

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This Pricing Supplement No. 1, together with the Prospectus (as defined below), as amended or supplemented, and each document deemed to be incorporated by reference into the Prospectus, as amended or supplemented, constitutes a public offering of these securities only in the jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933 and, subject to certain exceptions, may not be offered or sold within the United States of America.



SUNCOR ENERGY INC.

Pricing Supplement No.: 1
Date: November 9, 2023

(To a Short Form Base Shelf Prospectus of Suncor Energy Inc. ("Suncor") dated May 25, 2022 (the "Prospectus")).

SERIES 9 MEDIUM TERM NOTES
(unsecured)

TERMS OF ISSUE

Designation:	5.60% Series 9 Medium Term Notes (the "Notes")
CUSIP/ISIN:	86721ZAW9 / CA 86721ZAW91
Principal Amount:	\$1.0 billion
Commission Rate:	0.20%
Issue Price:	\$998.66 per \$1,000 principal amount
Yield to Maturity:	5.672%
Net Proceeds (after commission):	\$996,660,000
Currency:	Canadian dollars
Trade Date:	November 9, 2023
Settlement Date:	November 17, 2023
Maturity Date:	November 17, 2025
Place of Delivery:	Calgary, Alberta
Coupon Rate:	5.60% per annum
Coupon Payment Dates:	Semi-annually in arrears on May 17 and November 17 in each year
Initial Coupon Payment Date:	May 17, 2024
Initial Coupon Payment:	\$28.00 per \$1,000 principal amount
Day Count Convention:	For periods less than a full semi-annual period, actual/365, or if such period falls entirely within a leap year, a 366 day year, as the case may be.
Form of Issuance:	Fully registered global note in the name of "CDS & Co."

Redemption Provisions:	Suncor may redeem the Notes, either in whole at any time, or in part from time to time, upon not less than 10 and not more than 60 days' prior notice, and upon such conditions as may be specified in the applicable notice of redemption, at a price equal to the greater of (i) par and (ii) the Canada Yield Price (as defined below), in each case together with accrued and unpaid interest to, but excluding, the date of redemption.
Government of Canada Yield Additional Percentage:	28 basis points
Trustee and Paying Agent:	Computershare Trust Company of Canada
Dealers:	CIBC World Markets Inc. RBC Dominion Securities Inc. TD Securities Inc. Scotia Capital Inc. Mizuho Securities Canada Inc. J.P. Morgan Securities Canada Inc. Merrill Lynch Canada Inc. SMBC Nikko Securities Canada, Ltd. Desjardins Securities Inc. ATB Capital Markets Inc. (collectively, the " Dealers ")
Method of Distribution:	Agency
Aggregate Principal Amount of Medium Term Notes Outstanding (including those described in this Pricing Supplement No. 1 and the Series 10 Notes (as defined below) described in Pricing Supplement No. 2:	\$2,927 million
Use of Proceeds:	<p>Suncor estimates that the net proceeds from the offering of the Notes pursuant to this Pricing Supplement No. 1 will be approximately \$993,652,950.00, after deducting the Dealers' commissions and estimated expenses payable by Suncor of approximately \$3,007,050.00.</p> <p>Suncor intends to use the net proceeds from the sale of the Notes and the Series 10 Notes to fund a portion of the purchase price for the TotalEnergies Canada Acquisition (as defined below) and for general corporate purposes. The TotalEnergies Canada Acquisition will have an effective date of April 1, 2023 and is anticipated to close in the fourth quarter of 2023, subject to the satisfaction or waiver of all closing conditions. Pending any such use of the net proceeds, Suncor intends to invest the net proceeds from the sale of the Notes in bank deposits and short-term marketable securities.</p> <p>The closing of the offering of the Notes is not contingent upon the closing of the TotalEnergies Canada Acquisition and the closing of the TotalEnergies Canada Acquisition is not contingent upon the closing of the offering of the Notes. In the event that the TotalEnergies Canada Acquisition is not completed, Suncor may use the net proceeds from the sale of the Notes to reduce its existing</p>

short-term indebtedness, for working capital and other general corporate purposes.

Other Provisions:

Nothing in the Indenture prevents, if otherwise permitted by law, the consolidation, amalgamation or merger of Suncor with any other corporation, including any affiliate of Suncor, or prevents the sale by Suncor of all or substantially all of the assets of Suncor and its subsidiaries on a consolidated basis to another corporation, including any affiliate of Suncor, lawfully entitled to acquire and operate the same, provided, however, that:

- (i) no condition or event shall exist as to Suncor or such successor or assign either at the time of or immediately after such consolidation, amalgamation, merger or sale and after giving full effect thereto, or immediately after such successor or assign shall become liable to pay the principal, premium, if any, and interest, which constitutes or would, with the giving of notice or lapse of time or both, constitute a default or an Event of Default under the Indenture; and
- (ii) every such successor or assign shall, as a part of such consolidation, amalgamation, merger or sale and in consideration thereof enter into and execute such indenture or indentures supplemental to the Indenture in favour of the Trustee as the Trustee may reasonably require whereby such successor or assign covenants to:
 - (a) pay punctually when due the principal monies, premium, if any, interest and other monies payable under the Indenture;
 - (b) perform and observe punctually all the obligations of Suncor under and in respect of all outstanding Notes; and
 - (c) observe and perform each and every covenant and agreement of Suncor contained in the Indenture as fully and completely as if it had itself executed the Indenture as Suncor and had expressly agreed in the Indenture to observe and perform the same.

Notwithstanding anything in the Indenture to the contrary, Suncor may consolidate or amalgamate with or merge into or enter into a statutory amalgamation with any direct or indirect wholly-owned subsidiary and may convey, transfer or lease all or substantially all of the properties and assets of Suncor and its subsidiaries on a consolidated basis to any direct or indirect wholly-owned subsidiary without complying with the foregoing provisions in a transaction or series of transactions in which Suncor retains all of its obligations under and in respect of all outstanding Notes (a "**Permitted Reorganization**"), provided that Suncor has provided the Trustee and all of Suncor's then current ratings agencies with notice of Suncor's intention to enter into a Permitted Reorganization at least 45 days prior to the proposed date of completion of such Permitted Reorganization (the "**Permitted Reorganization Date**"), provided that such 45-day notice period shall not apply with respect to the amalgamation of Suncor, FH Holdings Inc. and TotalEnergies EP Canada Ltd. in connection with the TotalEnergies Canada Acquisition, for which Suncor shall instead be required to provide the Trustee and all of Suncor's then current ratings agencies with notice of Suncor's intention to enter into such Permitted Reorganization prior to the proposed date of completion thereof, and provided further that on or prior to the Permitted Reorganization Date Suncor has delivered to the Trustee a certificate of Suncor confirming that, as of the Permitted Reorganization Date: (i) all Debt of Suncor which ranked *pari passu* with the then outstanding Notes immediately prior to the proposed Permitted Reorganization will rank no better than *pari passu* with such Notes after the Permitted Reorganization; for certainty, there is no requirement for any such other Debt to obtain or maintain similar ranking to such Notes and such other Debt may be structurally subordinated or otherwise subordinated to the Notes; or (ii) at least two of Suncor's then current credit rating agencies (or if only one credit rating agency maintains ratings in respect of Suncor's debt securities at such time, that one rating agency) have affirmed that the rating assigned by them to the Notes shall not be downgraded as a result of the Permitted Reorganization, or notice thereof.

FORWARD-LOOKING STATEMENTS

This Pricing Supplement No. 1, the Prospectus and the documents incorporated by reference therein contain "forward-looking statements" and "forward-looking information" within the meaning of applicable Canadian securities laws (collectively, "**forward-looking statements**").

In addition to the cautionary statement below and the cautionary statement set forth under "*Forward-Looking Statements*" in the Prospectus, with respect to forward-looking statements contained in the documents incorporated by reference in the Prospectus, prospective purchasers should refer to "*Advisory – Forward-Looking Information and Non-GAAP Financial Measures*" in the AIF (as defined below), "*Advisories – Forward-Looking Information*" in the 2022 MD&A (as defined below) and the Q3 2023 MD&A (as defined below) and "*Advisories*" in the Proxy Circular (as defined below), as well as the advisories section of any documents incorporated by reference in the Prospectus that are filed after the date of this Pricing Supplement No. 1 and prior to the termination of the offering of the Notes.

Forward-looking statements may be identified by words like "expects", "anticipates", "will", "estimates", "intends", "may" and similar expressions. Forward-looking statements in this Pricing Supplement No. 1 include references to: the TotalEnergies Canada Acquisition, including the occurrence and timing of closing thereof; the anticipated use of proceeds of the offering of the Notes; and the anticipated closing of the Concurrent Note Offering (as defined below) and the anticipated use of proceeds therefrom. In addition, all other statements and information that address expectations or projections about the future, and other statements and information about Suncor's strategy for growth, expected and future expenditures or investment decisions, acquisition plans (including the TotalEnergies Canada Acquisition), operating and financial results, future financing and capital activities, and the expected impact of such matters, are forward-looking statements.

The forward-looking statements included in this Pricing Supplement No. 1 and included in, or incorporated by reference into, the Prospectus are based on Suncor's expectations, estimates, projections and assumptions at the time that such statements are made. Suncor has made such forward-looking statements in light of information available at the time the statements were made and are based upon its experience and perception of historical trends, including expectations and assumptions concerning: the anticipated closing of the offering of the Notes and the Concurrent Note Offering, including the timing thereof; the ability of the parties to the TotalEnergies Canada Acquisition to satisfy the conditions to the closing of the transaction in a timely manner and in a manner consistent with management's expectations; the accuracy of reserve estimates; commodity prices and interest and foreign exchange rates; the performance of assets and equipment; capital efficiencies and cost-savings (including those related to the TotalEnergies Canada Acquisition); applicable laws and government policies; future production rates; the sufficiency of budgeted capital expenditures in carrying out planned activities; the availability and cost of labour, services and infrastructure; the satisfaction by third parties of their obligations to Suncor; the development and execution of projects; and the receipt, in a timely manner, of regulatory and third-party approvals.

Forward-looking statements are not guarantees of future performance and involve a number of associated risks and uncertainties, some that are similar to other oil and gas companies and some that are unique to Suncor. Actual results may vary from the information provided in this Pricing Supplement No. 1 or provided in, or incorporated by reference into, the Prospectus and may differ materially from those expressed or implied by such forward-looking statements included in this Pricing Supplement No. 1 or included in, or incorporated by reference into, the Prospectus, so prospective purchasers are cautioned not to place undue reliance on such forward-looking statements. Although Suncor believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct and Suncor makes no representation that actual results achieved will be the same, in whole or in part, as those set out in the forward-looking statements.

There are a number of risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, such forward-looking statements, including: an inability to complete the offering of Notes, the Concurrent Note Offering and/or closing of the TotalEnergies Canada Acquisition; and the risk that, notwithstanding Suncor's current intentions regarding the use of the net proceeds of the offering of the Notes and the Concurrent Note Offering, there may be circumstances where a reallocation of the net proceeds may be necessary, depending on future operations, unforeseen events or whether future growth opportunities arise. Prospective purchasers are cautioned that the foregoing list of important risks and uncertainties is not exhaustive. Prospective purchasers should also carefully consider the matters discussed under "*Risk Factors*" in this Pricing Supplement No. 1 and the Prospectus, respectively,

and to all other applicable risk factors described in other documents incorporated by reference therein, including "*Risk Factors*" in the AIF and the 2022 MD&A for further information respecting important risks and uncertainties relating to Suncor.

The forward-looking statements contained herein or contained in, or incorporated by reference into, the Prospectus are made as of the date of this Pricing Supplement No. 1 or as at the date of the document in which they are contained. Except as required by applicable securities law, Suncor undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of risks and assumptions affecting those forward-looking statements, whether as a result of new information, future events or otherwise.

DOCUMENTS INCORPORATED BY REFERENCE

This Pricing Supplement No. 1 is deemed to be incorporated by reference into the Prospectus solely for the purpose of the Notes issued hereunder. Other documents are also incorporated, or are deemed to be incorporated, by reference into the Prospectus and reference should be made to the Prospectus for full particulars thereof. The following documents are also specifically incorporated by reference and form an integral part of the Prospectus:

- (i) the annual information form of Suncor dated March 6, 2023 for the year ended December 31, 2022 (the "**AIF**");
- (ii) the audited consolidated financial statements of Suncor as at December 31, 2022 and December 31, 2021 and for the years ended December 31, 2022 and December 31, 2021, together with the notes thereto and the report of the auditors thereon (the "**2022 Financial Statements**");
- (iii) the management's discussion and analysis of Suncor as at and for the year ended December 31, 2022 (the "**2022 MD&A**");
- (iv) the unaudited consolidated financial statements of Suncor as at September 30, 2023 and December 31, 2022 and for the three and nine month periods ended September 30, 2023 and September 30, 2022, together with the notes thereto (the "**Q3 2023 Financial Statements**");
- (v) the management's discussion and analysis of Suncor as at and for the three and nine months ended September 30, 2023 (the "**Q3 2023 MD&A**");
- (vi) the management proxy circular of Suncor dated March 24, 2023 relating to the annual general meeting of shareholders of Suncor held on May 9, 2023 (the "**Proxy Circular**");
- (vii) the template indicative term sheet (the "**Indicative Term Sheet**") prepared for potential purchasers in connection with the offering of the Notes and filed on SEDAR+ on November 9, 2023; and
- (viii) the template final term sheet (the "**Final Term Sheet**") prepared for potential purchasers in connection with the offering of the Notes and filed on SEDAR+ on November 9, 2023.

The Indicative Term Sheet is not a part of this Pricing Supplement No. 1 to the extent that the contents of the Indicative Term Sheet have been modified or superseded by a statement contained in this Pricing Supplement No. 1. In addition, any statement contained in the Indicative Term Sheet is modified or superseded to the extent that a statement contained in the Final Term Sheet modifies or supersedes such prior statement.

The Indicative Term Sheet did not include a number of terms of the offering of the Notes. The terms of the offering of the Notes have been confirmed to reflect an aggregate principal amount of \$1.0 billion, a coupon rate of 5.60%, an effective yield to maturity of 5.672% and an issue price of \$998.66 per \$1,000 principal amount, all as reflected in this Pricing Supplement No. 1. Pursuant to applicable Canadian securities laws, Suncor has prepared the Final Term Sheet to reflect the modifications described above, together with a blackline indicating the changes thereto from the Indicative Term Sheet. A copy of the Final Term Sheet and associated blackline can be viewed under Suncor's profile on SEDAR+ at www.sedarplus.ca.

DEFINITIONS

Any capitalized term used in this Pricing Supplement No. 1, and not otherwise defined in this Pricing Supplement No. 1, has the meaning given to such term in the Prospectus.

"**business day**", when used with respect to any place of payment or any other particular location, means, unless otherwise specified, each Monday to Friday, inclusive, which is not a day on which banking institutions in that place of payment or other location are authorized or obligated by law or executive order to close.

"**Canada Yield Price**" shall mean, in effect, a price equal to the price of the Notes being redeemed calculated to provide a yield to November 17, 2025 equal to the Government of Canada Yield (as defined below) on the business day preceding the date on which the notice of redemption is given, plus the Government of Canada Yield Additional Percentage, as set forth above.

"**Government of Canada Yield**" on any date shall mean, in effect, the yield to November 17, 2025 on such date compounded semi-annually which a non-callable Government of Canada Bond would carry if issued, in Canadian Dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to the remaining term to November 17, 2025. The Government of Canada Yield will be the average of the yields determined by two major Canadian investment dealers selected by Suncor.

RECENT DEVELOPMENTS

TotalEnergies Canada Acquisition

On October 4, 2023, Suncor announced that it had entered into an agreement to acquire TotalEnergies EP Canada Ltd. ("**TotalEnergies Canada**"), which holds a 31.23% working interest in the Fort Hills oil sands mining project, for a purchase price of approximately \$1.468 billion, before closing adjustments and other closing costs (the "**TotalEnergies Canada Acquisition**").

Suncor intends to fund the TotalEnergies Canada Acquisition through cash on hand and the net proceeds of the offering of the Notes and the Concurrent Note Offering. The TotalEnergies Canada Acquisition will have an effective date of April 1, 2023 and is anticipated to close in the fourth quarter of 2023, subject to the satisfaction or waiver of all closing conditions. The closing of the offering of the Notes is not contingent upon the closing of the TotalEnergies Canada Acquisition and the closing of the TotalEnergies Canada Acquisition is not contingent upon the closing of the offering of the Notes.

Concurrent Note Offering

Concurrently with the offering of the Notes pursuant to this Pricing Supplement No. 1, Suncor has also agreed to issue \$500 million aggregate principal amount of Medium Term Notes, Series 10 due November 17, 2026 (the "**Series 10 Notes**"). The Series 10 Notes carry a fixed coupon of 5.40% per annum and are being issued pursuant to Pricing Supplement No. 2 to the Prospectus. The closing of the offering of the Series 10 Notes (the "**Concurrent Note Offering**") is anticipated to occur concurrently with the closing of the offering of the Notes offered pursuant to this Pricing Supplement No. 1. The offering of the Notes is not contingent upon the closing of the Concurrent Note Offering and the Concurrent Note Offering is not contingent upon the closing of the offering of the Notes.

GUARANTEE

The Notes will be guaranteed by Suncor Energy Oil Sands Limited Partnership (the "**Guarantor**") as to the payment and performance of all indebtedness, liabilities and obligations which Suncor has from time to time incurred with respect to the Notes. Suncor can cause the Guarantor to terminate the Guarantee under certain circumstances. See "*Description of the Notes – Guarantee*" and "*Description of the Notes – Termination of Guarantee*" in the Prospectus. The following tables contain summary financial information of Suncor presented with separate columns for each of the following: (i) Suncor; (ii) the Guarantor; (iii) the remaining subsidiaries of Suncor on a consolidated basis; (iv) consolidating adjustments; and (v) total consolidated amounts.

This summary financial information should be read in conjunction with the 2022 Financial Statements and Q3 2023 Financial Statements, each of which are incorporated by reference in the Prospectus.

Selected Unaudited Financial Information
as at and for the nine month periods ended September 30, 2023 and September 30, 2022⁽¹⁾
(millions of dollars)

	<u>Suncor</u>		<u>Guarantor</u>		<u>Other Subsidiaries</u>		<u>Consolidating Adjustments⁽²⁾</u>		<u>Total Consolidated Amounts</u>	
	Sept. 30, 2023	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2022
Statement of Comprehensive Income										
Revenues	36,608	44,612	11,177	15,380	38,866	46,153	(50,043)	(61,533)	36,608	44,612
Expenses	29,409	35,834	8,255	9,638	40,459	49,626	(48,714)	(59,264)	29,409	35,834
Earnings (Loss) before Income Taxes	7,199	8,778	2,922	5,743	(1,593)	(3,473)	(1,329)	(2,270)	7,199	8,778
Net Earnings	5,475	6,336	2,922	5,743	(1,685)	(3,677)	(1,237)	(2,066)	5,475	6,336
Balance Sheet										
Current assets	15,311	18,777	22,946	15,248	62,329	37,169	(85,275)	(52,417)	15,311	18,777
Non-current assets	70,078	66,227	41,407	39,512	11,590	12,033	(52,997)	(51,545)	70,078	66,227
Current liabilities	12,318	14,903	4,161	6,001	80,257	45,366	(84,418)	(51,367)	12,318	14,903
Non-current liabilities	31,301	31,934	11,835	9,506	13,342	14,162	(25,177)	(23,668)	31,301	31,934

Notes:

- (1) All of the financial information contained in this table is unaudited.
(2) This column includes the necessary amounts to eliminate the intercompany balances between Suncor, the Guarantor and other subsidiaries of Suncor to arrive at the information for Suncor on a consolidated basis.

Selected Financial Information
as at and for the years ended December 31, 2022 and December 31, 2021
(millions of dollars)

	<u>Suncor</u>		<u>Guarantor⁽¹⁾</u>		<u>Other Subsidiaries⁽¹⁾</u>		<u>Consolidating Adjustments⁽¹⁾⁽²⁾</u>		<u>Total Consolidated Amounts</u>	
	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
Statement of Comprehensive Income										
Revenues	58,467	39,101	18,840	12,156	59,539	72,414	(78,379)	(84,570)	58,467	39,101
Expenses	46,151	33,531	12,614	9,711	63,719	66,654	(76,333)	(76,365)	46,151	33,531
Earnings (Loss) before Income Taxes	12,316	5,570	6,226	2,446	(4,180)	5,760	(2,046)	(8,206)	12,316	5,570
Net Earnings	9,077	4,119	6,226	2,446	(4,250)	5,393	(1,976)	(7,839)	9,077	4,119
Balance Sheet										
Current assets	14,536	10,977	13,597	36,650	42,455	188,347	(56,052)	(224,997)	14,536	10,977
Non-current assets	70,082	72,762	42,279	31,791	9,706	51,547	(51,985)	(83,338)	70,082	72,762
Current liabilities	12,869	10,399	4,048	32,352	51,414	167,575	(55,462)	(199,927)	12,869	10,399
Non-current liabilities	32,382	36,726	12,367	4,996	11,702	22,161	(24,069)	(27,157)	32,382	36,726

Notes:

- (1) All of the financial information contained in these columns is unaudited.
 (2) This column includes the necessary amounts to eliminate the intercompany balances between Suncor, the Guarantor and other subsidiaries of Suncor to arrive at the information for Suncor on a consolidated basis.

CHANGES IN CONSOLIDATED CAPITALIZATION

There have been no material changes in Suncor's share and loan capital since September 30, 2023, other than the following:

- (i) the issuance and sale of the Notes and Suncor's expected use of the net proceeds therefrom;
- (ii) the issuance and sale of the Series 10 Notes pursuant to the Concurrent Note Offering and Suncor's expected use of the net proceeds therefrom;
- (iii) the repurchase of additional common shares for cancellation by Suncor pursuant to its normal course issuer bid (3,107,014 common shares equivalent to approximately \$142 million as at November 3, 2023);
- (iv) the decrease in commercial paper outstanding under Suncor's commercial paper program in the amount of approximately \$1,066 million as at November 3, 2023; and
- (v) an increase in Suncor's consolidated long-term debt of approximately \$84 million as at November 3, 2023 (due to the decrease in the value of the Canadian dollar, relative to the United States dollar, since September 30, 2023, which resulted in a corresponding increase in the Canadian dollar value of Suncor's United States dollar-denominated long-term debt).

EARNINGS COVERAGE RATIOS

The following sets forth Suncor's earnings coverage ratios, calculated on a consolidated basis, for the twelve month period ended December 31, 2022 based on the 2022 Financial Statements, and for the twelve month period ended September 30, 2023 based on the Q3 2023 Financial Statements, respectively. The earnings coverage ratios set out below have been prepared and included in this Pricing Supplement No. 1 in accordance with applicable disclosure requirements under Canadian securities laws and have been calculated based on financial information prepared in accordance with Canadian generally accepted accounting principles applicable to publicly accountable enterprises, which is within the framework of the International Financial Reporting Standards as issued by the International Accounting Standards Board and incorporated into the Chartered Professional Accountants (CPA) Canada Handbook – Part 1. The earnings coverage ratios set out below do not purport to be indicative of earnings coverage ratios for any future periods.

The earnings coverage ratios below give effect to (without duplication): (i) the issuance and sale of the Notes and Suncor's expected use of the net proceeds therefrom, as described under "*Terms of Issue – Use of Proceeds*"; (ii) the issuance and sale of the Series 10 Notes pursuant to the Concurrent Note Offering and Suncor's expected use of the net proceeds therefrom, as described under "*Terms of Issue – Use of Proceeds*"; and (iii) the decrease in commercial paper outstanding under our commercial paper program in the amount of approximately \$1,402 million, as at November 3, 2023, relative to December 31, 2022 in the case of the earnings coverage ratio for the twelve month period ended December 31, 2022, and approximately \$1,066 million, as at November 3, 2023, relative to September 30, 2023 in the case of the earnings coverage ratio for the twelve month period ended September 30, 2023 (collectively, and in each case, the applicable net effect of such additional borrowings and repayments are referred to herein as the "**Short-Term Debt Changes**"). Except for the Short-Term Debt Changes, adjustments for normal course issuances and repayments of financial obligations subsequent to December 31, 2022 or September 30, 2023, as applicable, would not materially affect the relevant earnings coverage ratio set out below and have not been made.

	December 31, 2022	September 30, 2023
Earnings coverage ratio ⁽¹⁾	13.3 times	11.7 times

Note:

- (1) The earnings coverage ratio is equal to net earnings before borrowing costs and income taxes divided by borrowing costs obligations on all financial liabilities.

After adjusting for (without duplication): (i) the issuance and sale of the Notes and Suncor's expected use of the net proceeds therefrom; (ii) the issuance and sale of the Series 10 Notes pursuant to the Concurrent Note Offering and Suncor's expected use of the net proceeds therefrom; and (iii) the Short-Term Debt Changes, Suncor's borrowing cost requirements amounted to \$985 million for the twelve month period ended December 31, 2022. After adjusting for (without duplication): (i) the issuance and sale of the Notes and Suncor's expected use of the net proceeds therefrom; (ii) the issuance and sale of the Series 10 Notes pursuant to the Concurrent Note Offering and Suncor's expected use of the net proceeds therefrom; and (iii) the Short-Term Debt Changes, Suncor's borrowing cost requirements amounted to \$982 million for the twelve month period ended September 30, 2023. Suncor's consolidated net earnings before borrowing costs and income taxes was \$13,130 million for the twelve month period ended December 31, 2022 and \$11,468 million for the twelve month period ended September 30, 2023, which are 13.3 times and 11.7 times Suncor's adjusted borrowing cost requirements for such periods, respectively.

Further information with respect to Suncor's earnings may be found in the consolidated statement of comprehensive income for the year ended December 31, 2022 contained in the 2022 Financial Statements and the consolidated statement of comprehensive income for the three and nine months ended September 30, 2023 contained in the Q3 2023 Financial Statements, respectively, which are incorporated by reference in the Prospectus.

CREDIT RATINGS

The Notes have been granted a preliminary rating of BBB by S&P, A (low) with a stable trend by DBRS, Baa1 by Moody's and BBB+ by Fitch Ratings Inc. ("**Fitch**").

S&P assigns outlooks to issuers and not to individual debt securities. An S&P outlook assesses the potential direction of a long-term credit rating over the intermediate term, which is generally up to two years for investment grade issuers and generally up to one year for speculative grade issuers. S&P has assigned a negative outlook to Suncor, meaning that a rating may be lowered by S&P.

Moody's assigns outlooks at the issuer level or at the rating level. A Moody's outlook assesses the likely rating direction over the medium term. Moody's has assigned a stable outlook to Suncor, meaning that there is a low likelihood of a rating change over the medium term.

Fitch's long-term credit ratings are on a rating scale that ranges from AAA to D, which represents the range from highest to lowest quality of such securities rated. A rating of BBB+ is within the fourth highest of 11 categories and indicates that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity. The modifiers "+" or "-" may be appended to a rating to denote relative status within the major rating categories. Fitch has assigned an issuer level outlook to Suncor of stable. An outlook assigned by Fitch indicates the direction an issuer rating is likely to move over a one to two-year period and reflect financial or other trends that have not yet reached, or have not been sustained at, a level that would trigger a rating action, but which may do so if such trends continue.

See "*Credit Ratings*" in the Prospectus.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to purchasers of Notes pursuant to this Pricing Supplement No. 1 who, for purposes of the *Income Tax Act* (Canada) and the *Income Tax Regulations* (Canada) (collectively, the "**Tax Act**") and at all relevant times: (i) acquire the Notes as beneficial owner; (ii) are residents or deemed to be residents in Canada; (iii) hold the Notes as capital property; and (iv) deal at arm's length, and are not affiliated, with Suncor, the Guarantor or the Dealers ("**Holder**s"). In general, the Notes will be considered to be capital property to a Holder, provided that the Holder does not hold the Notes in the course of carrying on a business of buying and selling securities and has not acquired the Notes in a transaction considered to be an adventure or concern in the nature of trade. Certain Holders of Notes who

might not otherwise be considered to hold their Notes as capital property may, in certain circumstances, be entitled to make the irrevocable election permitted by subsection 39(4) of the Tax Act to have the Notes and every other "Canadian security" (as defined in the Tax Act) owned by the Holder in the taxation year of the election and in all subsequent taxation years treated as capital property. Holders who will not hold the Notes as capital property should consult their own tax advisors with respect to their own particular circumstances.

This summary does not apply to a Holder: (i) that is a "financial institution" for purposes of the mark-to-market rules; (ii) that is a "specified financial institution"; (iii) an interest in which is a "tax shelter" or a "tax shelter investment"; (iv) that is exempt from tax under Part I of the Tax Act; (v) that reports its "Canadian tax results" in a currency other than Canadian currency; or (vi) that has entered into or will enter into a "synthetic disposition arrangement" or a "derivative forward agreement" with respect to the Notes (each as defined in the Tax Act). Such Holders should consult their own tax advisors to determine the particular Canadian federal income tax consequences to them of acquiring, holding or disposing of the Notes.

This summary is based on the current provisions of the Tax Act, applicable jurisprudence and the current published administrative policies of the Canada Revenue Agency (the "CRA") as of the date hereof. In addition, this summary takes into account all specific proposals to amend the Tax Act publicly announced by the Minister of Finance (Canada) as of the date hereof (the "**Tax Proposals**"). There can be no assurance that such proposed amendments will be enacted in their present form or at all. This summary does not otherwise take into account or anticipate any changes in law, whether by judicial, governmental or legislative decision or action, or in the administrative and assessment practices of the CRA and does not take into account provincial, territorial or foreign income tax legislation or considerations, which may differ from the Canadian federal income tax consequences described herein.

This summary is of a general nature only and is not intended to be exhaustive of all Canadian federal income tax considerations generally applicable in respect of the Notes. **This summary is not intended to be, and should not be construed to be, legal or tax advice to any Holder, and no representation with respect to Canadian federal income tax consequences to any Holder is made herein. Accordingly, Holders should consult their own tax advisors with respect to their particular circumstances.**

Interest on Notes

A Holder that is a corporation, partnership, unit trust or trust of which a corporation or partnership is a beneficiary will be required to include in its income for a taxation year any interest or amount that is considered for the purposes of the Tax Act to be interest on a Note that accrued to the Holder (or is deemed to have accrued to the Holder) to the end of the particular taxation year or that has become receivable by or was received by the Holder before the end of that taxation year, including upon redemption by Suncor or a payment by Suncor upon maturity, except to the extent that such interest was included in computing the Holder's income for a preceding taxation year.

Any other Holder, including an individual (other than certain trusts), will be required to include in computing income for a taxation year any amount received or receivable by the Holder as interest (or deemed interest) in the year (depending upon the method regularly followed by the Holder in computing income) on a Note, including upon redemption by Suncor or a payment by Suncor upon maturity, except to the extent that such interest was included in computing the Holder's income for a preceding taxation year. In addition, if at any time a Note is or becomes an "investment contract" (as defined in the Tax Act) in relation to a Holder, such Holder will be required to include in computing income for a taxation year any interest that accrues to the Holder on a Note up to the end of any "anniversary day" (as defined in the Tax Act) in that taxation year to the extent such interest was not otherwise included in the Holder's income for that taxation year or a preceding taxation year. For this purpose, an "anniversary day" means the day that is one year after the day immediately preceding the date of issue of a Note, the day that occurs at every successive one year interval from that day and the day on which a Note is disposed of.

In the event the Notes are issued at a discount from their face value, a Holder may be required to include an additional amount in computing income, either in accordance with the deemed interest accrual rules contained in the Tax Act or in the taxation year in which the discount is received or receivable by the Holder. Holders should consult their own tax advisor in these circumstances, as the treatment of the discount may vary with the facts and circumstances giving rise to the discount.

Dispositions

On a disposition or deemed disposition of a Note, including upon redemption by Suncor or a payment by Suncor upon maturity, a Holder will generally be required to include in computing income for the taxation year in which the disposition or deemed disposition occurs any premium deemed to be interest and the amount of accrued interest on the Notes from the date of the last interest payment to the extent that such amount has not otherwise been included in the Holder's income for the year in which the disposition or deemed disposition occurs or a previous taxation year.

In general, a disposition or deemed disposition of a Note, including upon redemption by Suncor or a payment by Suncor upon maturity, will give rise to a capital gain (or a capital loss) equal to the amount, if any, by which the proceeds of disposition, net of any amount included in the Holder's income as interest, exceed (or are less than) the aggregate of the adjusted cost base of such Note to the Holder immediately before the disposition or deemed disposition and any reasonable costs of disposition. One-half of the amount of any capital gain (a "**taxable capital gain**") realized by a Holder in a taxation year generally must be included in computing the Holder's income in that taxation year and one-half of the amount of any capital loss (an "**allowable capital loss**") realized by the Holder in a taxation year must be deducted from taxable capital gains realized by the Holder in that taxation year, in each case in accordance with the rules contained in the Tax Act. Allowable capital losses in excess of taxable capital gains realized in a particular taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any following year against net taxable capital gains realized in such taxation year, in each case to the extent and under the circumstances described in the Tax Act.

Capital gains realized by an individual or a trust (other than certain specified trusts) may be subject to an alternative minimum tax under the Tax Act. The Minister of Finance (Canada) announced proposed changes to the existing rules in the Tax Act relating to alternative minimum tax in the federal budget on March 28, 2023. Tax Proposals implementing those changes were released on August 4, 2023. Holders who are an individual or a trust (other than certain specified trusts) should consult their own tax advisors with respect to their own particular circumstances.

Additional Refundable Tax

A Holder that is, throughout its taxation year, a "Canadian-controlled private corporation" (as defined in the Tax Act) or, at any time in the year, a "substantive CCPC" (as proposed to be defined in the Tax Act pursuant to the Tax Proposals released on August 9, 2022), may be liable to pay an additional tax (refundable in certain circumstances) on its "aggregate investment income" (as defined in the Tax Act) which includes amounts in respect of any net taxable capital gains and interest.

Eligibility for Investment

In the opinion of counsel to Suncor, Blake, Cassels & Graydon LLP, and counsel to the Dealers, McCarthy Tétrault LLP, based on the current provisions of the Tax Act in force as of the date hereof, the Notes, if issued on the date hereof, would be qualified investments under the Tax Act for trusts governed by registered retirement savings plans ("**RRSPs**"), registered retirement income funds ("**RRIFs**"), registered education savings plans ("**RESPs**"), registered disability savings plans ("**RDSPs**"), deferred profit sharing plans (other than trusts governed by deferred profit sharing plans to which contribution payments are made by Suncor or a person or partnership with whom Suncor does not deal at arm's length (as defined in the Tax Act)), tax-free savings accounts ("**TFSAs**"), and first home savings accounts ("**FHSAs**") (each as defined in the Tax Act).

Notwithstanding that the Notes may be a qualified investment under the Tax Act, the annuitant of an RRSP or RRIF, the subscriber of an RESP or the holder of an RDSP, a TFSA, or a FHSA will be subject to a penalty tax if such Notes are a "prohibited investment" (within the meaning of the Tax Act) for an RRSP, RRIF, RESP, RDSP, TFSA, or FHSA. The Notes will generally be a "prohibited investment" if the annuitant of the RRSP or RRIF, the subscriber of the RESP or the holder of the RDSP, TFSA, or FHSA, as the case may be, does not deal at arm's length with Suncor for purposes of the Tax Act or has a "significant interest" (within the meaning of the Tax Act) in Suncor. Prospective purchasers who intend to hold Notes in their RRSPs, RRIFs, RESPs, RDSPs, TFSAs, or FHSAs should consult their own tax advisors regarding whether the Notes will be a "prohibited investment" in their particular circumstances.

RISK FACTORS

In addition to the risk factors set forth below and in the Prospectus, additional risk factors relating to Suncor's business are discussed in under "Risk Factors" in the AIF and the 2022 MD&A. Prospective purchasers of the Notes should consider carefully the risk factors set forth below and in, or incorporated by reference into, the Prospectus, as well as the other information contained in this Pricing Supplement No. 1 and in, or incorporated by reference into, the Prospectus, before purchasing any Notes. If any event arising from such risks occurs, Suncor's business, prospects, financial condition, results of operations or cash flows, or any investment in the Notes, could be materially adversely affected.

TotalEnergies Canada Acquisition

Although all necessary regulatory approvals have been received in respect of the TotalEnergies Canada Acquisition, closing of the TotalEnergies Canada Acquisition remains subject to various additional conditions precedent, certain of which are outside the control of Suncor. There is no certainty, nor can Suncor provide any assurance, that these conditions will be satisfied or waived, nor can there be any certainty as to the timing of their satisfaction or waiver. In addition, each of the parties to the TotalEnergies Canada Acquisition has the right to terminate the acquisition agreement in certain circumstances. Accordingly, there is no certainty, nor can Suncor provide any assurance, that the acquisition agreement will not be terminated by either party before completion of the TotalEnergies Canada Acquisition.

LEGAL MATTERS

Certain legal matters relating to Canadian law in connection with the issuance of Notes will be passed upon on behalf of Suncor by Blake, Cassels & Graydon LLP and on behalf of the Dealers by McCarthy Tétrault LLP. As of the date of this Pricing Supplement No. 1, the partners and associates of Blake, Cassels & Graydon LLP and the partners and associates of McCarthy Tétrault LLP, as a group, beneficially own, directly or indirectly, less than 1% of any class of Suncor's outstanding securities.

AUDITORS

KPMG LLP are the auditors of Suncor and have confirmed with respect to Suncor that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations and also that they are independent accountants with respect to Suncor under all relevant United States professional and regulatory standards.

EXPERTS

Information relating to Suncor's reserves in the AIF was prepared by GLJ Ltd., as independent qualified reserves evaluators. As of the date of this Pricing Supplement No. 1, the designated professionals (as defined under applicable Canadian securities laws) of GLJ Ltd., as a group, beneficially own, directly or indirectly, less than 1% of any class of Suncor's outstanding securities.