously capitalized offshore Beaufort Sea costs (\$70 million) and wrote down the Byron Creek coal mine (\$78 million).

4 OTHER LONG-TERM OBLIGATIONS

millions of dollars	1992	1991
Deferred revenue on take-or-pay gas contracts	16	38
Employee retirement-income benefits (note 10)	469	435
Other post-employment benefits (note 11)	176	172
Site restoration (a)	387	320
Other obligations	125	83
Total other long-term obligations	1 173	1 048

(a) Total site restoration also includes \$41 million in current liabilities (1991 – \$58 million).

5 NET PAYMENTS TO GOVERNMENTS

millions of dollars	1992	1991	1990
Current income taxes (note 8)	380	97	592
Commodity and other taxes			
Federal sales tax (a)	–	–	556
Fuel excise tax	984	966	1 075
Property and other taxes	138	130	127
Total commodity and other taxes	1 122	1 096	1 758
Goods and services tax (GST)/Quebec sales tax (QST) collected (a)	665	705	–
GST/QST input tax credits (a)	(415)	(531)	–
Other consumer taxes collected			
on behalf of governments	1 288	1 209	1 476
Crown royalties	268	291	375
Payroll taxes included in expenses	28	42	37
Total paid or payable to governments	3 336	2 909	4 238
Less investment tax credits and other receipts	35	20	30
Net payments to governments	3 301	2 889	4 208
Net payments to:			
Federal government	1 556	1 237	2 041
Provincial governments	1 626	1 543	2 072
Local governments	119	109	95
Net payments to governments	3 301	2 889	4 208

(a) Effective January 1, 1991, the federal sales tax on manufacturers was replaced by the federal goods and services tax (GST), a new tax on consumers. The GST rules require that the company collect tax on its sales to the consumer and pay tax on its purchases from suppliers. The amounts

paid to suppliers — input tax credits — are deducted from the amounts collected from the consumer when payments are remitted to the federal government. On July 1, 1992, the Quebec provincial sales tax was substantially harmonized with the federal goods and services tax.

6 LONG-TERM DEBT

			1992	1991
year of issue	maturity date	rate of interest	millions of dollars	
Sinking-fund debentures				
1975	February 15, 1995	9 3/4	–	30
1979	September 15, 2009			
	(1992 – \$59 million (U.S.);			
	1991 – \$89 million (U.S.))	9 3/4	75	103
1989	October 15, 2019			
	(1992 – \$222 million (U.S.);			
	1991 – \$222 million (U.S.))	8 3/4	282	257
Total sinking-fund debentures			357	390
Other debentures and notes				
1983	March 31, 1993	12	–	51
1983	January 3, 1997	5	24	24
1989	December 15, 1999 (a)	9 7/8	297	297
1989	September 1, 2004			
	(1992 – \$1,100 million (U.S.);			
	1991 – \$1,100 million (U.S.)) (b) Variable		1 398	1 271
1991	August 20, 2001			
	(1992 – \$200 million (U.S.);			
	1991 – \$200 million (U.S.))	8.3	254	231
Total debentures and notes			2 330	2 264
Capital leases (c)			60	61
			2 390	2 325
Unamortized foreign-exchange gain/(loss)				
on debentures and notes			(147)	31
Total long-term debt (d) (e)			2 243	2 356

(a) In July 1992, the company entered into currency and interest-rate swap transactions with counterparties of high credit standing. The swaps are matched to \$150 million of the 9 7/8 percent (Canadian) debenture. The effect is to convert \$150 million (Canadian) fixed interest rate exposure to \$126 million (U.S.) floating interest rate exposure. The average effective rate for 1992 on the swap amount was 5.5 percent.

(b) This debt bears interest based primarily on U.S. commercial paper interest rates and may be repaid in part or in full at any time before maturity without premium. The average effective rate for 1992 was 3.7 percent (1991 – 5.9 percent).

(c) Capital lease principal payments made during 1992 were \$2 million (1991 – \$2 million; 1990 – \$3 million). Imputed interest on capitalized leases will be \$38 million during the next five years and \$64 million beyond five years and over the remaining life of the leases.

(d) Minimum future principal payments:

	Sinking-fund debentures	Other debentures and notes	Capital leases
	millions of dollars		
1993	–	51	1
1994	–	–	1
1995	–	–	1
1996	–	–	1
1997	24	–	2

At December 31, 1992, the company had \$655 million of uncommitted unused lines of credit available for short-term financing.

(e) The estimated fair value of the long-term debt at December 31, 1992, is \$2,452 million (1991 – \$2,379 million).

7 COMMITMENTS AND CONTINGENT LIABILITIES

At December 31, 1992, the company had commitments for noncancellable operating leases and other long-term agreements that require the following minimum future payments:

	Operating leases (a)	Other long-term agreements (b)
	millions of dollars	
1993	70	127
1994	59	125
1995	44	120
1996	29	115
1997	20	111
after 1997	65	873

(a) Total rental expense incurred for operating leases in 1992 was \$118 million (1991 – \$144 million; 1990 – \$141 million).

(b) Total payments under long-term agreements were \$213 million in 1992 (1991 – \$234 million; 1990 – \$227 million). As part of an agreement with Interprovincial Pipe Line (NW) Ltd. for the construction of a pipeline to the company's Norman Wells oil field, Imperial agreed to minimum pipeline charges to the year 2010, sufficient to service the debt associated with the pipeline. These amounts are included in the above table. The amount of that debt outstanding at December 31, 1992, was \$177 million.

In addition, the company has provided other guarantees totaling \$78 million.

As a condition of its 1989 acquisition of Texaco Canada, the company committed to the Government of Canada to supply agreed volumes of gasoline to independent marketers in Ontario and Quebec for periods of up to 10 years. The company is in compliance with the above. By the end of 1992, the company had also substantially fulfilled commitments on the sale of assets.

Other commitments for operating and capital needs, all arising in the normal course of business, do not materially affect the company's consolidated financial position.

In restructuring its business to improve efficiency and profitability, the company intends to sell, close down or otherwise dispose of a variety of assets. The specific assets, timing and amount of proceeds have not been determined. The aggregate proceeds received may be less than book value of the assets, plus related costs, resulting in charges to earnings. These would not materially affect the company's consolidated financial position.

The company provides in its financial statements for site-restoration costs (see the summary of significant accounting policies on pages 30 and 31). Provision is not made with respect to those manufacturing, distribution and marketing facilities for which estimates of these future costs cannot be reasonably determined. These are primarily currently operated sites. These costs (net of any expected recoveries) are not expected to have a material effect on the company's consolidated financial position.

Various lawsuits are pending against Imperial Oil Limited and its subsidiaries. The actual liability with respect to these lawsuits is not determinable, but management believes, based on the opinion of counsel, that any liability will not materially affect the company's consolidated financial position.

8 | INCOME TAXES

millions of dollars	1992	1991	1990
Summary of income-tax calculations			
Earnings before income taxes	453	273	436
Deduct			
Earnings from equity investments	11	10	21
Adjusted earnings	442	263	415
Basic corporate tax rate (percent)	44.5	43.8	43.6
Income taxes at basic rate	197	115	181
Increases (decreases) resulting from			
Nondeductible payments to governments	102	124	169
Resource allowance	(120)	(103)	(173)
Depletion allowance	(2)	(4)	(13)
Manufacturing and processing credit	(8)	11	–
Nondeductible depreciation and amortization	81	54	125
Gain on divestments	–	(103)	(125)
Other	8	17	16
Income-tax expense	258	111	180
Effective income-tax rate (percent)	58.4	42.2	43.4
Increases (decreases) in deferred income taxes from timing differences			
Depreciation	(64)	(77)	(154)
Pensions and severance payments	34	(21)	(92)
Successful drilling, injectants and land acquisitions	(83)	(30)	10
LIFO inventory valuation	–	163	(152)
Site restoration	(16)	(26)	(16)
Other	7	5	(8)
Deferred income-tax expense	(122)	14	(412)
Current income-tax expense	380	97	592

The operations of the company are complex, and related tax interpretations, regulations and legislation are continually changing. As a result, there are usually some tax matters in question. The company believes the provision made for income taxes is adequate.

Cash income-tax payments, after deducting investment tax credits, were \$253 million in 1992 (1991 – \$407 million; 1990 – \$190 million).

9 | COMMON SHARES

number of shares	1992	1991	1990
Authorized (a)	225 000 000	225 000 000	225 000 000
Issued at December 31 (a)			
Class A	–	–	191 496 994
Class B	–	–	256 743
Common shares	193 841 431	193 841 431	–
Total	193 841 431	193 841 431	191 753 737
Transactions during the year			
Dividend reinvestment and share purchase plan (b)	–	2 083 535	2 049 562
Class B stock dividends (c)	–	4 159	10 588
Total	–	2 087 694	2 060 150

(a) In 1991, a special shareholders' resolution amending the articles of the corporation was passed such that the authorized, issued and unissued Class A convertible shares and Class B convertible shares were changed into common shares on a share-for-share basis. Both Class A and Class B shares ranked equally in all respects including voting privileges.

(b) The dividend reinvestment and share purchase plan enables shareholders to reinvest their cash dividends in additional common shares and also to invest between \$50 and \$5,000 each calendar quarter in common shares.

From May 1989 to July 1991, the company offered a five-percent discount on its dividend reinvestment option of the plan and issued new shares to those participating in the plan. The value of shares issued in 1991 was \$111 million (1990 – \$119 million).

From July of 1991, funds directed to the plan are used to buy existing shares on a stock exchange.

(c) Holders of Class B shares received a stock dividend with values substantially equivalent to the cash dividend on Class A shares. The value of stock dividends issued in 1991 was \$0.2 million (1990 – \$0.7 million).

Earnings per share are calculated on the monthly weighted average number of shares outstanding during the year (1992 – 193,841,431; 1991 – 193,199,000; 1990 – 190,872,000).

Retirement-income benefits are company paid and cover almost all employees. Benefits are based on years of service and final average earnings. The company's related obligations are met through funded registered retirement plans and through unfunded supplementary benefits that are paid directly to most surviving spouses and certain retirees. The data below include funded benefits provided through the Imperial Oil retirement plans, the company's share of the Syncrude retirement plan, and unfunded benefits.

Pension expense and obligations for both the funded and unfunded benefits are determined in accordance with generally accepted accounting principles and actuarial procedures. The process includes making certain assumptions, which are described in (a).

Annual pension expense

millions of dollars	1992	1991	1990
Pension expense before			
workforce-reduction provisions	112	134	94
Pension expense portion of			
workforce-reduction provisions (c)	—	35	156
Total pension expense	112	169	250

Assets of the retirement plans are held primarily in equity, fixed-income and money-market securities, real estate and resource properties. Company contributions to the retirement plans are based on independent actuarial valuations and are made in accordance with government regulations. These contributions amounted to \$71 million in 1992 (1991 – \$72 million).

Funded status of the company's obligations at December 31

millions of dollars	1992	1991
Funded retirement plans		
Market value of assets	1 732	1 812
Accumulated earned benefit obligation (b)	1 765	1 797
Assets excess/(shortfall)	(33)	15
Additional unearned benefit obligation (b)	234	283
Unfunded obligation	267	268
Unfunded supplementary retirement		
income obligations (b)	272	291
Net unfunded obligations	539	559
The net unfunded obligations consist of		
Long-term liability (note 4)	469	435
Current liability	14	12
Prepaid pension cost	(36)	(41)
Unrecorded obligations – net	92	153
Total	539	559

Unrecorded obligations are amortized over the expected average remaining service of employees, which is currently 14 years (1991 – 15 years).

(a) In 1992, the discount rate, long-term return on plan assets and the rate of pay increases were assumed to be 8.5 percent, 8.5 percent and 5 percent respectively. For 1991 and 1990 the assumed rates were 8.5 percent, 8.5 percent and 6 percent respectively.

millions of dollars	Projected benefit obligation (b)	Pension expense
As calculated using company's assumptions	2 271	112
Impact of one-percent change in		
Rate of return and discount rate	210	35
Pay increases	75	20

(b) Retirement-benefit obligations consist of earned and unearned amounts. The accumulated earned-benefit obligation is based on the benefit formula, service to date and current pay; the additional unearned-benefit obligation is the extra amount that results from projected pay increases to the date of retirement. The unfunded supplementary retirement obligations include both earned and unearned amounts on a combined basis. The total is called the projected benefit obligation.

(c) These amounts are part of the workforce-reduction provisions described in note 3.

11 OTHER POST-EMPLOYMENT BENEFITS

The company shares the cost of certain health-care and life-insurance benefits for almost all retired employees and surviving spouses. The liability for this cost has been recorded for employees' service to date and for retirees. The annual charge to earnings is based on service provided in the year; cash payments are charged to the liability.

In 1992, other post-employment-benefits expense was \$18 million (1991 – \$17 million; 1990 – \$21 million).

Amounts recognized at December 31

millions of dollars	1992	1991
Long-term liability (note 4)	176	172
Current liability	12	9

12 INTEREST EXPENSE

millions of dollars	1992	1991	1990
Long-term debt			
Debentures and notes	142	184	305
Capital leases	8	8	11
Short-term notes	–	11	25
Other	8	27	4
Total interest expense	158	230	345

Cash interest payments in 1992 were \$167 million (1991 – \$252 million; 1990 – \$356 million).

13 RESEARCH AND DEVELOPMENT COSTS

Research and development costs in 1992 were \$83 million (1991 – \$100 million; 1990 – \$91 million) before investment tax credits earned on these expenditures of \$11 million (1991 – \$15 million; 1990 – \$13 million). The net costs are included in expenses.

14 TRANSACTIONS WITH EXXON CORPORATION AND AFFILIATED COMPANIES (EXXON)

The amounts paid and received by the company on transactions with Exxon in 1992 were \$1,215 million and \$419 million respectively (1991 – \$1,237 million and \$519 million; 1990 – \$1,397 million and \$427 million). The terms of the transactions were as favorable as they would have been with unrelated parties. The transactions primarily were the purchase and sale of crude oil, petroleum and chemical products. Transportation, technical and engineering services were also performed and received. Current amounts due to Exxon at December 31, 1992, were \$64 million (1991 – \$35 million; 1990 – \$91 million).

In 1991, Exxon acquired 1,452,300 shares as part of the share issues described in note 9 (1990 – 1,434,030 shares). These shares were acquired at the same prices as shares issued to other shareholders.

Exxon's ownership interest in Imperial Oil Limited at December 31, 1992, was 69.6 percent, unchanged from 1991 and 1990.

15 INVENTORIES OF CRUDE OIL AND PRODUCTS

In 1992, net earnings included an after-tax gain of \$25 million (1991 – \$2 million; 1990 – nil) attributable to the effect of a reduction in LIFO inventories. The replacement cost of inventories was estimated to exceed their LIFO carrying values at December 31, 1992, by \$494 million (1991 – \$529 million).

16 INTERNATIONAL ACCOUNTING STANDARDS AND UNITED STATES ACCOUNTING PRINCIPLES

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in Canada and conform in all significant respects to International Accounting Standards. Form 10-K, filed with the United States Securities and Exchange Commission, includes a description of the differences between the generally accepted accounting principles in Canada and those accepted in the United States as they apply to the company.

SUPPLEMENTAL OIL AND GAS INFORMATION

The information on pages 41 to 43 is provided in accordance with the United States' Statement of Financial Accounting Standards (SFAS) No. 69 "Disclosures about Oil and Gas Producing Activities." This statement requires specific disclosure about oil and gas activities only; accordingly, the data exclude information about coal reported in the natural-resource segment.

United States Securities and Exchange Commission regulations permit certain data to be included in Form 10-K. Accordingly, additional information required by SFAS No. 69 and a description of the differences between the generally accepted accounting principles in Canada and those accepted in the United States as they apply to the company are included in the Form 10-K.

Results of Operations

millions of dollars	Oil and gas			Syncrude			Total		
	1992	1991	1990	1992	1991	1990	1992	1991	1990
Sales to customers	405	400	668	1	—	—	406	400	668
Inter-segment sales	1 066	1 124	1 528	370	345	376	1 436	1 469	1 904
Total sales (1)	1 471	1 524	2 196	371	345	376	1 842	1 869	2 572
Production expenses	530	669	719	253	259	253	783	928	972
Exploration expenses (2)	70	118	256	—	—	—	70	118	256
Depreciation and depletion (3)	611	374	384	34	25	26	645	399	410
Income taxes	151	110	363	24	16	29	175	126	392
Results of operations	109	253	474	60	45	68	169	298	542

Capital and Exploration Expenditures

millions of dollars	Oil and gas			Syncrude			Total		
	1992	1991	1990	1992	1991	1990	1992	1991	1990
Property costs (4)	13	13	11	—	—	—	13	13	11
Exploration costs	59	107	100	—	—	—	59	107	100
Development costs	150	221	246	21	38	37	171	259	283
Total capital and exploration expenditures	222	341	357	21	38	37	243	379	394

Property, Plant and Equipment

millions of dollars	Oil and gas		Syncrude		Total	
	1992	1991	1992	1991	1992	1991
Property costs (4)						
Proved	3 029	3 151	—	—	3 029	3 151
Unproved	285	301	—	—	285	301
Producing assets	5 240	5 310	878	862	6 118	6 172
Support facilities	76	86	98	98	174	184
Incomplete construction	61	130	6	9	67	139
Total cost	8 691	8 978	982	969	9 673	9 947
Accumulated depreciation and depletion	3 057	2 700	237	210	3 294	2 910
Net property, plant and equipment	5 634	6 278	745	759	6 379	7 037

(1) Sales of crude oil to consolidated affiliates are at market value, using posted field prices. The value of sales of natural-gas liquids to consolidated affiliates are at prices estimated to be obtainable in a competitive, arm's-length transaction. Total sales are net of natural gas and natural-gas liquids purchased for resale.

(2) Includes \$141 million offshore Beaufort write-off in 1990.

(3) Net of \$96 million loss from divestments in 1992

(1991 – \$94 million gain; 1990 – \$118 million gain).

(4) "Property costs" are payments for rights to explore for petroleum and natural gas. "Proved" represents areas where successful drilling has delineated a field capable of production. "Unproved" represents all other areas.

SUPPLEMENTAL INFORMATION

NET PROVED DEVELOPED AND UNDEVELOPED RESERVES (1)

	Crude Oil (millions of barrels)				Natural Gas (billions of cubic feet)
	Conventional	Cold Lake	Syncrude	Total	
Beginning of year 1990	784	795	315	1 894	4 258
Revisions of previous estimates and improved recovery	(14)	2	(4)	(16)	(197)
Sale of reserves in place	(30)	—	—	(30)	(173)
Discoveries and extensions	4	—	—	4	135
Production	(64)	(31)	(14)	(109)	(196)
End of year 1990	680	766	297	1 743	3 827
Revisions of previous estimates and improved recovery	(11)	(1)	1	(11)	(17)
Sale of reserves in place	(26)	—	—	(26)	(251)
Discoveries and extensions	1	—	—	1	38
Production	(59)	(27)	(15)	(101)	(201)
End of year 1991	585	738	283	1 606	3 396
Revisions of previous estimates and improved recovery	(20)	10	60	50	(349)
Sale of reserves in place	(16)	—	—	(16)	(227)
Discoveries and extensions	5	—	—	5	—
Production	(52)	(29)	(16)	(97)	(169)
End of year 1992	502	719	327	1 548	2 651

(1) Net reserves are the company's share of reserves after deducting the shares of mineral owners or governments or both.

All reported reserves of crude oil and natural gas are located in Canada. Reserves of crude oil include condensate and natural-gas liquids. Conventional and Cold Lake crude-oil and natural-gas reserve estimates are based on geological and engineering data, which have demonstrated with reasonable certainty that these reserves are recoverable in future years from known reservoirs under economic and operating conditions existing at December 31 of the relevant year. Reserves of crude oil at Cold Lake are those estimated to be recoverable from the existing experimental pilot plants and stages 1 to 10 of the Cold Lake production project. The calculation of reserves of crude oil at Syncrude is based on the company's participating interest in the production permit granted in October 1979 and as amended in January 1985 and July 1988 by the Province of Alberta.

Net proved reserves are determined by deducting the estimated future share of mineral owners or governments or both. For conventional crude oil (excluding enhanced oil-recovery projects), oil from the Cold Lake pilots and natural gas, net proved reserves are based on estimated future royalty rates representative of those existing at December 31 of the year. Actual future royalty rates may vary with production and price. For enhanced oil-recovery projects, Syncrude, and stages 1 to 10 of the Cold Lake production project, net proved reserves are based on the company's best estimate of average royalty rates over the life of each project. Actual future royalty rates may vary with production, price and costs.

Syncrude's net proven reserves have been revised based upon a review of royalty payments to the end of 1992, as well as the company's assessment of Alberta's future royalty entitlements under existing agreements with the province.

Reserves data do not include crude oil and natural gas discovered in the Beaufort Sea – Mackenzie Delta and the Arctic Islands, or the reserves contained in oil sands other than those attributable to Syncrude, the Cold Lake pilot area and stages 1 to 10 of the Cold Lake production project.

In 1992, Imperial's net proved reserves of crude oil and natural gas decreased by 58 million barrels and 745 billion cubic feet respectively. Production in 1992 totaled 97 million barrels of crude oil and 169 billion cubic feet of natural gas. Sales of reserves accounted for an additional 16 million barrels of crude-oil and 227 billion cubic feet of natural-gas reserve decrease. Revisions to previous estimates resulting from

technical analysis and accounting adjustments accounted for the other significant change to the reserves base. While exploration continued to provide additions to conventional reserves, they were not sufficient to offset the effects of divestments and production.

Natural-gas reserves are calculated at a pressure of 14.73 pounds per square inch at 60 degrees Fahrenheit.

WELLS DRILLED (1)

	1992		1991		1990		1989		1988	
	gross	net	gross	net	gross	net	gross	net	gross	net
Western provinces										
Exploratory										
Conventional	6	5	39	23	51	32	35	23	30	14
Heavy oil	—	—	—	—	—	—	12	3	100	92
Development										
Conventional	104	27	58	23	93	35	134	48	215	114
Heavy oil	23	23	6	6	—	—	—	—	266	266
Northern areas and Atlantic offshore (2)										
Exploratory	—	—	1	1	1	1	3	1	—	—
Development	—	—	—	—	—	—	—	—	6	4
Total wells drilled										
Exploratory	6	5	40	24	52	33	50	27	130	106
Development	127	50	64	29	93	35	134	48	487	384
Total wells in progress	8	4	4	3	11	5	7	3	7	3

LAND HOLDINGS (1)

millions of acres	1992		1991		1990		1989		1988	
	gross	net	gross	net	gross	net	gross	net	gross	net
Oil and gas										
Canada										
Western provinces										
Conventional	8.2	3.7	9.5	4.5	11.5	5.5	12.5	5.9	9.1	4.0
Heavy oil	1.0	0.4	1.8	0.6	1.8	0.6	1.9	0.6	1.8	0.7
Northern areas (2)	1.3	0.5	1.7	0.7	2.1	0.7	2.4	1.0	2.8	1.2
Atlantic offshore	0.9	0.7	1.0	0.7	1.1	0.8	1.1	0.8	—	—
International										
Malaysia	—	—	—	—	2.2	0.4	2.2	0.4	—	—
Total oil and gas land holdings	11.4	5.3	14.0	6.5	18.7	8.0	20.1	8.7	13.7	5.9

(1) "Gross" includes the interests of others; "net" excludes the interests of others.

(2) Northern areas encompass the Arctic Islands, the Yukon and the Northwest Territories, including the Beaufort Sea – Mackenzie Delta region.

SHARE OWNERSHIP, TRADING AND PERFORMANCE

	1992	1991	1990	1989	1988
Share ownership					
Average number outstanding, weighted monthly (thousands)	193 841	193 199	190 872	179 243	163 691
Number of shares outstanding at December 31 (thousands)	193 841	193 841	191 754	189 694	163 703
Shares held in Canada at December 31 (percent)	26.5	25.3	22.6	22.6	21.7
Number of registered shareholders at December 31 (1)	22 010	22 468	22 908	24 344	24 953
Number of shareholders registered in Canada	19 290	19 648	19 903	21 172	21 730
Shares traded (thousands) (2)	31 848	34 267	37 154	38 033	31 161
Share prices (dollars) (2)					
High	48 1/8	61 1/8	67 5/8	64 1/8	63 1/2
Low	37 3/4	38 3/4	53 1/4	48 5/8	45
Close at December 31	40 5/8	40	58 5/8	64	50
Earnings per share (dollars)					
	1.01	0.84	1.34	1.95	3.50
Price to earnings ratio at December 31 (2)					
	40.2	47.6	43.8	32.8	14.3
Price to cash-flow ratio at December 31 (2)					
	5.5	6.5	10.8	10.1	6.4
Dividends (3)					
Total (millions of dollars)	349	348	344	322	295
Per share (dollars)	1.80	1.80	1.80	1.80	1.80

(1) Imperial is an affiliate of Exxon Corporation, which owns 69.6 percent of the company's shares.

(2) Data for all periods prior to July 1991 are for Class A shares.

(3) The fourth-quarter dividend has been paid on January 1 of the succeeding year.

Valuation Day Price

For capital-gains purposes, Imperial's common shares were quoted at \$31.50 per share on valuation day, December 31, 1971.

Information for Security Holders Outside Canada

Cash dividends paid to shareholders resident in countries with which Canada has an income-tax convention are usually subject to Canadian nonresident withholding tax of 15 percent. The withholding tax is reduced to 10 percent on dividends paid to a resident of the United States who owns at least 10 percent of the voting shares of the corporation.

There is no Canadian tax on gains from selling shares or debt instruments owned by nonresidents not carrying on business in Canada.

QUARTERLY FINANCIAL AND STOCK-TRADING DATA

	1992				1991			
	three months ended				three months ended			
	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31
Financial data (millions of dollars)								
Total revenues	2 073	2 333	2 344	2 377	2 410	2 353	2 334	2 401
Total expenses	1 954	2 199	2 176	2 244	2 131	2 300	2 239	2 524
Unusual items	(9)	(13)	(63)	(16)	57	(6)	18	(100)
Earnings before income taxes	110	121	105	117	336	47	113	(223)
Income taxes	70	63	59	66	140	42	28	(99)
Net earnings	40	58	46	51	196	5	85	(124)
Segmented earnings								
Natural resources	7	57	31	56	96	—	92	89
Petroleum products	58	13	27	(4)	141	34	29	(81)
Chemicals	1	14	—	(1)	2	6	(6)	—
Corporate and other	(26)	(26)	(12)	—	(43)	(35)	(30)	(132)
Net earnings	40	58	46	51	196	5	85	(124)
Per-share information (dollars) (1)								
Net earnings	0.21	0.30	0.23	0.27	1.02	0.03	0.44	(0.64)
Cash provided from operating activities	0.90	1.93	2.14	2.44	0.63	1.77	1.31	2.39
Dividends (declared quarterly)	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45
Share prices (dollars) (2)								
Toronto Stock Exchange								
High	43 3/4	47 1/4	48 1/8	45 1/2	61 1/8	57 3/8	56 7/8	53 1/2
Low	37 3/4	38 1/8	43	39 3/4	54	53	51 1/4	38 3/4
Close	38 1/4	43 7/8	43 1/8	40 5/8	54 1/8	53 3/8	53 1/4	40
American Stock Exchange (\$U.S.)								
High	36 5/8	39 1/2	39 7/8	36 1/2	52 3/4	49 3/4	49	47
Low	31 7/8	32	34 1/2	31	46 5/8	45 3/4	44 3/4	33 5/8
Close	32	36 5/8	34 1/2	31 3/4	46 5/8	46 3/4	47	34 3/4
Shares traded (thousands) (3)	9 802	8 499	5 451	8 096	9 374	10 860	6 202	7 831

(1) The average number of outstanding shares included in the calculation of earnings per share is weighted on a monthly basis. As a result, the sum of the quarterly earnings per share does not necessarily equal the yearly earnings per share.

(2) Imperial's shares are listed on the Montreal, Toronto and Vancouver stock exchanges and are admitted to unlisted trading on the American Stock Exchange in New York. The symbol on these exchanges for Imperial's common shares is IMO. Share prices were obtained from stock-exchange records.

(3) The number of shares traded is based on transactions on all the above stock exchanges.

BOARD OF DIRECTORS

Imperial's board of directors has the primary responsibility for the long-term strategic governance of the corporation in the interest of all shareholders. The relatively small number of board members facilitates a close working partnership and provides an effective forum for the resolution of a broad range of issues of concern to the company. Imperial elected its first three nonemployee directors in 1977, and each of these directors is still serving. The five nonemployee directors are chosen not only for their business and professional skills but for their regional diversity, which the company regards as essential for a corporation doing business from coast to coast in Canada.

The importance that Imperial attaches to the well-being of the communities in which it operates is reflected in the structure of some of its board committees. Its contributions committee meets regularly to oversee the company's contributions program, and in 1990 a committee was established to review the company's performance in its care for the environment and the health and safety of its employees and the public.

The long-term commitment of Imperial's directors to the corporation and its many stakeholders is reflected in the fact that, over the last 10 years, attendance at all meetings has averaged more than 93 percent. In 1992, attendance was 98 percent for directors' meetings and 99 percent for committee meetings.

Committees of Directors

Audit Committee

J.B. (Bruce) Buchanan, chair

The committee, composed of the five nonemployee directors and Mr. Brenneman, reviews the company's annual and quarterly financial statements, accounting practices, and business and financial controls. The internal audit program and its findings are reviewed with the committee. It also recommends to the directors the external auditors to be appointed by the shareholders at each annual meeting, reviews their audit work plan and approves their fees. The shareholders' auditors, Price Waterhouse, attend and participate in all meetings. The committee met seven times in 1992.

Contributions Committee

M. (Muriel) Kovitz, chair

The committee, composed of the five nonemployee directors and Mr. Brenneman, examines policies and programs related to contributions and recommends an annual budget for adoption by the directors. The company's contributions program is aimed at enhancing the quality of Canadian life through support for education, health, welfare, community services, culture and sport. The committee met four times in 1992.

Environment, Health and Safety Committee

W.A. (Bill) Macdonald, chair

The committee, composed of the five nonemployee directors and Mr. Peterson, reviews policies and programs for corporate environmental, health and safety matters. The committee also oversees the company's performance in this area and monitors compliance with regulatory and corporate standards in the company's operations. It also monitors trends and reviews current and emerging policy in these areas. The committee met five times in 1992.

Executive Resources Committee

P. (Pierre) Des Marais II, chair

The committee, composed of the five nonemployee directors and Mr. Peterson, is responsible for decisions on the compensation of senior management above the level of vice-president and for reviewing the executive development system, including specific succession plans for senior management positions. It also reviews corporate policy on compensation. The committee met five times in 1992.

Nominations Committee

R.J. (Dick) Currie, chair

The committee, composed of the five nonemployee directors and Mr. Peterson, recommends to the directors the slate of director candidates to be proposed for election by the shareholders at the annual meeting. It also recommends guidelines for the selection and tenure of directors and specific director candidates when vacancies are expected. The committee met twice in 1992.

INFORMATION FOR SHAREHOLDERS AND INVESTORS

Head Office

Imperial Oil Limited
111 St. Clair Avenue West
Toronto, Ontario, Canada M5W 1K3

Our Services to Shareholders

Imperial strives to provide its shareholders and interested investors with a variety of services and informative publications.

For More Information

About Your Shares

If you have a question about dividend payments, dividend reinvestment, lost dividend cheques, settling an estate, or transferring or replacing share certificates, you can use Imperial's toll-free service to obtain information 24 hours a day.

In Canada call: 1-800-267-9515

In the United States call: 1-800-388-1518

Employees with shares in the Imperial Oil savings plan should contact the benefits helpline.

About the Company

To receive the following printed financial information, you can leave a message with your request at (416) 968-5076. The information will be mailed to you within three business days.

- Annual and interim reports
- Form 10-K
- Information for Investors (a factbook that describes the company and its operations in detail — it also includes the most current financial information and executive speeches)

For other financial information write to the investor relations manager at Imperial's head office.

In addition, investors with access to a computer and modem can use Imperial's Investor Instant Information Service (4IS). If you wish to access the computer-based information service, the number is (416) 968-8465 (up to 2400 baud modem) (N-8-1) or, if you require assistance, please call the investor communications administrator at (416) 968-8145.

The Annual Meeting

The annual meeting of shareholders will be held in the Metro Toronto Convention Centre, 255 Front Street West, Toronto, Ontario, Canada, on Thursday, April 22, 1993, at 11 a.m. local time. The annual meeting record date is March 15, 1993.

Dividend Payments

Imperial has a long record of uninterrupted dividend payments. Anyone who is a registered owner of shares on the record date is paid the dividend. Record dates normally fall in the last month of each calendar quarter — i.e., March, June, September and December. The dividend payment date is normally the first day of the following month. For the first quarter of 1993, the record date was March 8, and the payment date is April 1.

To Increase Your Shareholdings

The dividend reinvestment and share purchase plan provides shareholders with two ways to add to their shareholdings at a reduced cost. The plan enables shareholders to reinvest their cash dividends in additional shares at an average market price. Shareholders can also invest between \$50 and \$5,000 per calendar quarter in additional shares at an average market price.

To Transfer Shares

To transfer Imperial Oil shares, contact the principal offices of our transfer agents: Montreal Trust Company of Canada, in St. John's, Charlottetown, Halifax, Saint John, Montreal, Toronto, Winnipeg, Regina, Calgary and Vancouver; and Mellon Securities Trust Company, in New York.

Shareholder Account Updates

To change your address, eliminate multiple mailings or for other shareholder account inquiries, please write to our transfer agent, Montreal Trust Company of Canada, at:

Montreal Trust Company of Canada
151 Front Street West, 8th Floor
Toronto, Ontario, Canada M5J 2N1

DIRECTORS, OFFICERS AND SENIOR MANAGEMENT

DIRECTORS

D.D. (Doug) Baldwin

Senior vice-president, resources division
Imperial Oil Limited
Calgary, Alberta

R.A. (Ron) Brenneman

President
Imperial Oil Limited
Toronto, Ontario

J.B. (Bruce) Buchanan

Vice-chairman
British Columbia Packers Limited
Vancouver, British Columbia

R.J. (Dick) Currie

President
Loblaw Companies Limited
Toronto, Ontario

P. (Pierre) Des Marais II

President and chief executive officer
UniMédia Inc.
Montreal, Quebec

B.J. (Brian) Fischer

Senior vice-president, chemicals division
Imperial Oil Limited
Toronto, Ontario

W.R.K. (Bill) Innes

Senior vice-president, products division
Imperial Oil Limited
Toronto, Ontario

M. (Muriel) Kovitz

President
Murko Investments Ltd.
Calgary, Alberta

W.A. (Bill) Macdonald

President
W.A. Macdonald Associates Inc.
Toronto, Ontario

R.B. (Bob) Peterson

Chairman and chief executive officer
Imperial Oil Limited
Toronto, Ontario

SENIOR MANAGEMENT AND OFFICERS

R.B. (Bob) Peterson

Chairman and chief executive officer

R.A. (Ron) Brenneman

President

D.D. (Doug) Baldwin

Senior vice-president
resources division

B.J. (Brian) Fischer

Senior vice-president
chemicals division

W.R.K. (Bill) Innes

Senior vice-president
products division

D.J. (Dan) Cacchio

Vice-president and comptroller

J.F. (John) Kyle

Vice-president and treasurer

R.C. (Ron) Walker

Vice-president and general counsel

J. (John) Zych

Corporate secretary

Version française du rapport

Pour obtenir la version française du rapport de la Compagnie Pétrolière Impériale Ltée, veuillez écrire à la division des Relations avec les investisseurs, Compagnie Pétrolière Impériale Ltée, 111 St. Clair Avenue West, Toronto, Canada M5W 1K3.

Imperial's vision is to be a premier corporation by achieving superior business results and by meeting the wide-ranging expectations of the millions of Canadians who have a direct or indirect stake in the company's business.

CORPORATE VISION

One of its primary means of achieving that vision is by providing customers with what they consider to be valuable goods and services at highly competitive prices.

Imperial also believes that as a premier company one of its objectives is to provide its shareholders with total returns in dividends and capital appreciation that are comparable with, or better than, investments in competing companies.

The company believes that its employees have a right to a safe and stimulating work environment, where they can progress toward mutually agreed-upon objectives in ways that provide reasonable scope for their own job satisfaction and personal development.

Imperial believes that its long-term business success depends on responding effectively to the environmental concerns of Canadians. To that end, the company plays an active and constructive role in discussions about environmental-policy development.

It also works to ensure that its facilities are designed and operated to minimize environmental risks — particularly discharges of hazardous emissions, and waste and oil spills. It also strives to ensure that its products are shipped and used in an environmentally responsible manner.

The company's overall approach to environmental protection is to do what it can, as soon as it can, where the need is greatest and where its efforts will have the most beneficial effect.

Imperial has long been one of the country's major corporate donors to education, health and culture. Imperial has been designated a "caring company" by the Imagine campaign, which is an initiative of the Canadian Centre for Philanthropy aimed at encouraging greater volunteerism in our society.

Imperial maintains the highest standards of integrity in all its business practices. It has had a written code of ethics for more than 20 years and regularly reviews its policies on ethics.

To maximize the benefit of its activities to Canada's economy, the company pursues an active program to identify and support Canadian suppliers. In 1992, more than 80 percent of the goods and services Imperial purchased came from Canadian sources.





Imperial Oil

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111 St. Clair Avenue West
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Canada M5W 1K3