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ANNUAL INFORMATION FORM

SUNCOR INC.
36 York Mills Road
North York, Ontario
M2P 2C5

March 22, 1990

Suncor Inc.

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Information in this Annual Information Form is set forth in metric units. Numbers of one thousand or more, other than dollar amounts, are expressed without commas (1 000) in accordance with the metric system. The following factors, which have been rounded to two decimal places, may be used to convert information into the units of measurement indicated below:

1 cubic metre (m^3) liquid = 6.29 barrels
1 cubic metre (m^3) gas = 35.49 cubic feet
1 hectare = 2.47 acres
1 tonne = 1.10 short tons
1 kilometre = 0.62 mile

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ITEM 1 NAME AND INCORPORATION OF ISSUER

Suncor Inc. was originally formed by the amalgamation under the Canada Business Corporations Act on August 22, 1979 of Sun Oil Company Limited, incorporated in 1923, and Great Canadian Oil Sands Limited, incorporated in 1953. On January 1, 1989 Suncor Inc. amalgamated with 116240 Canada Limited (formerly Trillium Exploration Corporation) under the Canada Business Corporations Act and continued under the name of Suncor Inc. Its registered and principal office is located at 36 York Mills Road, North York, Ontario, M2P 2C5. In the text of this annual information form, references to Suncor or "the Company" include Suncor Inc. and its subsidiaries unless the context otherwise requires.

ITEM 2 BUSINESS AND PROPERTY

Suncor is engaged in the exploration for and production of crude oil and natural gas and in refining and marketing of petroleum, natural gas and petrochemical products. Suncor operates through three principal groups: the Oil Sands Group, which produces synthetic crude oil from Athabasca oil sands near Fort McMurray, Alberta; the Resources Group, based in Calgary, Alberta, which explores for and produces natural gas and conventional and non-conventional oil and markets natural gas; and the Sunoco Group, with headquarters in Toronto, Ontario, which markets crude oil and refines and markets petroleum and petrochemical products.

In the five year period ended December 31, 1989 Suncor has been affected by significant changes, changes that have been of both an external nature as well those initiated by management.

An increased market orientation occurred in 1985 when the oil markets in Canada were deregulated, followed in 1986 with the deregulation of the natural gas business. The period since this time has seen crude and natural gas prices fluctuate in response to market place supply and demand.

The downstream business during this period has continued to be very competitive, with retail outlet rationalization, small growth in demand for gasoline and changes in both the methods for marketing gasoline and the product mix of gasolines sold.

The fiscal regime has also changed in this period, including the adjustment of provincial royalty holidays, the adjustment of provincial royalties and the removal of the Petroleum and Gas Revenue Tax.

During this period Suncor management has taken steps to both respond to the above factors and to increase Suncor's overall competitiveness. In all groups the complement has been reduced, with the total complement being reduced from 5 430 at the end of 1985 to 3 975 at the end of 1989.

As at December 31, 1989 Suncor had approximately 2 760 full-time employees and 1 215 part-time employees. The distribution between the business units was as follows:

Sunoco Group	2 052
Resources Group	235
Oil Sands Group	1 646
Corporate	42

In addition to the Suncor employees, independent contractors supply a range of services to the operating, maintenance and support functions.

Within the Resources Group divestment and rationalization measures have made the operation stronger and more competitive in the upstream petroleum industry. In 1989, expenses, including exploration expenses, were reduced 18 percent from the 1988 levels.

Management has also taken a more focused exploration approach with an increasing emphasis on natural gas. Natural gas now represents 42 percent of the group's production compared to 28 percent in 1985. Finding costs were more than 50 percent lower than in 1988.

In the Oil Sands Group improvement in the reliability of the operation and the resulting reduction in per unit operating cost has reduced the group's vulnerability to low crude prices. Production levels have increased from an average of 6.3 thousand m^3 (39.5 thousand barrels) per day in 1985 to 9.1 thousand m^3 (57.2 thousand barrels) per day in 1989. While high, sustained production rates have helped control per unit operating costs, Oil Sands Group has been continually searching for additional means of lowering costs. In addition to the review of operating expenses, management worked with the Alberta government to put in place a new royalty regime on the plant's production.

Cash costs, including royalties and capital expenditures, have declined by 46 percent at the end of 1989 from the 1985 level. Management will continue to focus its efforts on reducing costs and improving production reliability.

Sunoco Group has been focusing its investment and marketing initiatives on the retail gasoline segment of the transportation fuels market. Sunoco has continued to work on improving the competitiveness and profitability of its retail network. The total number of sites through which Sunoco sells its transportation fuels decreased from 980 in 1985 to 770 at the end of 1989 primarily from the elimination of underperforming sites. During the same period site throughput increased 24 percent as a result of the above rationalization program, the upgrading of existing sites and selective investment in new sites. Although the total number of sites has decreased significantly, the Company has increased the average site throughput 24 percent by the end of 1989 from the 1985 level.

Over this same period Sunoco's efforts have also been directed at differentiating itself from its competitors. This objective is being met by providing unique, high-quality products and services.

In Ontario and Quebec, Sunoco holds retail gasoline market share of approximately nine percent and five percent, respectively.

OIL SANDS GROUP

Suncor produces synthetic crude oil from mining the Athabasca oil sands at its plant site located near Fort McMurray, Alberta. Suncor pioneered commercial production of synthetic crude oil from oil sands, with initial plant production beginning in 1967. Today, Suncor is one of only two such producers of synthetic crude oil in the world.

Operations

Suncor's oil sands operations involve open pit mining of the sands after removal of overburden with mobile equipment. The oil sands are mined with large bucketwheel excavators and moved to the extraction plant by conveyor systems covering about 14 kilometres. Bitumen is extracted from the sands by a hot water process and is then upgraded by coking, distillation and treatment to remove sulphur and nitrogen. The upgraded distillates are blended into synthetic crude oil, most of which is shipped in the Company's 428 kilometre pipeline to Edmonton for distribution. Suncor's own utilities plant supplies steam and electric power to the oil sands operation. Supplemental electricity is purchased from an Alberta public utility.

Natural gas is supplied to the plant through a pipeline owned by Suncor which runs from north of Edmonton carrying natural gas produced by Suncor and others.

Operations at the oil sands plant are susceptible to loss of production due to the interdependence of the component systems and because some of the systems function as a single process train. Winter operations in the extreme cold are especially difficult and can result in reduced production.

On October 11, 1987 a major fire in the extraction facility forced the shutdown of the plant. Partial operations resumed in January, 1988 and full production was restored by late March. Expenditures to clean up, rebuild and make improvements to the extraction plant totalled $60 million. The total proceeds received under the insurance claim to partially offset this cost exceeded $25 million. To reduce the impact of the fire, plant maintenance turnaround activities originally scheduled for 1988 were undertaken in the fourth quarter of 1987.

Following the resumption of operations in 1988, efforts were intensified to eliminate or reduce plant operating risk. A facility risk review was completed and as a result a planning process was initiated immediately to address major risk items. Most high priority items are expected to be completed by the end of 1990, with tie-ins to operating systems effected during the planned 1990 turnaround.

In February 1989, the plant was awarded an Advanced Level Two rating from the International Loss Control Institute (ILCI). The Group will continue with work required to raise its ILCI rating. Full institution of the ILCI program and the implementation of the facility risk review measures will further the goals of safe, efficient and reliable production.

Over the past seven years Upgrading, Extraction and the plant's electrical system have been overhauled. Among the major items still to be addressed are upgrades to the main boilers and their instrumentation and water treatment systems.

Emphasis continues to be placed on improving production reliability. Further refinement was introduced to the sophisticated information systems used to detect potential equipment failure and determine the appropriate maintenance frequency. These improvements, in many cases, helped to determine the underlying causes of failures, predict when equipment is likely to fail and take necessary measures to prevent problems from occurring.

Oil Sands Group has focused much attention on reducing cash operating costs and improving productivity. The plant's cash operating costs (which include overburden cash expenditures and a provision for maintenance shut down but exclude royalties, capital expenditures, amortization, corporate overhead, interest and net employee housing) are about $94.00 per cubic metre of synthetic crude oil production, which represents a reduction of approximately 1/3 in cash operating costs as compared to pre 1986 levels.

As part of its ongoing strategy to improve the reliability of earnings and reduce dependence on the oil sands operation, Suncor is looking at several options at the oil sands plant.

The debottlenecking project is one option. With additional investment there are opportunities to reduce cash operating costs even further and to increase production and reliability. A phased approach to debottlenecking has been initiated which will increase the plant capacity. This proposal avoids the upfront capital cash requirements of the original proposal. However, like the original proposal, a phased approach will lower per barrel cash costs.

As another option which in addition rebalances Suncor's asset base, Suncor is continuing to explore opportunities with potential investors who may wish to participate in the oil sands plant.

In addition to substantial operating expenses, continued operation of the oil sands plant requires ongoing capital expenditures. Conveyor systems must be extended as mining activities move further away from the processing facilities, and mobile and other equipment must be replaced as it wears out. Suncor anticipates that sustaining capital expenditures of at least $50 million per year will be required over the next five years and thereafter to maintain production levels.

Suncor's mine plan, which addresses the optimum recovery of oil sands under the physical, technological, environmental and economic constraints associated with the mining operations, requires approval annually by the Energy Resources Conservation Board of Alberta.

Capital Expenditures

Capital expenditures in the Oil Sands Group for the periods indicated were:

	For the year ended December 31	
	1989	1988
	($ millions)	
Mine and mobile equipment	$16	$10
Debottlenecking	3	23
Upgrading, utilities and other plant[1]	22	35
Total	$41	$68

(1) 1988 includes $28 million of capital expenditures arising from the fire damage at the plant.

Leasehold Interests and Royalties

Suncor's current oil sands mining operations are conducted on a 2 456 hectare site covered by two oil sands leases granted by the Province of Alberta. These leases (86 and 17) are adjacent and located on the west bank of the Athabasca River, about 20 miles north of Fort McMurray. Under the leases, the Province is entitled to Crown royalties at rates which it establishes from time to time. Crown royalties expensed under these leases were $9 million in each of 1989 and 1988.

Under the current royalty structure commencing July 1, 1987, the royalty is calculated as the greater of 2 percent of revenues or 15 percent of revenues minus allowed operating and capital costs. This structure will remain in place until December 31, 1991 when the royalty will change significantly to be the greater of 5 percent of revenues or 30 percent of revenues less allowed operating and capital costs. The Crown royalty is payable in the form of synthetic crude oil, but the Province may request that Suncor dispose of the Crown share on its behalf.

Lease 86 covers 1 809 hectares. About 65 percent of Suncor's proved reserves of synthetic crude oil at the end of 1989 were located on the property covered by this lease. Up until February 28, 1989 Norcen International Limited ("Norcen") had a 25 percent interest in the lease and subleased it to Suncor. Last year, to resolve a number of disputes arising out of the sublease royalty arrangement, the parties settled all outstanding claims, terminated the existing sublease arrangement as of February 28, 1989 and replaced it with a new gross overriding royalty agreement effective March 1, 1989.

The new gross overriding royalty is based on a graduated scale expressed as a percentage of gross revenue from production of the lease. The new royalty provides that no payment is required if the synthetic crude prices are below $100.69/m^3 ($16/bbl Cdn.) and that a payment of 1 1/2 percent of gross revenue is required if the synthetic crude price ranges from $100.69 to $106.97/m^3 ($16.00 to $16.99/bbl). For every $6.29/m^3 ($1.00/bbl) increase in the price of crude in the range of $106.98 to $132.14/m^3 ($17.00 to $20.99/bbl), the percentage rate of the royalty increases by 1/2 of one percent and for every $6.29/m^3 increase in the price of crude in the range of \$132.15 to \$207.65/m^3 (\$21.00 to \$32.99/bbl), the percentage rate of the royalty increases by 1/4 of one percent until a maximum royalty rate of seven percent is reached. All of the above prices are calculated on a monthly average basis and the above crude break points are adjusted annually by a contractually determined inflation component. Royalties expensed under the sublease were \$19 million for 1989 and \$17 million for 1988.

Lease 17 covers 647 hectares adjacent to Lease 86. At the end of 1989, Lease 17 contained approximately 35 percent of Suncor's proved reserves of synthetic crude oil. No royalty other than Crown royalty is payable in respect of the second lease. Under Suncor's present mine plan, the remaining reserves on Lease 17 will be reached as mining operations on Lease 86 begin to be completed.

The oil sands leases run for terms of 21 years expiring in the year 2008 in the case of Lease 86 and the year 2000 in the case of Lease 17. Both are renewable so long as the plant or other works are in operation. Suncor owns the surface area of the land on which most of its plant facility is located.

Synthetic Crude Oil Gross Proved Reserves

Suncor engaged Coles, Gilbert Associates ("CGA"), independent petroleum consultants, to report on its reserves of synthetic crude oil as of December 31, 1989. Proved reserves are those considered with a high degree of certainty to be mineable using current and planned future mining methods and are based on the mine plan adopted by Suncor after considering the engineering and economic aspects of future production.

The estimate incorporates a bitumen grade cutoff of eight percent as well as the pit limit to which, in return for various concessions from the Governments of Alberta and Canada, Suncor Inc. agreed to in the 1982 mining plan. Future improvements in the extraction or upgrading process have not been considered. In addition to the mineable bitumen reserves, CGA is recognizing bitumen reserves associated with the tailings pond pump project. On site fuel consumption, currently in the order of 1.5 percent, has not been deducted from the estimate of synthetic crude oil reserves. The estimate of proved reserves was prepared without having regard as to whether or not these volumes or a portion of these volumes could be economically mined. On that basis CGA determined that the gross proved reserves of synthetic crude oil as of December 31, 1989 were 47 million m^3 before deduction of Crown and applicable sublease royalties.

Production

In 1989, average daily production was 9.1 thousand m^3 which represents a 16 percent increase over 1988. Overall this production level represents the best production year in the 22 year history of the plant.

The following table summarizes Suncor's synthetic crude oil operations for the years indicated.

	1989	1988
Oil Sands mined (millions of tonnes)	40.1	38.3
Overburden removed (millions of m^3)	9.9	10.2
Average bitumen content of oil sands mined (per cent by weight)	12.0	11.6
Partially and fully processed synthetic crude oil production (millions of m^3)(1)	3.4	2.9

(1) Before royalties and in plant usage.

Suncor currently anticipates that it will have mined the remaining 47 million m^3 of gross proved reserves of synthetic crude oil in approximately 14 years. Potential alternatives exist, including mining another oil sands lease held by Suncor 37 kilometres north of the existing plant site. In January, 1989, Suncor acquired an option to purchase another lease next to the existing plant site but across the Athabasca River. A decision will be reached during 1990 as to whether the option will be exercised.

Revenues from Synthetic Crude Oil

Under an agreement made at the outset of the oil sands project which has been amended from time to time, Shell Canada Products Limited is entitled to purchase approximately 25 percent plus 469 m^3 daily of Suncor's Fort McMurray synthetic crude oil production attributable to Suncor's first lease. The agreement remains in force until December 1992 and is renewable, at Shell's option, for further five-year periods. In 1989, 960 173 m^3 were sold to Shell. The price at which synthetic crude oil is sold to Shell approximates the price received from other customers.

A major portion of Suncor's synthetic crude oil production is used in connection with its Sarnia refining operations. During 1989, the refinery processed about 30 percent of Suncor's synthetic crude oil production. The balance is sold to others under contracts terminable by short notice or on a spot basis.

Total revenue for the Oil Sands Group was $443 million in 1989 compared with $328 million in 1988. Information as to synthetic crude oil sales revenues and costs for the last two years is shown below:

	For the year ended December 31	
	1989	1988
	(in dollars)	
Average sales revenue per m^3 of synthetic crude oil (including partially processed)	$133	$113
Average cost per m^3 of synthetic crude oil[(1)]	$119	$119

(1) All operating (including non-cash) costs and royalties; excludes corporate overhead, interest and net employee housing costs.

Costs of synthetic crude oil production are substantially higher than for conventional crude oil due to the nature of the operations required to produce synthetic crude oil.

Job Climate

The working climate has continued to improve at the oil sands plant with its unionized employees. The contractual arrangements are governed by a two-year agreement which expires on May 1, 1990. The current agreement was negotiated satisfactorily in 1988. In February 1990, a new agreement which will expire on May 1, 1992, was ratified and signed.

Employee Accommodation

Suncor is phasing out of the business of supplying housing for its employees and independent contractors in Fort McMurray. Subject to market demand, Suncor currently plans to complete the withdrawal from this business by the end of 1992. At December 31, 1989, Suncor's net investment in housing and related assets was $20 million.

RESOURCES GROUP

Suncor is active in the exploration for and development of petroleum and natural gas reserves in Canada. Suncor's current strategy is to concentrate on conventional crude oil and natural gas activities in western Canada, with increasing emphasis on natural gas activities, to evaluate further in situ heavy oil development, and to minimize exploration expenditures on frontier holdings.

A major highlight of the year was Resources Group's success in reducing expenses from 1988 levels. The largest contributor to the reduction was its divestment program, which resulted in the sale of high cost, low return properties allowing the group to consolidate its remaining properties and field offices. By December 31, 1989, the divestment program had been completed.

Acquisition, Exploration and Development Costs

Costs incurred, including capital expenditures, in the Resources Group for the periods indicated were:

	For the year ended December 31 1989	1988
	($ millions)	
Property acquisition costs: Unproved	5	16
Exploration costs (including support equipment)	19	29
Development costs (including support equipment)	33	50
Total	$ 57	$ 95

Note: Included in the 1989 development costs are $7 million spent on the Burnt Lake in-situ heavy oil project (1988 - $20 million). Approximately half of the 1989 costs are attributable to a contractual obligation to purchase a natural gas pipeline dedicated to serving the project.

Exploration and Development - Western Canada

Suncor's recent activities and longer-term program plans are directed towards developing large natural gas and crude oil reserves and consolidating the company's position in existing low-cost oil plays. Exploration play development, particularly land acquisition and seismic evaluation have therefore been concentrated in selected areas.

Gas exploration has been concentrated in the Slave Point Trend of northern Alberta and northeast British Columbia, in the Mississippian Trend located in the Peace River Arch and in the Swan Hills formation of North Central Alberta.

Oil exploration efforts were concentrated in the deeper zones below the Pembina Cardium field, in the lower Cretaceous sands of the Provost region and in the Triassic formations of Northern Alberta and Northeast British Columbia.

Concentration on relatively few play trends allows for a greater degree of focus of scientific effort and better coordination with field operations.

During 1989, Suncor participated in the drilling of 27 gross exploratory wells (15 net). Oil and gas was found in eight gross wells (four net) for a success rate of 30 percent. In addition, the Resources Group farmed out 17 prospects with oil and gas being found in four. While Suncor did not drill on any of its frontier lands, two other companies each drilled a well on Suncor lands. Both wells were dry.

FOCUS AREAS

Pembina Region

Suncor drilled three gross (1.6 net) wells for Nisku potential during 1989. All three wells were dry and abandoned in the Nisku, but oil and gas was discovered in an up hole horizon in one of the wells. Further exploration is planned to follow-up on these shallower successes. By year-end 23 gross sections (12 net) of mineral rights were purchased in this focus area.

Provost Region

A total of 12 wells (8.0 net) were drilled in the Provost region during 1989 resulting in six oil discoveries and six dry holes. By year-end these discoveries added 103 m^3/day of net production. Nine gross (six net) sections of mineral rights were purchased during the year and further exploration will proceed during 1990.

Slave Point Trend

Exploration activity increased dramatically in this focus area during 1989. Five gross (2.3 net) wells were drilled and gas was discovered in three. A discovery in the Hoffard area was producing 127 thousand m^3/day by year-end. An equally aggressive exploration effort is planned for 1990 to follow-up on recent successes.

Swan Hills Trend

Suncor's exploration program gained momentum in this region during 1989 with the drilling of two wells. Twenty-five gross (19 net) sections of mineral rights were acquired by year-end. Much more aggressive drilling and seismic programs are planned for 1990.

Triassic/Mississippian Trend

Suncor enjoyed a very successful year in this emerging play trend with two significant discoveries during 1989. An aggressive land and seismic program has positioned the group for a very active program to follow-up on recent successes. Twenty-seven gross (10 net) sections of mineral rights were acquired during 1989.

Exploration and Development - Frontier Areas

Suncor continues to hold interests in frontier properties and to monitor developments in Canada's frontiers and may pursue further developments in the future if and when economic conditions are appropriate.

Development - Infill Drilling

In 1989 Suncor focused its development activities mainly in the Provost and Enchant fields in Alberta. A total of 30 gross wells were drilled in these two areas adding approximately 218 m^3 net oil production per day. The development of the Liege gas field was completed and commenced production in March with Suncor's share being approximately 327 thousand m^3 per day. The Progress gas field development was nearing completion at year end and is expected to be on stream in the second quarter of 1990, with Suncor's share being approximately 210 thousand m^3 per day.

Drilling

The following table sets forth the gross and net exploratory and development wells which were completed, capped or abandoned in which Suncor participated during the years indicated.

	For the year ended December 31			
	1989		1988	
	Gross	Net	Gross	Net
Western Canada				
Conventional Oil and Gas				
Exploratory Wells				
Oil	6	3	18	8
Gas	2	1	4	2
Dry	19	11	38	18
Total	27	15	60	28
Development Wells				
Oil	63	22	81	24
Gas	3	1	5	4
Dry	9	3	13	8
Total	75	26	99	36
Non-conventional Oil (1)				
Burnt Lake	-	-	48	38
Total	-	-	48	38
Total Western Canada	102	41	207	102
Frontier (Trillium)				
Dry	-	-	2	-
Total	102	41	209	102

(1) The Burnt Lake project was put into a slowdown spending mode in December of 1988 with subsequent suspension occurring in April, 1989.

Not included are wells completed under farmout agreements on Suncor property since Suncor did not incur cash expenditures. During 1989 there were 25 such wells (17 exploratory and eight development); in 1988 there were 31 such wells (23 exploratory and eight development). Of the 1989 farmout wells, two were oil wells, four were gas wells and 19 were dry.

In addition to the above wells, Suncor had interests in eight gross (four net) exploratory wells and two gross (one net) development wells which were in progress at the end of 1989.

Non-Conventional Heavy Oil

Burnt Lake Heavy Oil Project

In 1986 the project was commenced resulting in Suncor earning a 79.1 percent working interest in four sections of oil sands leases in the Cold Lake area. The project was suspended that same year due to falling bitumen prices. Work resumed on the development of the in-situ recovery project in 1988 but was again suspended in 1989 in response to lower and continuing uncertainties over future bitumen prices. Suncor's decision to proceed with the project which would enable it to earn a 79.1 percent working interest in the remaining 44 sections of the oil sands lease will require confidence in a higher and sustained bitumen price outlook.

Fort Kent

During 1989 Suncor sold its 50 percent ownership in the 1 984 hectare in-situ steam stimulation heavy oil project near Bonnyville in the Cold Lake area of Northeastern Alberta. This followed the 1988 decision to terminate operations at the project.

Land Holdings

The following table sets forth the undeveloped and developed lands in which the Resources Group held petroleum and natural gas interests at the end of 1989. Undeveloped lands are lands on which no producing well or well capable of production has been drilled and developed lands are lands on which such a well has been drilled.

	Licences, Reservations, Permits and Exploration Agreements[1]		Leases[1]	
	Gross Hectares[2]	Net Hectares[2]	Gross Hectares[2]	Net Hectares[2]
Undeveloped Lands				
Western Provinces[3]				
British Columbia	24,633	13,693	58,199	30,103
Alberta[4]	106,867	51,721	251,416	150,119
Saskatchewan	24,476	24,476	20,635	12,938
Manitoba	-	-	5,621	3,389
Total	155,976	89,890	335,871	196,549
Frontier (Canada Lands)				
Northwest Territories & Yukon	19,182	14,386	-	-
Mackenzie Delta	-	-	2,715	1,221
Beaufort Sea	284,335	15,474	3,488	872
Arctic Islands	-	-	158,608	22,529
Offshore Labrador	-	-	25,185	2,518
Total	303,517	29,860	189,996	27,140
Developed Lands				
Western Provinces[3]				
British Columbia	-	-	52,146	14,789
Alberta[4]	12,454	4,813	366,261	133,155
Saskatchewan	-	-	12,721	10,190
Manitoba	-	-	870	566
Total	12,454	4,813	431,998	158,701
Frontier (Canada Lands)				
Northwest Territories	-	-	5,688	5,688
Mackenzie Delta	-	-	2,888	1,169
Total	-	-	8,576	6,857

Notes:

(1) No deduction has been made from Crown licences, reservations, permits or exploration agreements to reflect that only a portion of these areas may be converted to lease or production licence. Crown licences, reservations and permits are acquired from the provincial governments through competitive bidding and exploration agreements are acquired from the federal government by undertaking work commitments. These confer upon the holder exploration rights and the right to lease or apply for a production licence for the crude oil and natural gas rights under portions of the lands covered. The extent of such rights differs in each jurisdiction and between various areas in a single jurisdiction. The holder is generally required to make cash payments or undertake specified work in order to retain such rights. Leases in general confer upon the lessee the right to explore for and remove crude oil and natural gas from the property with the lessee paying all the development and operating costs and being entitled to the production, subject to rental, tax and royalty.

(2) "Gross hectares" means all hectares in which Suncor has an interest. "Net hectares" means gross hectares after deducting interests of others.

(3) Includes 83 059 gross developed hectares and 3 498 gross undeveloped hectares in western Canada in which Suncor held overriding royalty interests at the end of 1989 and from which it received revenues of about $2.9 million in 1989.

(4) Includes Lloydminster heavy oil and Cold Lake, Burnt Lake and Athabasca oil sands leases comprising 75 457 gross (51 691 net) undeveloped hectares and 42 328 gross (2 626 net) developed hectares.

Certain of Suncor's interests in undeveloped lands are subject to reduction under farmout agreements whereby others may earn interests in them by undertaking exploration or development work. Conversely, Suncor is a party to farm-in agreements whereby it may earn interests in land held by others by undertaking such work.

Reserves

CGA reported on Suncor's reserves of crude oil, with the exception noted under probable additional reserves, natural gas and natural gas liquids at December 31, 1989. The following table sets forth CGA's determination of Suncor's estimated recoverable reserves based on constant prices and costs as of that time with no escalation into the future.

	Gross		Net	
	Crude oil and natural gas liquids	Natural Gas	Crude oil and natural gas liquids	Natural Gas
	(millions of cubic metres)	(billions of cubic metres)	(millions of cubic metres)	(billions of cubic metres)
Proved -				
December 31, 1988	7.2	10.5	6.0	8.3
Revisions	-	0.4	-	0.6
Additions	0.3	0.7	0.2	0.6
Production	(0.7)	(0.9)	(0.6)	(0.7)
Sales	(0.1)	(0.5)	(0.1)	(0.4)
December 31, 1989	6.7	10.2	5.5	8.4
Proved producing -				
December 31, 1988	6.8	6.2	5.7	5.0
Revisions	(0.1)	1.2	(0.2)	1.1
Additions	0.1	0.1	0.1	0.1
Production	(0.7)	(0.9)	(0.6)	(0.8)
Sales	(0.1)	(0.3)	(0.1)	(0.2)
December 31, 1989	6.0	6.3	4.9	5.2
Probable additional -				
December 31, 1989	10.1	4.1	9.5	3.3

Notes:

(1) Proved reserves are those reserves estimated as recoverable under current technology and existing economic conditions, from that portion of a reservoir which can be reasonably evaluated as economically productive on the basis of analysis of drilling, geological, geophysical and engineering data, including the reserve to be obtained by enhanced recovery processes demonstrated to be economic and technically successful in the subject reservoir.

Proved producing reserves are those proved reserves that are actually on production or, if not producing, that could be recovered from existing wells or facilities and where the reason for the current nonproducing status is the choice of the owner rather than the lack of markets or some other reason. An illustration of such a situation is where a well or zone is capable but is shut-in because its deliverability is not required to meet contract commitments.

Probable additional reserves are those reserves which analysis of drilling, geological, geophysical and engineering data does not demonstrate to be proved under current technology and existing economic conditions, but where such analysis suggests the likelihood of their existence and future recovery. Probable additional reserves to be obtained by the application of enhanced recovery processes will be the increased recovery over and above that estimated in the proved category which can be realistically estimated for the pool on the basis of enhanced recovery processes which can be reasonably expected to be instituted in the future. Included in this category are Burnt Lake heavy crude oil reserves of 7.7 million cubic metres (gross) and 7.6 million cubic metres (net), which have not been prepared by CGA.

(2) Gross reserves represent the aggregate of Suncor's working interest in reserves including the royalty interest of governments and others in such reserves and Suncor's royalty interest in reserves of others. Net reserves are gross reserves less the royalty interest share of others including governments. Royalties can vary depending upon selling prices, production volumes, timing of initial production and changes in legislation. Net reserves have been calculated, following generally accepted guidelines, on the basis of prices and the royalty structure in effect at year end and anticipated production rates. Such estimates by their very nature are inexact and subject to constant revisions.

Approximately 55 percent of the proved oil reserves are in Alberta, primarily in the Medicine River, Swan Hills, Mitsue, Provost, Youngstown and Pembina oil fields. A majority of the remainder is located in Saskatchewan, primarily in the Oungre, Weyburn and Steelman oil fields. Approximately 78 percent of the proved gas reserves are in Alberta, primarily in the Rosevear, Stolberg, Pine Creek, Calling Lake, Liege West, Mountain Park and Thorsby gas fields. Most of the remainder are located in British Columbia, primarily in the Adsett, Blueberry West and Bougie Creek gas fields. Suncor's probable additional oil reserves are located primarily in the Oungre, Midale, Steelman and Eagle Lake fields in Saskatchewan, the Mitsue, Nipisi, Judy Creek, Swan Hills and Medicine River fields in Alberta and the Blueberry and Inga fields in British Columbia. Suncor's probable additional gas reserves are located primarily in the Mountain Park, Bonanza, Stolberg, Calling Lake and Pine Creek fields in Alberta and the Adsett and Bougie Creek fields in British Columbia. No amounts have been included in the reserves shown above in respect of Suncor's frontier or mineable oil sands properties. Only probable additional reserves are attributable to the Burnt Lake Heavy Oil Project at this time.

Production

The following table sets out Suncor's gross and net production during the years indicated. Gross production is that attributable to Suncor's share of production before deduction of applicable royalties and interests owned by others. Net production is gross production less such royalties and other interests.

	For the year ended December 31			
	1989		1988	
	Gross	Net	Gross	Net
Crude Oil (thousands of m^3)				
Alberta	427	357	476	398
Saskatchewan	136	97	200	150
British Columbia	38	31	45	37
Manitoba	12	9	14	10
Total	613	494	735	595
Natural Gas Liquids, including Condensates (thousands of m^3)				
Alberta	57	43	64	49
British Columbia	3	2	3	3
Total	60	45	67	52
Total Liquids	673	539	802	647
Natural Gas (millions of m^3)				
Alberta	825	644	785	628
British Columbia	38	33	31	27
Saskatchewan	6	5	9	7
Total	869	682	825	662

As of December 31, 1989, Suncor had interests in 5 547 gross (547 net) producing oil wells in 71 oil fields. Of the gross wells, 2 923 gross (304 net) were in Alberta, 1 921 gross (201 net) in Saskatchewan, 383 gross (25 net) in British Columbia and 320 gross (17 net) in Manitoba. Suncor had interests in 633 gross (175 net) natural gas wells in 72 gas fields; 544 gross (146 net) in Alberta, 67 gross (26 net) in British Columbia, 19 gross (0 net) in Saskatchewan and 3 gross (3 net) in the Northwest Territories at the end of 1989. At the end of the year, 907 gross oil wells and 207 gross gas wells were shut-in.

Sales and Sales Revenues

In 1989, total revenue for Resources Group was $123 million including $83 million from conventional oil and natural gas liquids and $39 million from natural gas. The following table shows sale prices and lifting costs in connection with Suncor's conventional and heavy oil and natural gas operations during the periods indicated:

	For the year ended December 31	
	1989	1988
Average sales price		
Crude oil (per m^3)	$121	$100
Crude oil and natural gas liquids (per m^3)	117	97
Natural gas (per thousand m^3)	45	50
Average lifting costs of oil and gas (per equivalent m^3 of gross production)(1)(2)	17	20

(1) Lifting costs include all expenses related to the operation and maintenance of producing or producible wells, gas plants and gathering systems. Such costs do not include royalties, depreciation and depletion, selling, general and administrative expenses, and income taxes.

(2) Computed under the relative energy content method whereby a volume of natural gas is equated to an equivalent volume of crude oil.

Suncor's crude oil production is utilized in its refining operations, exchanged for other crude oil with Canadian or U.S. refiners and sold to Canadian and U.S. purchasers. Sales are generally made under contracts which are terminable by relatively short notice or on a spot basis.

Gas Marketing

Until the deregulation of the Canadian natural gas industry through the Western Accord of March 31, 1985, Western Canadian natural gas production was sold primarily to large supply aggregators for resale into Eastern Canadian and U.S. markets. However, with deregulation direct sales from the producer to the end user became feasible. Resources Group recognized the opportunity for expanded natural gas production through deregulation and consequently, natural gas marketing became a major thrust for Resources Group.

Suncor consumes a significant volume of natural gas in its oil sands plant at Fort McMurray and in its Sarnia refinery. Resources Group supplies natural gas to each facility. A part of these facilities' annual gas requirement is purchased by Resources Group from other producers. The delivered price of gas to each facility is market based. Natural gas consumption in 1989 was 240 993 thousand m^3 for the oil sands plant and 155 632 thousand m^3 for the refinery.

Resources Group's natural gas production developed prior to 1986 is generally sold under long-term contracts with TransCanada Pipelines Limited ("TCPL") and Pan-Alberta Gas Ltd. ("Pan-Alberta"). Production developed after 1986 is sold under short-term contracts with Eastern Canadian industrial buyers and industrial buyers and local distribution companies in the U.S. Midwest. In 1989 Resources Group sold 930 thousand m^3 per day of proprietary gas production to aggregators and 1 454 thousand m^3 per day of proprietary production under direct sales arrangements.

With the removal of the regulated Alberta border price on November 1, 1986, net-back pricing schemes were adopted under contracts with aggregators whereby producers receive revenues equal to their proportionate share of sales less regulated transportation charges and a marketing fee. The initial two year term of most net-back pricing arrangements expired on October 31, 1988. These arrangements have been extended for a further two years by Pan-Alberta and for the remaining economic life of the reserves by TCPL. The TCPL arrangements modify the Topgas and Topgas II arrangements by reinstating take-or-pay at the 50 percent level effective November 1, 1990, by extending contracts to the end of the economic reserve life, by allowing for decontracting post-November 1, 1994 if take levels of less than 75 percent are attained, and by facilitating additions to TCPL's supply pool.

Prices for production sold under Resources Group's direct sale arrangements are generally fixed for one year intervals and reflect market conditions at the time of negotiation. The price reference for sales to Eastern Canadian customers is usually the Alberta border, with the customer being responsible for transportation of the purchased volume from the point of sale to their facility. The price reference for sales to Resources Group's current U.S. customers is generally at the terminus of the Northern Border Pipeline at Ventura, Iowa. Resources Group is responsible for transportation arrangements to the point of sale. To ensure future U.S. transportation capability and enable Resources Group to develop long-term gas contracts, Suncor contracted firm pipeline capacity of 1.4 million m^3 per day on the Northern Border Pipeline for a 15-year period, beginning on November 1, 1988. Resources Group is also examining opportunities for taking firm capacity on other U.S. pipelines.

Suncor owns the Albersun pipeline system which runs from north of Edmonton to Fort McMurray. The pipeline transports natural gas produced by Suncor or purchased from other producers in the Albersun area for use at Suncor's oil sands plant and for sale to other customers.

SUNOCO GROUP

Suncor conducts its refining and marketing of petroleum products and petrochemicals through Sunoco Inc. and its subsidiaries ("Sunoco").

Refining

Suncor owns and operates a refinery at Sarnia, Ontario. Average daily crude input in 1989 was 9 932 m^3 compared with 1988 average input of 8 946 m^3 per day. The effective economic crude unit processing capacity is 11 129 m^3 daily. The average utilization rate of the refinery, based upon crude unit processing capacity and input to crude units during 1989, was 89 percent compared to 80 percent in 1988. The refinery has cracking capacity of 5 883 m^3 daily of which 87 percent was utilized in 1989 compared to 84 percent in 1989. Lower crude and cracking capacity utilization rates in 1988 reflect production interruptions at the refinery associated with the extended shutdown of the catalytic cracking unit during the second quarter.

Suncor's refining operation uses both synthetic and conventional crude oil. In 1989, 63 percent of the crude oil refined at the Sarnia refinery was synthetic crude oil compared with 52 percent in 1988, the remainder being conventional crude oil. Of the synthetic crude, about 49 percent was from Suncor's oil sands plant production in 1989 compared to 64 percent in 1988, and the rest was purchased from another producer under month-to-month contracts. Conventional crude oil refined by Suncor comes mainly from the production of Suncor and others in western Canada, supplemented from time to time with crude oil from the United States which is purchased or obtained in exchange for Canadian crude. Crude oil from other countries can also be delivered to Sarnia via pipeline from the United States Gulf Coast providing additional flexibility and security of supply. The market for crude oil generally is conducted on a spot basis or under contracts terminable by short notice.

Suncor's gross crude oil production as a percentage of crude oil refined for Suncor's account equalled 110 percent for 1989, compared with 112 percent for 1988.

The refinery produces transportation fuels, heating oils, heavy fuel oils and petrochemicals. The petrochemical facilities, with a design capacity of 1 180 m^3 daily, produce benzene, toluene and mixed xylenes and recover orthoxylene from mixed xylenes.

Suncor uses reciprocal product exchanges with other refiners to minimize transportation costs, balance product availability in particular locations, and optimize refinery utilization. In addition, Suncor purchases refined products on occasion to supplement its own refinery production.

Marketing

Suncor markets transportation fuels, heating oils and lubricants under the Sunoco brand to retail, commercial and industrial customers, primarily in Ontario and Quebec. The company also supplies these products to independent marketers.

Suncor also markets toluene, mixed xylenes and orthoxylene in Canada, the United States and Europe. These petrochemicals are used in manufacturing plastics, rubber, synthetic fibres and explosives, as industrial and agricultural solvents and as gasoline octane enhancers. The majority of Suncor's benzene production is exchanged with another petrochemical manufacturer for a mixed toluene-xylene stream. The company also sells liquified petroleum gases which are produced in the course of its petrochemical production, including propane and butane, to various industrial users and to resellers.

Suncor retails transportation fuels, lubricants and other products (tires, batteries and accessories) through a network of approximately 770 outlets, located primarily in Ontario and Quebec. Of this total, approximately 600 outlets bear the Sunoco brand and are owned or leased by the company or its dealers. Suncor also manages approximately 170 privately branded retail outlets under long-term management agreements expiring on various dates.

Sunoco continued to improve the competitiveness and profitability of its retail network by increasing site throughput, upgrading existing sites and expanding the chain of company-owned service stations and car washes. Ten new outlets were opened in 1989.

Suncor has facilities in Toronto and Montreal for blending and packaging lubricants which are sold under the Sunoco brand, as well as to independent distributors. The Company also sells residual fuel oil on a spot basis or as asphalt feedstock.

The following table sets forth the average daily volumes of refined products sold by Suncor for the periods indicated:

	For the Year Ended December 31 (thousands of m^3 per day) 1989	1988
Transportation Fuels (1)	7.7	7.4
Petrochemicals (2)	1.6	1.7
Heating Oils	1.4	0.9
Heavy Fuel Oils	0.6	0.6
Other (3)	1.2	1.5
	12.5	12.1

(1) Includes gasoline, diesel fuel and propane for vehicle use
(2) Includes liquified petroleum gases
(3) Includes lubricants and refinery feedstocks

Revenue from third parties for transportation fuels for the years 1989 and 1988 was 62 percent and 63 percent respectively, of consolidated sales and other operating revenues.

Transportation and Distribution

Suncor operates storage facilities and bulk distribution plants in Ontario and Quebec and has a 55 percent interest in a refined product pipeline between Sarnia and Toronto. It employs a variety of transportation modes to deliver products by water, rail and road.

ENVIRONMENTAL PROTECTION

Federal and provincial conservation and environmental legislation applies to all aspects of Suncor's operations. These regulatory schemes are laws of general application which apply to Suncor in the same fashion as they apply to other companies and enterprises in the energy resources industry and they require Suncor to obtain air and water control licences and impose certain standards and controls on plant design, reclamation projects, drilling activity and well control, oil spills, leaks from transportation and storage facilities and emission standards. Suncor uses its best efforts to ensure that its operations are carried out in an environmentally acceptable manner. As society's environmental concerns, understanding and expectations grow, Suncor is committed to meeting its responsibilities to protect the environment wherever it operates. Suncor expects to make increased expenditures of both a capital and expense nature as a result of the increasingly stringent laws relating to the protection of the environment.

GOVERNMENT REGULATION

The oil and gas industry operates in Canada under federal, provincial and municipal legislation and regulations which govern land tenure, royalties, production rates, environmental protection, disposition of production and taxation among other matters.

Between 1973 and 1985, the industry operated under federally imposed controls on prices and exports. The National Energy Program, introduced by the federal government in October, 1980, extended regulation of these matters and established a broad range of pricing, taxation and other measures. In 1985, the Western Accord and the Natural Gas Agreement, between the governments of Canada and the provinces of Alberta, British Columbia and Saskatchewan, ended the National Energy Program by introducing deregulation of pricing and marketing and eliminating a number of federal oil and gas taxes, and made provision for a new frontier energy policy.

Agreements have also been entered between the governments of Canada and the provinces of Newfoundland and Nova Scotia relating to oil and natural gas management and revenue sharing off the coasts of Newfoundland and Nova Scotia.

The Canada Petroleum Resources Act regulates crude oil and natural gas interests in the Canada Lands, which are under the jurisdiction of the federal government, and replaced the Canada Oil and Gas Act. The Canada Petroleum Resources Act, among other things, provides for a 25 percent exploration tax credit for qualifying frontier exploration expenses without regard to Canadian ownership.

Provincial Land Tenure

Most of Suncor's land rights in the province of Alberta are under petroleum and natural gas leases granted by the Crown in right of Alberta with primary terms of five, ten or 21 years. All such leases will be continued beyond the primary term for those producing or capable of producing petroleum substances in paying quantities. If production ceases then up to one year's notice will be given by the Crown to restore production or the lease will terminate. Rights to zones below the deepest zone considered by the province of Alberta to be capable of production in commercial quantities will revert to the province at the end of the primary term of the lease.

Petroleum and natural gas rights acquired in the province of British Columbia are in the form of drilling licences, permits, and leases with primary terms of five or ten years.

In the province of Saskatchewan, Crown petroleum and natural gas rights are acquired in the form of drilling reservations with one year terms, permits with three year terms and leases with primary terms of five years. All Crown leases will be continued beyond the primary term for those producing or capable of producing petroleum substances.

Some of Suncor's rights held in Alberta, British Columbia and Saskatchewan are subject to work commitments.

Foreign Ownership and Competition

By virtue of Sun Company, Inc. being its major shareholder and because of the nature and size of its business, some of Suncor's acquisition activity may require government review under the Investment Canada Act. As well, the premerger notification provisions in the Competition Act will apply to certain of Suncor's transactions.

ITEM 3 SUMMARY OF CONSOLIDATED FINANCIAL INFORMATION

	1989	1988	1987	1986	1985
	($ millions except per share amounts)				
Annual data:					
Sales and other operating revenues	$1,485	$1,342	$1,364	$1,150	$1,466
Total revenues	$1,488	$1,345	$1,370	$1,157	$1,474
Earnings before unusual items	$ 49	$ (4)	$ 48	$ 1	$ 33
Earnings (loss) for the year	$ 49	$ (49)	$ 48	$ (7)	$ 21
Total assets	$2,048	$2,023	$2,080	$2,107	$2,251
Long-term borrowings & redeemable preferred shares	$ 222	$ 296	$ 227	$ 353	$ 424
Earnings (loss) per common share	$ 0.90	$(0.92)	$ 0.87	$(0.15)	$ 0.37
Cash dividends per:					
Common Share	$ -	$ 0.39	$ 0.20	$ 0.29	$0 .77
Preferred Shares Series A	$ 1.92	$ 1.92	$ 1.92	$ 1.92	$ 1.92

	Dec.31 1989	Sept.30 1989	June 30 1989	Mar.31 1989	Dec.31 1988	Sept.30 1988	June 30 1988	Mar.31 1988
	($ millions except per share amounts)							
Quarterly data:								
Sales and other operating revenues	$389	$364	$387	$345	$370	$323	$332	$317
Total revenues	$390	$364	$388	$346	$371	$324	$332	$318
Earnings (loss) before unusual items for the period	$ 9	$ 18	$ 14	$ 8	$ 13	$ -	$ (2)	$ (15)
Earnings (loss) for the period	$ 9	$ 18	$ 14	$ 8	$(10)	$ 8	$ (32)	$ (15)
Earnings (loss) per common share for the period	$0.18	$0.31	$0.26	$0.15	$(0.20)	$0.15	$(0.60)	$(0.27)

ITEM 4 MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The information required by this item is incorporated herein by reference to pages 23 to 27 in the Company's 1989 Annual Report to Shareholders.

ITEM 5 MARKET FOR THE SECURITIES OF THE ISSUER

The authorized share capital of Suncor consists of an unlimited number of common shares without nominal or par value and an unlimited number of preferred shares without nominal or par value issuable in series, the first being Preferred Shares Series A originally 1 107 145 in number. Redemptions to December 31, 1989 have reduced the authorized number of Preferred Shares Series A to 497 211. Reference is made to the three paragraphs under the heading "Voting Shares and Principal Holders Thereof" on pages 1 and 2 of the Management Proxy Circular dated March 22, 1990, which information is incorporated by reference.

The common shares are not listed on any stock exchange in Canada or elsewhere but are part of the over-the-counter automated trading system introduced in Ontario in 1986. The Preferred Shares Series A are listed on the Toronto and Alberta stock exchanges. The 12 5/8 percent Series B Debentures are listed on The Stock Exchange of the United Kingdom and the Republic of Ireland.

ITEM 6 DIVIDENDS

Dividend Policy

Holders of Preferred Shares Series A are entitled to and have received to date a fixed cumulative preferential cash dividend at an annual rate of one dollar and ninety-two cents per share, payable in quarterly instalments in lawful money of Canada on the first days of March, June, September and December.

Suncor's board of directors has a policy of paying holders of common shares dividends commensurate with the dividend payout rates adopted by other integrated Canadian petroleum corporations where such payments are consistent with applicable law and the prudent exercise of discretion. In 1988 and 1989 holders of common shares received an annual dividend of forty cents per share, payable in quarterly instalments in lawful money of Canada or in fully paid common shares (with fractional shares being paid in cash). In 1990, the directors have decided to suspend the quarterly payment of common share dividends and to determine the nature and the amount of the 1990 annual common share dividend in the fourth quarter.

Dividend Record

Dividends were paid in 1988 and 1989 as follows:

			Preferred Shares Series A	Common
Quarters	1988	- 1	0.48	0.10
		- 2	0.48	0.10
		- 3	0.48	0.10
		- 4	0.48	0.10
	1989	- 1	0.48	0.10*
		- 2	0.48	0.10*
		- 3	0.48	0.10*
		- 4	0.48	0.10*

* In 1989 dividends were paid in fully paid common shares at a rate equivalent to $0.10 per share, valued for the purpose of the dividend at book value at year end 1988, with fractional shares being paid in cash.

ITEM 7 SUBSIDIARIES OF SUNCOR

The following is a list of the principal subsidiaries of the Company.

NAME	Jurisdiction of Incorporation	Voting Securities of Subsidiaries Owned by the Company
Athabasca Realty Company Limited	Alberta	100%
Sunoco Inc.	Ontario	100%
Sun-Canadian Pipe Line Company Limited	Ontario	55%
Suncor (Saskatchewan) Inc.	Canada	100%

ITEM 8 DIRECTORS AND OFFICERS

Directors

Suncor's Articles stipulate that there shall be not more than 15 nor fewer than 8 directors, as the board of directors may determine from time to time. It is presently determined that the board of directors shall consist of 13 directors. The term of office of each director is from the date of the meeting at which he is elected until the next annual meeting of shareholders or until a successor is elected or appointed.

Except as otherwise indicated below with respect to Mr. Ezrin, Mr. Kingsmill, Mr. Saint-Pierre and Mr. Wyman, all of the directors have been engaged in their present principal occupations or in other executive capacities with the companies or firms with which they currently hold positions for more than 5 years. Mr. Ezrin was Principal Secretary and Deputy Minister to the Premier of Ontario prior to December, 1988 and prior to June, 1985, he was Chief of Staff to the Leader of the Opposition, Ontario. Mr. Kingsmill was a partner in the law firm of Tilley, Carson & Findlay prior to April, 1988. Mr. Saint-Pierre was President and Chief Executive Officer of Ogilvie Mills Ltd. and Senior Vice President of John Labatt Limited prior to January, 1989. Mr. Wyman was Chairman of Pemberton Securities Inc. prior to June, 1989.

Suncor does not have an Executive Committee. It is required to have an Audit Committee, the members of which are:

Harry Booth
Ardagh S. Kingsmill
John P. Neafsey
Donald J. Smith
W. Robert Wyman

Name and Municipality of Residence	Principal occupation and major positions and offices with Suncor or its significant affiliates	Director since*
Harry Booth Calgary, Alberta	Chairman of the Executive Committee, Board of Directors, Alberta Natural Gas Company Ltd., a company with natural gas transportation and petrochemical interests.	July 26, 1984
Robert H. Campbell Villanova, PA	Executive Vice President and a director of Sun Company, Inc.	April 26, 1984
Max B. E. Clarkson Toronto, Ontario	Professor, Faculty of Management, University of Toronto.	September 7, 1977
Hershell E. Ezrin Toronto, Ontario	Senior Vice-President, Corporate & Public Affairs The Molson Companies Limited, a corporation with interests in brewing, chemical specialties, retailing and sports and entertainment.	April 27, 1989
Ardagh S. Kingsmill, Q.C. Toronto, Ontario	Partner in the law firm of McCarthy Tetrault.	April 30, 1964
Michael M. Koerner Toronto, Ontario	President of Canada Overseas Investments Limited, a venture capital investment management company.	May 31, 1977
Edward J. McGrath London, Ontario	Partner in the law firm of McGrath, Braiden & Sheppard.	May 29, 1986
John P. Neafsey Haverford, PA	Executive Vice President and a director of Sun Company, Inc.	May 3, 1979
Bill N. Rutherford Berwyn, PA	Senior Vice President, Human Resources and Administration, Sun Company, Inc.	November 22, 1988

Directors (continued)

Name and Municipality of Residence	Principal occupation and major positions and offices with Suncor or its significant affiliates	Director since*
J. A. Guy Saint-Pierre Montreal, Quebec	President and Chief Executive Officer of The SNC Group Inc., a company with operations in engineering, construction and defence manufacturing.	September 24, 1980
Donald J. Smith London, Ontario	Chairman and Chief Executive Officer of Ellis-Don Limited, a general contractor.	April 27, 1989
Thomas H. Thomson Toronto, Ontario	Chairman, President and Chief Executive Officer of Suncor Inc. and President and a director of Sunoco Inc.	April 24, 1985
W. Robert Wyman Vancouver, B.C.	Vice-Chairman of RBC Dominion Securities Inc., a national investment dealer.	November 25, 1987

Officers

Name and Municipality of Residence	Office Held
Thomas H. Thomson Toronto, Ontario	Chairman, President and Chief Executive Officer
Douglas G. MacKenzie Oakville, Ontario	Executive Vice President, Sunoco Group
Michael A. Supple Fort McMurray, Alberta	Executive Vice President, Oil Sands Group
Robert H. Writz, Jr. Calgary, Alberta	Executive Vice President, Resources Group

Officers (continued)

Name and Municipality of Residence	Office Held
Peter T. Spelliscy Toronto, Ontario	Senior Vice President, Human Resources and Administration
Grant A. T. Allan Oakville, Ontario	Vice President, Finance and Planning
Michael W. O'Brien Toronto, Ontario	Vice President, Corporate Development
Harry Maguss Calgary, Alberta	Vice President, Production Division, Resources Group
Hendrik H. Wind Calgary, Alberta	Vice President, Natural Gas Marketing and Supply, Resources Group
Arnold L. Godin Fort McMurray, Alberta	Vice President, Mining and Extraction, Oil Sands Group
Bernard A. Lang Fort McMurray, Alberta	Vice President, Strategic Development, Oil Sands Group
Edward J. Pacholko Fort McMurray, Alberta	Vice President, Technical Resources, Oil Sands Group
Donald R. Brown, Q.C. Toronto, Ontario	General Counsel and Secretary
Anthony A. L. Wright Toronto, Ontario	Treasurer and Assistant Secretary
David R. Maughan Toronto, Ontario	Assistant Treasurer

The principal occupation of each officer is the office held with Suncor. Each such officer has been engaged in his present principal occupation or in other executive or employee capacities with Suncor or its affiliates for the past five years, other than as follows: D. G. MacKenzie was Senior Vice President - Petro-Canada Products, a division of Petro-Canada Inc. prior to May, 1986; and D. R. Brown was Vice-President and General Counsel of Traders Group Limited prior to February, 1988; and H. H. Wind was Manager, Marketing and Joint Ventures of Norcen Energy Resources Ltd. prior to November, 1986.

As of March 22, 1990, none of the directors or officers beneficially owned, directly or indirectly, or exercised control or direction over any shares of Suncor or its subsidiaries.

ITEM 9 ADDITIONAL INFORMATION

Additional information, including remuneration of directors and executive officers, indebtedness of directors and officers, principal holders of Suncor's securities and interests of insiders in material transactions is contained in Suncor's Management Proxy Circular dated March 22, 1990 for the annual meeting of shareholders to be held on April 26, 1990. Additional financial information is provided on pages 29 to 42 and in the Auditors' Report on page 28 of Suncor's Annual Report to Shareholders for the year ended December 31, 1989. The foregoing information is incorporated herein by reference.

Copies of these documents may be obtained upon request from the Secretary, Suncor Inc., 36 York Mills Road, North York, Ontario, M2P 2C5.