

SYNALLOY CORP  
Form 8-K  
February 11, 2015

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K  
CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): February 11, 2015

SYNALLOY CORPORATION  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other  
jurisdiction of  
incorporation)

0-19687  
(Commission File Number)

57-0426694  
(IRS Employer  
Identification No.)

775 Spartan Blvd, Suite 102, PO Box 5627, Spartanburg, SC  
(Address of principal executive offices)

29304  
(Zip Code)

Registrant's telephone number, including area code: (864) 585-3605

Inapplicable  
(Former name or former address if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 7.01 REGULATION FD DISCLOSURE

On February 11, 2015, Synalloy Corporation, a Delaware corporation, issued a press release announcing that it delivered a revised, non-binding indication of interest (the “Revised Indication of Interest”) to The Eastern Company, a Connecticut company. The press release containing the full text of the Revised Indication of Interest is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information in this Current Report on Form 8-K (the “Form 8-K”) is being “furnished” and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date of this Form 8-K, except as shall be expressly set forth by specific reference in such filing. The information in this Form 8-K will not be deemed an admission as to the materiality of any information in this Form 8-K that is required to be disclosed solely by Regulation FD.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits. The following exhibit is being furnished pursuant to Item 7.01 above.

Exhibit Number	Description
99.1	Press release issued February 11, 2015.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SYNALLOY CORPORATION

By: /S/ RICHARD D. SIERADZKI  
Richard D. Sieradzki  
Chief Financial Officer and Principal Accounting Officer

Dated: February 11, 2015

EXHIBIT INDEX

Exhibit Number	Description	
99.1	Press release issued February 11, 2015.	
4		
ont>		
		329
		112
	Revisions of previous quantity estimates	
		(47
)		
		712
		(45
)		
	Purchases of reserves in place	
		32
	Accretion of discount	
		245
		4

	260
	68
Net changes in income taxes	
	426
	272
	(697)
)	
Other related costs	
	43
	(215)
)	
	28
Balance, end of year	
	1,074
	1,851
	1,727
	5

**Sales, Production, Well Data, Land Holdings and Drilling Activity - Conventional**



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The following tables set out additional information on our conventional oil and gas producing activities, including our Firebag in-situ operation. Information with respect to our Oil Sands mining operations is not covered by the information below but is addressed in the preceding information under Oil Sands Mining Operations .



*Sales Prices*(1), (2)

<b>For the year ended December 31,</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
Crude Oil and Bitumen (\$/bbl) (3)	37.71	40.29	31.72
NGL (\$/bbl)	42.82	36.08	29.35
Natural Gas (\$/mcf)	6.70	6.42	3.91

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Notes:

- (1) Production is based in Western Canada.
- (2) Prices are calculated using our working interest production before royalties.
- (3) Prices for 2003 and 2002 do not include sales of bitumen.

*Production Costs*

For the year ended December 31, (\$ per BOE of gross production)	2004	2003	2002
Average production (lifting) cost of conventional crude oil and gas(1)	7.08	3.48	3.15

Note:

(1) Production (lifting) costs include all expenses related to the operation and maintenance of producing or producible wells and related facilities, natural gas plants and gathering systems, and Firebag central facilities. It does not include an estimate for future asset retirement costs. As our Firebag in-situ leases were not in operation until 2004, the 2002 and 2003 production costs only include the costs associated with Suncor's Natural Gas business. For 2004, these costs represent a blended average of our Firebag and Natural Gas lifting costs.

*Producing Oil and Gas Wells*

As at December 31, 2004 number of wells	Crude Oil(3)		Natural Gas		Total	
	Gross(1)	Net(2)	Gross(1)	Net(2)	Gross(1)	Net(2)
Alberta	60	48	321	186	381	234
British Columbia	26	12	97	44	123	56
Total	86	60	418	230	504	290

Notes:

- (1) Gross wells are the total number of wells in which an interest is owned.
- (2) Net wells are the sum of fractional interests owned in gross wells.
- (3) Well information includes Firebag.

*Oil and Gas Acreage*



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As at December 31, 2004 (thousands of acres)	Developed		Undeveloped(1)		Total Gross(1)	Net(2)
	Gross(1)	Net(2)	Gross(1)	Net(2)		
<b>Canada</b>						
Natural Gas	840	380	650	450	1,490	830
Firebag	1	1	285	285	286	286
Total Canada	841	381	935	735	1,776	1,116
<b>USA</b>						
Natural Gas			396	243	396	243
Total	841	381	1,331	978	2,172	1,359

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Notes:

(1) Undeveloped acreage is considered to be those on which wells have not been drilled or completed to a point that would permit production of commercial quantities of crude oil and natural gas regardless of whether or not such acreage contains proved reserves. Gross acres mean all the acres in which we have either an entire or undivided percentage interest.

(2) Net acres represent the acres remaining after deducting the undivided percentage interest of others from the gross acres.

*Drilling Activity*

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For the year ended December 31, 2004 (number of net wells)	Net Exploratory			Net Development		
	Productive	Dry Holes	Total	Productive	Dry Holes	Total
Canada						
Natural Gas	5	5	10	15		15
Firebag				11		11
Total	5	5	10	26		26

For the year ended December 31, 2003 (number of net wells)	Net Exploratory			Net Development		
	Productive	Dry Holes	Total	Productive	Dry Holes	Total
Canada						
Natural Gas	3	6	9	17	4	21
Firebag				20		20
Total	3	6	9	37	4	41

For the year ended December 31, 2002 (number of net wells)	Net Exploratory			Net Development		
	Productive	Dry Holes	Total	Productive	Dry Holes	Total
Canada						
Natural Gas	2	4	6	18	4	22
Firebag						
Total	2	4	6	18	4	22

At December 31, 2004, we were participating in the drilling of 19 gross (16 net) exploratory and development wells.













**Future Commitments to Sell or Deliver Crude Oil and Natural Gas**



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Our Natural Gas business has entered into a number of natural gas sale commitments aggregating approximately 109 mmcf/day. These sales commitments consist of both short-and long-term contracts ranging from one year and for one agreement, for the life of a specified production field. All production comes from our reserves. All pricing under these agreements is based upon both a combination of variable, fixed and index-based terms.



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Oil Sands has also entered into long-term contracts to sell crude oil products to customers, some of which are described under the heading, "Sales of Synthetic Crude Oil and Diesel" in the "Oil Sands" section of this Annual Information Form. In addition, we had previously entered into 36,000 bpd of crude oil swap contracts, to hedge our 2005 Canadian dollar revenues and cash flows from potential changes in commodity pricing. For further particulars of these hedging arrangements, see the information under the heading "Derivative Financial Instruments", under "Risk/Success Factors Affecting Performance" in the "Suncor Corporate Overview and Strategic Priorities" section of our MD&A, and Note 7 to our 2004 Consolidated Financial Statements, which note is incorporated by reference herein.

### **VOLUNTARY OIL SANDS RESERVES DISCLOSURE**





**Oil Sands Mining and In-Situ Firebag Reserves Reconciliation**



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The following table sets out, on a gross<sup>(5)</sup> basis, a reconciliation of our proved and probable reserves of synthetic crude oil from Oil Sands mining leases and bitumen, converted to synthetic crude oil for comparison purposes only, from in-situ Firebag leases, from December 31, 2003 to December 31, 2004, based on the GLJ Oil Sands Reports, in accordance with CSA Staff Notice 51-315, using 2004 Annual Average Differential Pricing assumptions.





(5) Suncor's undivided percentage interest in reserves, before deducting Crown royalties, freehold and overriding royalty interests.













**Estimated Gross Proved and Probable Oil Sands Reserves Reconciliation**



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(millions of barrels of synthetic crude oil)(1)	Oil Sands Mining Leases(1)(2)			In-situ Firebag Leases(1), (3) (Constant Pricing)			Total Mining and In-situ(4)
	Proved	Probable	Proved & Probable	Proved(3)	Probable(5)	Proved & Probable	Proved & Probable
December 31, 2003	878	952	1,830	387	1,721	2,108	3,938
Revisions of previous estimates	140	(105)	35	110	179	289	324
Extensions and discoveries							
Production	(79)		(79)	(3)		(3)	(82)
December 31, 2004	939	847	1,786	494	1,900	2,394	4,180

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Notes:





(1) Synthetic crude oil reserves are based upon a net coker, or synthetic crude oil yield from bitumen of between 80 and 81% for reserves under Oil Sands mining leases and of 82% for reserves under Firebag in-situ Leases. Although virtually all of our bitumen from the Oil Sands mining leases is upgraded into synthetic crude oil, we have the option of selling the bitumen produced from our Firebag in-situ leases and/or upgrading this bitumen to synthetic crude oil and accordingly, these bitumen reserves are converted to synthetic crude oil for comparison purposes only.



(2) Our gross mining reserves are evaluated in part, based on the current mine plan and estimates of extraction recovery and upgrading yields, rather than an analysis based on constant dollar or forecast pricing assumptions.



(3) Under Required U.S. OIL AND GAS AND MINING DISCLOSURE , we reported proved reserves from our Firebag in-situ leases. The disclosure in the table above reports proved reserves from these leases and differs in the following three ways. Reserves from our Firebag in-situ leases are:

(a) disclosed in this table on a gross basis versus a net basis;

(b) converted from barrels of bitumen to barrels of synthetic crude oil in this table for comparability purposes only; and

(c) evaluated based on Annual Average Differential Pricing assumptions versus point-in-time Constant Cost and Pricing assumptions as at December 31. Accordingly, Firebag in-situ reserve estimates under Required U.S. OIL AND GAS AND MINING DISCLOSURE Proved Conventional Oil and Gas Reserves and Firebag in-situ proved reserve estimates in this table differ materially.

(4) U.S. companies do not disclose probable reserves for non-mining properties. We voluntarily disclose our probable reserves for Firebag in-situ leases as we believe this information is useful to investors, and allows us to aggregate our mining and in-situ reserves into a consolidated total for our Oil Sands business. As a result, our Firebag in-situ estimates are not comparable to those made by U.S. companies.













**SUNCOR EMPLOYEES**



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The following table shows the distribution of employees among our four business units and corporate office for the past two years.

	as at	
	December 31,	
	2004	2003
Oil Sands	2,523	2,290
Natural Gas	202	188
Energy Marketing & Refining Canada	629	605
Marketing & Refining U.S.A.	630	633
Corporate (1)	621	515
Total (2)	4,605	4,231

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Notes:

(1) The increases in 2004 numbers principally reflect the addition of in-house engineering, procurement, construction and project management personnel, as well as additional staff associated with our enterprise resource planning implementation project.

(2) In addition to our employees, we also use independent contractors to supply a range of services.

The Communications, Energy and Paperworkers Union Local 707 represents approximately 1,500 Oil Sands employees. We entered into a three-year collective agreement with the union effective May 1, 2004. The terms of the agreement include a 9.5% wage increase over a three-year term.

Employee associations represent approximately 170 of EM&R's Sarnia refinery and Sun-Canadian Pipe Line Company employees. In March 2002, a three-year agreement was signed with the Sarnia employee association that will be renegotiated in 2005. The agreement with the employee association of Sun-Canadian Pipe Line Company was signed in 1993, and it is renewed automatically each year unless terminated by written notice by either party at least 60 days prior to the anniversary date of the agreement. No notice under such agreement has been received or given to date. Management believes the agreement will be automatically renewed on its anniversary. The National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) Local 27 represents three employees at EM&R's London Terminal. A three year agreement was signed with the CAW-Canada effective April 1, 2003. Management believes our positive working relationship with these unions and associations will continue.



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The local Paper, Allied-Industrial Chemical and Energy Workers International Union, represents approximately 150 employees at R&M's Denver area refinery. A four-year contract, assumed from ConocoPhillips in August 2003, will expire in January 2006.

### **RISK/SUCCESS FACTORS**





*Volatility of Crude Oil and Natural Gas Prices.* Our future financial performance is closely linked to crude oil prices, and to a lesser extent natural gas prices. The prices of these commodities can be influenced by global and regional supply and demand factors. Worldwide economic growth, political developments, compliance or non-compliance with quotas imposed upon members of the Organization of Petroleum Exporting Countries and weather, among other things, can affect world oil supply and demand. Natural gas prices realized by us are affected primarily by North American supply and demand and by prices of alternate sources of energy. All of these factors are beyond our control and can result in a high degree of price volatility not only in crude oil and natural gas prices, but also fluctuating price differentials between heavy and light grades of crude oil, which can impact prices for sour crude oil and bitumen. Oil and natural gas prices have fluctuated widely in recent years and we expect continued volatility and

uncertainty in crude oil and natural gas prices. A prolonged period of low crude oil and natural gas prices could affect the value of our crude oil and gas properties and the level of spending on growth projects, and could result in curtailment of production at some properties. Accordingly, low crude oil prices in particular could have an adverse impact on our financial condition and liquidity and results of operations. A key component of our business strategy is to produce sufficient natural gas to meet or exceed internal demands for natural gas purchased for consumption in our operations, creating a price hedge which reduces our exposure to gas price volatility. However, there are no assurances that we will be able to continue to increase production to keep pace with growing internal natural gas demands.

We cannot control the factors that influence supply and demand for, or the prices of, crude oil or natural gas. In prior years, before the suspension of our strategic hedging program in the second quarter of 2004 as noted below, we entered into strategic hedges under which we have fixed the price for 36,000 bpd of crude oil until December 31, 2005, and 14,000 GJ/day of natural gas until the end of 2005 and 4,000 GJ/day of natural gas from January 1, 2006 through to December 31, 2007. Our objective in entering into strategic hedges was to manage exposure to market volatility and lend more certainty to our ability to finance growth. For more particulars of our hedging position as of year-end 2004, see Note 7 of our 2004 Consolidated Financial Statements, which note is incorporated by reference herein, as well as Risk/Success Factors Affecting Performance in the Suncor Overview and Strategic Priorities section of our MD&A.

We concluded in the second quarter of 2004 that Suncor has the financial capacity to mitigate these risks without the use of a hedging program and accordingly, have suspended any future strategic crude oil hedge activity. No new hedges have been entered into since the suspension of this program. During periods of operational upset, including as a result of the fire at Suncor's Oil Sands Plant in January 2005, we are required to continue to make payments under our hedging program if the actual price was higher than the hedged price, even though the level of our production is reduced.

We conduct an assessment of the carrying value of our assets to the extent required by Canadian generally accepted accounting principles. If crude oil and natural gas prices decline, the carrying value of our assets could be subject to downward revisions, and our earnings could be adversely affected.

*Volatility of Downstream Margins.* EM&R and R&M operations are sensitive to wholesale and retail margins for their refined products, including gasoline. Margin volatility is influenced by overall marketplace competitiveness, weather, the cost of crude oil (see Volatility of Crude Oil and Natural Gas Prices ) and fluctuations in supply and demand for refined products. We expect that margin and price volatility and overall marketplace competitiveness, including the potential for new market entrants, will continue. As a result, our operating results for EM&R and R&M can be expected to fluctuate.

*Major Projects.* There are certain risks associated with the execution of our major projects, including without limitation, each of the Firebag stages, the Voyageur growth strategy, and the clean fuels environmental capital projects in our downstream businesses. These risks include: our ability to obtain the necessary environmental and other regulatory approvals; risks relating to schedule, resources and costs, including the availability and cost of materials, equipment and qualified personnel; the impact of general economic, business and market conditions; the impact of weather conditions; our ability to finance growth if commodity prices were to stay at low levels for an extended period; the impact of new entrants to the oil sands business which could take the form of competition for skilled people, increased demands on the Fort McMurray, Alberta infrastructure (for example, housing, roads and schools) and price competition for products sold into the marketplace; the potential ceiling on the demand for synthetic crude oil; and the effect of changing government regulation and public expectations in relation to the impact of oil sands development on the environment. The commissioning and integration of new facilities with the existing asset base

could cause delays in achieving targets and objectives. Our management believes the execution of major projects presents issues that require prudent risk management. There are also risks associated with project cost estimates provided by us. Some cost estimates are provided at the conceptual stage of projects and prior to commencement or completion of the final scope design and detailed engineering needed to reduce the margin of error. Accordingly, actual costs can vary from estimates and these differences can be material.

*In-situ Extraction.* Current steam-assisted gravity drainage (SAGD) technologies for in-situ recovery of heavy oil and bitumen are energy intensive, requiring significant consumption of natural gas and other fuels in the production of steam which is used in the recovery process. The amount of steam required in the production process can also vary and impact costs. The performance of the reservoir can also impact the timing and levels of production using this technology. Commercial application of this technology is not yet commonplace and accordingly in the absence of operating history there can be no assurances with respect to the sustainability of SAGD operations.

*Dependence on Oil Sands business.* The Company's significant capital commitment to further our growth projects at Oil Sands, including Firebag and Voyageur, may require us to forego investment opportunities in other segments of our operations. The completion of future projects to increase production at Oil Sands will further increase our dependence on the Oil Sands segment of our business. For example, in 2004, the Oil Sands business accounted for approximately 86% (86% in 2003) of our upstream production, 81% (81% in 2003) of our net earnings and 76% (78% in 2003) of our cash flow from operations. These percentages have been determined excluding the corporate and eliminations segment information.

*Interdependence of Oil Sands Systems.* The Oil Sands plant is susceptible to loss of production due to the interdependence of its component systems. Through growth projects, we expect to mitigate adverse impacts of interdependent systems and to reduce the production and cash flow impacts of complete plant-wide shutdowns. For example, Millennium added a second complete processing operation, which provides us with the flexibility to conduct periodic plant maintenance on one operation while continuing to generate production and cash flow from the other.

*Competition.* The petroleum industry is highly competitive in all aspects, including the exploration for, and the development of, new sources of supply, the acquisition of crude oil and natural gas interests, and the refining, distribution and marketing of petroleum products and chemicals. We compete in virtually every aspect of our business with other energy companies. The petroleum industry also competes with other industries in supplying energy, fuel and related products to consumers. We believe the competition for our crude oil production is other Canadian conventional and synthetic sweet and sour crude oil producers.

A number of other companies have entered or have indicated they are planning to enter the oil sands business and begin production of bitumen and synthetic crude oil, or expand their existing operations. It is difficult to assess the number, level of production and ultimate timing of all of the potential new producers or where existing production levels may increase. Based on management's knowledge of other projects derived from publicly available information, Canada's production of bitumen and upgraded synthetic crude oil could increase from approximately 925,000 bpd to almost two and a half million bpd by the end of the decade. The trend toward industry consolidation has created more competitors with financial capacity who may enter into similar and competing oil sands businesses. The expansion of existing operations and development of new projects could materially increase the supply of bitumen and synthetic crude oil and other competing crude oil products in the marketplace. Depending on the levels of future demand, increased supplies could have a negative impact on prices.

In the western Canadian diesel fuel market demand and supply can fluctuate. Margins for diesel fuel are typically higher than the margins for synthetic and conventional crude oil. The above noted expansion plans of our competitors could result in an increase in the supply of diesel fuel and weaken margins.



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Historically, the industry-wide oversupply of refined petroleum products and the overabundance of retail outlets have kept pressure on downstream margins. Management expects that fluctuations in demand for refined products, margin volatility and overall marketplace competitiveness will continue. In addition, to the extent that our downstream business units, EM&R and R&M, participate in new product markets, they could be exposed to margin risk and volatility from either cost and/or selling price fluctuations.

*Need to Replace Conventional Natural Gas Reserves.* Future natural gas reserves and production of the Company's NG business unit are highly dependent on our success in discovering or acquiring additional

reserves and exploiting our current reserve base. This impacts both our cash flow from such production and our ability to maintain a price hedge against growing consumption of natural gas in our operations. Without natural gas reserve additions through exploration and development or acquisition activities, our conventional natural gas reserves and production will decline over time as reserves are depleted. For example, in 2004, our average natural gas reservoir decline rates were in the 24% range (2003 24%). Decline rates will vary with the nature of the reservoir, life-cycle of the well, and other factors. Therefore historical decline rates are not necessarily indicative of future performance. Exploring for, developing and acquiring reserves is highly capital intensive. To the extent cash flow from operations<sup>(6)</sup> is insufficient to generate sufficient capital and external sources of capital become limited or unavailable, our ability to make the necessary capital investments to maintain and expand our conventional natural gas reserves could be impaired. In addition, the long term performance of the NG business is dependent on our ability to consistently and competitively find and develop low cost, high-quality reserves that can be economically brought on stream. Market demand for land and services can also increase or decrease finding and development costs. There can be no assurance that we will be able to find and develop or acquire additional reserves to replace production at acceptable costs.

*Operating Hazards and Other Uncertainties.* Each of our four principal businesses, Oil Sands, NG, EM&R, and R&M require high levels of investment and have particular economic risks and opportunities. Generally, our operations are subject to hazards and risks such as fires, explosions, gaseous leaks, migration of harmful substances, blowouts, power outages and oil spills, any of which can cause personal injury, damage to property, equipment and the environment, as well as interrupt operations. In addition, all of our operations are subject to all of the risks normally incident to transporting, processing and storing crude oil, natural gas and other related products.

At Oil Sands, mining oil sands and producing bitumen through in-situ methods, extracting bitumen from the oil sands, and upgrading bitumen into synthetic crude oil and other products, involves particular risks and uncertainties. Oil Sands is susceptible to loss of production, slowdowns, shutdowns, or restrictions on our ability to produce higher value products due to the interdependence of its component systems. **For further information on the Oil Sands Fire, refer to page 4 of this AIF.** Severe climatic conditions at Oil Sands can cause reduced production during the winter season and in some situations can result in higher costs. While there is virtually no finding cost associated with oil sands resources, delineation of the resources, the costs associated with production, including mine development and drilling of wells for SAGD operations, and the costs associated with upgrading bitumen into synthetic crude oil, can entail significant capital outlays. The costs associated with production at Oil Sands are largely fixed and, as a result, operating costs per unit are largely dependent on levels of production.

There are risks and uncertainties associated with NG's operations including all of the risks normally incident to drilling for natural gas wells, the operation and development of such properties, including encountering unexpected formations or pressures, premature declines of reservoirs, blow-outs, equipment failures and other accidents, sour gas releases, uncontrollable flows of crude oil, natural gas or well fluids, adverse weather conditions, pollution, and other environmental risks.

Our downstream business units, EM&R and R&M are subject to all of the risks normally inherent with the operation of a refinery, terminals and other distribution facilities, as well as service stations, including loss of product or slowdowns due to equipment failures or other accidents.

Although we maintain a risk management program, including an insurance component, such insurance may not provide adequate coverage in all circumstances, nor are all such risks insurable. Losses resulting from the occurrence of these risks could have a material adverse impact on the company. Refer to note 11 to our 2004 Consolidated Financial Statements, which is incorporated by reference herein, for further description of our insurance coverage.

*Land Claims.* First Nations peoples have claimed aboriginal title and rights to a substantial portion of western Canada. Certain First Nations peoples have filed a claim against the Government of Canada,

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(6) Refer to "Non GAAP Financial Measures" on page ix of this AIF.



certain governmental entities and the Regional Municipality of Wood Buffalo (which includes the city of Fort McMurray, Alberta), claiming, among other things, a declaration that the plaintiffs have aboriginal title to large areas of lands surrounding Fort McMurray, including the lands on which Oil Sands and most of the other oil sands operations in Alberta are situated. In addition, First Nations peoples have filed claims against industry participants generally, relating in part to land claims which may affect our Natural Gas business. We are unable to assess the effect, if any, these claims would have on our Oil Sands or other operations. Other than these claims, to our knowledge the First Nations peoples have asserted no other land claims against us.

*Technology Risk.* There are risks associated with growth and other capital projects that rely largely or partly on new technologies and the incorporation of such technologies into new or existing operations. The success of projects incorporating new technologies, such as in-situ technology, cannot be assured.

*Risks of International Investments.* There are also inherent risks, including political and foreign exchange risk, in investing in business ventures internationally. Our capital projects planned for the R&M business are expected to be funded in large part from Canadian operations. A weaker Canadian dollar relative to the U.S. dollar would result in higher funding requirements for these projects. However, a weaker Canadian dollar would positively impact the Canadian dollar value of earnings from R&M. (See *Exchange Rate Fluctuations* , below). Other than the R&M business, we do not have material international investments, although we continue to assess downstream integration, coal bed methane and conventional natural gas opportunities in the U.S.

***Interest Rate Risk.* We are exposed to fluctuations in short-term Canadian interest rates as a result of the use of floating rate debt. We maintain a substantial portion of our debt capacity in revolving, floating rate bank facilities and commercial paper, with the remainder issued in fixed rate borrowings. To minimize our exposure to interest rate fluctuations, we occasionally enter into interest rate swap agreements and exchange contracts to either effectively fix the interest rate on floating rate debt or to float the interest rate on fixed rate debt. For more details, see the *Liquidity and Capital Resources* section of our MD&A.**

Interest Rate Risk. We are exposed to fluctuations in short-term Canadian interest rates as a result of the use of flo



*Exchange Rate Fluctuations.* Our 2004 Consolidated Financial Statements are presented in Canadian dollars. Results of operations are affected by the exchange rates between the Canadian dollar and the U.S. dollar. These exchange rates have varied substantially in the last five years. A substantial portion of our revenue is received by reference to U.S. dollar denominated prices, and a significant portion of our debt is denominated in U.S. dollars. Crude oil and natural gas prices are generally based in U.S. dollars, while a large portion of our sales of refined products are in Canadian dollars. Fluctuations in exchange rates between the U.S. and Canadian dollar may therefore give rise to foreign currency exposure, either favorable or unfavorable, creating another element of uncertainty.

*Environmental Regulation and Risk.* **Environmental regulation affects nearly all aspects of our operations. These regulatory regimes are laws of general application that apply to us in the same manner as they apply to other companies and enterprises in the energy industry. The regulatory regimes require us to obtain operating licenses and permits in order to operate, and impose certain standards and controls on activities relating to mining, oil and gas exploration, development and production, and the refining, distribution and marketing of petroleum products and petrochemicals. Environmental assessments and regulatory approvals are required before initiating most new major projects or undertaking significant changes to existing operations. In addition to these specific, known requirements, we expect future changes to environmental legislation, including anticipated legislation to implement Canada's ratification of the Kyoto Accord, will impose further requirements on companies operating in the energy industry. Some of the issues that are or may in future be subject to environmental regulation include the possible cumulative impacts of oil sands development in the Athabasca region; storage, treatment, and disposal of hazardous or industrial waste; the need to reduce or stabilize various emissions to air and discharges to water; issues relating to global climate change, land reclamation and restoration; Great Lakes water quality; and reformulated gasoline to support lower vehicle emissions (For example, see the discussion relating to our clean fuels capital projects, under the Three Year Highlights section of this AIF.). Changes in environmental regulation could have a potentially adverse effect on us from the standpoint of product demand, product reformulation and quality, methods of**





*production and distribution and costs. For example, requirements for cleaner-burning fuels could cause additional costs to be incurred, which may or may not be recoverable in the marketplace. The complexity and breadth of these issues make it extremely difficult to predict their future impact on us. Management anticipates capital expenditures and operating expenses could increase in the future as a result of the implementation of new and increasingly stringent environmental regulations. Compliance with environmental regulation can require significant expenditures and failure to comply with environmental regulation may result in the imposition of fines and penalties, liability for clean up costs and damages and the loss of important permits.*



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*Another area of risk involves reclaiming tailings ponds. To reclaim tailings ponds, we are using a process referred to as consolidated tailings technology. At this time, no ponds have been fully reclaimed using this technology. The success and time to reclaim the tailings ponds could increase or decrease the current asset retirement cost estimates. We continue to monitor and assess other possible technologies and/or modifications to the consolidated tailings process now being used.*





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We are required to and have posted annually with Alberta Environment an irrevocable letter of credit equal to \$0.03 per bbl of crude oil produced as of December 31, 2004 (\$14 million as at December 31, 2004) as security for the estimated cost of our reclamation activity on Oil Sands Mining Leases 86 and 17. For the Millennium and Steepbank mines, we have posted an irrevocable letter of credit equal to approximately \$78 million, representing security for the estimated cost of reclamation activities up to the end of December 2004. For Firebag, we have posted an irrevocable letter of credit equal to approximately \$9 million, representing security for the estimated cost of reclamation activities relating to Firebag up to the end of December 2004. For more information about our reclamation and environmental remediation obligations, refer to *Asset Retirement Obligations* under *Critical Accounting Estimates* in the *Suncor Overview and Strategic Priorities* section of our MD&A.

Over the past few years, legislation has been passed in Canada and the United States to reduce permitted levels of sulphur in transportation fuels. For a discussion of projects planned or underway at our EM&R and R&M operations, see the information under the EM&R and R&M sections of *Narrative Description of the Business*, and under *Three Year Highlights*, in this Annual Information Form. Projects to retrofit existing facilities to comply with these standards are subject to all risks inherent in large capacity projects, and to the additional risk that failure to meet legislated deadlines could have a material impact on the Company's ability to market its products, potentially having a material impact on revenues and earnings.

*Uncertainty of Reserve and Resource Estimates.* The reserves data and resource estimates for our Oil Sands and Natural Gas (NG) business units, included in our Annual Information Form, represent estimates only. There are numerous uncertainties inherent in estimating quantities and quality of these proved and probable reserves and resources, including many factors beyond our control.

In general, estimates of economically recoverable reserves are based upon a number of variable factors and assumptions, such as historical production from the properties, the assumed effect of regulation by governmental agencies, pricing assumptions, future royalties and future operating costs, all of which may vary considerably from actual results. The accuracy of any reserve estimate is a matter of engineering interpretation and judgment and is a function of the quality and quantity of available data, which may have been gathered over time. In the Oil Sands business unit, reserve and resource estimates are based upon a geological assessment, including drilling and laboratory tests, and also consider current production capacity and upgrading yields, current mine plans, operating life and regulatory constraints. The Firebag reserves and resource estimates are based upon a geological assessment of data gathered from evaluation drilling, the testing of core samples and seismic operations and demonstrated commercial success of the in-situ process. In the NG business unit, reservoir performance subsequent to the date of the estimate may justify revision, either upward or downward. For these reasons, estimates of the economically recoverable reserves attributable to any particular group of properties, and in NG the classification of such reserves based on risk of recovery prepared by different engineers or by the same engineers at different times, may vary substantially. At Oil Sands, the independent evaluation of mining reserves does not take into account the economic aspects of future reserves. Our actual production,











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revenues, royalties, taxes and development and operating expenditures with respect to our reserves will vary from such estimates, and such variances could be material.





*Labour Relations.* Hourly employees at our Oil Sands facility near Fort McMurray, our London terminal operation, our Sarnia refinery, our Denver refinery, and at Sun-Canadian Pipeline Company are represented by labour unions or employee associations. Any work interruptions involving our employees, or contract trades utilized in our projects or operations, could materially and adversely affect our business and financial position.

*Energy Trading Activities.* The nature of trading activities creates exposure to financial risks. These include risks that movements in prices or values will result in a financial loss to the Company; a lack of counterparties will leave us unable to liquidate or offset a position, or unable to do so at or near the previous market price; we will not receive funds or instruments from our counterparty at the expected time; the counterparty will fail to perform an obligation owed to us; we will suffer a loss as a result of human error or deficiency in our systems or controls; or we will suffer a loss as a result of contracts being unenforceable or transactions being inadequately documented. A separate risk management function within the company develops and monitors practices and policies and provides independent verification and valuation of our trading and marketing activities. However, we may experience significant financial losses as a result of these risks.

*Governmental Regulation.* The oil and gas industry in Canada and the United States, including the oil sands industry and our downstream segment, operates under federal, provincial, state and municipal legislation. This industry is also subject to regulation and intervention by governments in such matters as land tenure, royalties, government fees, production rates, environmental protection controls, the reduction of greenhouse gas emissions, the export of crude oil, natural gas and other products, the awarding or acquisition of exploration and production, oil sands or other interests, the imposition of specific drilling obligations, control over the development and abandonment of fields and mine sites (including restrictions on production) and possibly expropriation or cancellation of contract rights. Before proceeding with most major projects, including significant changes to existing operations, we must obtain regulatory approvals. The regulatory approval process can involve stakeholder consultation, environmental impact assessments and public hearings, among other things. In addition, regulatory approvals may be subject to conditions including security deposit obligations and other commitments. Failure to obtain regulatory approvals, or failure to obtain them on a timely basis, could result in delays, abandonment or restructuring of projects and increased costs, all of which could negatively affect future earnings and cash flow. Such regulations may be changed from time to time in response to economic or political conditions. The implementation of new regulations or the modification of existing regulations affecting the crude oil and natural gas industry could reduce demand for crude oil and natural gas, increase our costs and have a material adverse effect on our financial condition.

#### **SELECTED CONSOLIDATED FINANCIAL INFORMATION**



**Selected Consolidated Financial Information**



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The following selected consolidated financial information for each of the years in the three-year period ended December 31, 2004 is derived from our 2004 Consolidated Financial Statements. Our consolidated financial statements for each of the years in the three-year period ended December 31, 2004 have been audited by PricewaterhouseCoopers LLP, Chartered Accountants. The information set forth below should be read in conjunction with our MD&A and our 2004 Consolidated Financial Statements.

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(\$ millions except per share amounts)	Year ended December 31,(1)		
	2004	2003	2002
Revenues	8,621	6,571	5,032
Net earnings	1,100	1,075	749
Per common share (undiluted)	2.40	2.41	1.61
Per common share (diluted)	2.36	2.24	1.58
Cash flow from operations	2,021	2,079	1,440
Capital, acquisition and exploration expenditures	1,846	1,588	877

(\$ millions)	Year ended December 31,	
	2004	2003
Total assets	11,804	10,501
Long-term debt	2,217	2,448
Accrued liabilities and other(1)	749	616
Shareholders equity	4,897	4,355

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Note:

(1) See Note 8 to our 2004 Consolidated Financial Statements, which is incorporated by reference herein.

The following table sets forth, for each of the two most recently completed financial years, the revenues for each category of our principal products or services that accounted for 15 per cent or more of our total consolidated revenues.





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### Revenues from:

(\$ millions)	2004	%	2003	%
Transportation fuel sales	4,293	50	2,986	45
Crude oil sales	3,064	36	2,371	36
Other	1,261	14	1,208	19
<b>Total</b>	<b>8,618 (1)</b>	<b>100</b>	<b>6,565(1)</b>	<b>100</b>

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Note:

(1) Excludes interest income.

### Dividend Policy and Record

Our Board of Directors has established a policy of paying dividends on a quarterly basis. We review our policy from time to time in light of our financial position, financing requirements for growth, cash flow and other factors which our Board of Directors considers relevant. In the second quarter of 2004, our Board of Directors approved an increase in the quarterly dividend to \$0.06 per share from \$0.05 per share.

During 1999, we completed a Canadian offering of \$276 million of 9.05% preferred securities and a U.S. offering of U.S.\$162.5 million of 9.125% preferred securities, the proceeds of which totaled Canadian \$507 million after issue costs of \$17 million (\$10 million after income tax credits of \$7 million). Our preferred securities were unsecured junior subordinated debt, due in 2048 and we redeemed these securities on March 15, 2004 for proceeds equal to the original principal amount of the preferred securities plus accrued and unpaid interest as at March 15, 2004. For accounting purposes, the preferred securities were classified as share capital in the consolidated balance sheet and the interest distributions thereon, net of income taxes, were classified as dividends in our 2004 Consolidated Financial Statements, but generally treated as interest income to the recipient for Canadian or U.S. tax purposes.

The following table sets forth the per share amount of dividends we paid to shareholders during the last three years.



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	Year Ended December 31,					
	2004		2003		2002	
Common Shares cash dividends	\$	0.23	\$	0.1925	\$	0.17
Preferred securities cash interest distributions(1)	\$	0.02	\$	0.10	\$	0.11

Dividends paid in common shares

Note:

(1) Per share preferred securities cash interest distributions were calculated as total preferred securities dividends divided by the weighted average outstanding common shares in the year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our MD&A, dated February 23, 2005, is incorporated by reference herein and forms an integral part of this Annual Information Form, and should be read in conjunction with our 2004 Consolidated Financial Statements and the notes thereto.

**DESCRIPTION OF CAPITAL STRUCTURE**

**General Description of Capital Structure**

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Our authorized capital 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. As at December 31, 2004, a total of 454,240,626 common shares were issued and outstanding and no preferred shares had been issued.

Each common share entitles the holder to receive notice of and to attend all meetings of our shareholders, other than meetings at which only the holders of another class or series are entitled to vote. Each common share entitles the holder to one vote. The holders of common shares, in the discretion of the board of directors, are entitled to receive out of any monies properly applicable to the payment of dividends, and after the payment of any dividends payable on the preferred shares of any series or any other series ranking prior to the common shares as to the payment of dividends, any dividends declared and payable on the common shares. Upon any liquidation, dissolution or winding-up of Suncor, or other distribution of our assets among our shareholders for the purposes of winding-up our affairs, the holders of the common shares are entitled to share on a share-for-share basis in the distribution, except for the prior rights of the holders of the preferred shares of any series, or any other class ranking prior to the common shares. There are no pre-emptive or conversion rights, and the common shares are not subject to redemption. All common shares currently outstanding and to be outstanding upon exercise of outstanding options are, or will be, fully paid and non-assessable.

### **Ratings**



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At December 31, 2004, our current long-term senior debt ratings are, A(low) by Dominion Bond Rating Service, A3 by Moody's Investor Service and A- by Standard & Poor's and our current commercial paper debt rating is R-1(low) (Dominion Bond Rating Services). All debt ratings have a stable outlook. In 2003, Moody's removed its negative outlook in response to our debt reduction over the previous two years.

Dominion Bond Rating Service's (DBRS) credit ratings are on a long-term debt rating scale that ranges from AAA to D, which represents the range from highest to lowest quality of such securities rated. A

rating of A (low) by DBRS is the third highest of nine categories and is assigned to debt securities considered to be of satisfactory credit quality. Protection of interest and principal is still substantial, but the degree of strength is less than with AA rated entities. Entities in the A category may be more susceptible to adverse economic conditions and have greater cyclical tendencies than higher rated companies. The assignment of a (high) or (low) modifier within each rating category indicates relative standing within such category. The high and low grades are not used for the AAA category.

Moody's credit ratings are on a long-term debt rating scale that ranges from Aaa to C, which represents the range from highest to lowest quality of such securities rated. A rating of A3 by Moody's is the third highest of nine categories and is assigned to debt securities which are considered upper-medium grade obligations and are subject to low credit risk. Moody's appends numerical modifiers 1, 2 or 3 to each generic rating classification. The modifier 1 indicates that the issue ranks in the higher end of its generic rating category, the modifier 2 indicates a mid-range ranking and the modifier 3 indicates that the issue ranks in the lower end of its generic rating category.

Standard and Poor's (S&P) credit ratings are on a long-term debt rating scale that ranges from AAA to D, which represents the range from highest to lowest quality of such securities rated. A rating of A- by S&P is the third highest of eleven categories and indicates that the obligor is somewhat more susceptible to adverse effects of changes in circumstances and economic conditions than obligors in the higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong. The addition of a plus (+) or minus (-) designation after a rating indicates the relative standing within a particular rating category.

DBRS's commercial paper credit ratings are on a short-term debt rating scale that ranges from R-1(high) to D, which represent the range from highest to lowest quality of such securities rated. A rating of R-1(low) by DBRS is the third highest of ten categories and is assigned to debt securities considered to be of satisfactory credit quality. The overall strength and outlook for key liquidity, debt, and profitability ratios is not normally as favourable as with higher rating categories, but these considerations are still respectable, and any qualifying negative factors that exist are considered manageable, and the entity is normally of sufficient size to have some influence in its industry.

The credit ratings accorded to the notes by the rating agencies are not recommendations to purchase, hold or sell the notes inasmuch as such ratings do not comment as to the market price or suitability for a particular investor. Any rating may not remain in effect for any given period of time or may be revised or withdrawn entirely by a rating agency in the future if in its judgment circumstances so warrant.

## **MARKET FOR OUR SECURITIES**

Our common shares are listed on the Toronto Stock Exchange in Canada, and on the New York Stock Exchange in the United States.

**Price Range and Trading Volume of Common Shares**

**Toronto Stock Exchange  
2004**

	High	Price Range	Low	Trading Volume (000 s)
January	35.05		31.62	33,917
February	35.52		32.82	26,579
March	38.02		34.60	37,385
April	36.80		30.95	42,573
May	35.83		31.38	36,158
June	36.35		31.94	28,985
July	38.75		32.80	35,606
August	39.75		35.29	36,023
September	41.49		36.38	30,910
October	44.49		39.66	34,179
November	42.40		38.53	30,231
December	43.00		38.20	25,599

**New York Stock Exchange  
2004**

	High	Price Range	Low	Trading Volume (000 s)
January	27.03		24.68	15,517
February	26.73		24.70	13,732
March	28.75		26.06	15,872
April	28.09		22.55	21,544
May	25.95		23.20	17,155
June	26.68		23.60	20,555
July	29.18		24.90	18,114
August	30.00		27.01	24,468
September	32.63		27.84	21,938
October	36.15		31.35	25,285
November	35.54		32.11	20,834
December	35.69		31.16	20,417

**DIRECTORS AND EXECUTIVE OFFICERS**

**Directors**

Reference is made to the information under the heading, "Election of Directors" on pages 4 - 7 inclusive of Suncor's Management Proxy Circular dated March 24, 2005 for information regarding our directors, which information is incorporated by reference into this Annual Information Form.

**Executive Officers**

The following individuals are the executive officers of Suncor. Except where otherwise indicated, these individuals held the offices set out opposite their respective names as at December 31, 2004 and as of the date hereof.



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Name and Municipality of Residence	Office(1)
J. KENNETH ALLEY Calgary, Alberta	Senior Vice President and Chief Financial Officer
MIKE M. ASHAR Denver, Colorado	Executive Vice President, Refining and Marketing U.S.A.
DAVID W. BYLER Cochrane, Alberta	Executive Vice President, Natural Gas and Renewable Energy
RICHARD L. GEORGE Calgary, Alberta	President and Chief Executive Officer
TERRENCE J. HOPWOOD Calgary, Alberta	Senior Vice President and General Counsel
SUE LEE Calgary, Alberta	Senior Vice President, Human Resources and Communications
KEVIN D. NABHOLZ Calgary, Alberta	Executive Vice President, Major Projects
THOMAS L. RYLEY Toronto, Ontario	Executive Vice President, Energy, Marketing and Refining - Canada
STEVEN W. WILLIAMS Fort McMurray, Alberta	Executive Vice President, Oil Sands

Note:

(1) Offices shown are positions held by the officers in relation to business units of Suncor Energy Inc. and its subsidiaries on a consolidated basis. On a legal entity basis, Mr. Ashar is President of Suncor Energy (U.S.A.) Inc., Suncor's U.S. based downstream subsidiary, Mr. Ryley is the President of Suncor's Canadian based downstream subsidiaries, Suncor Energy Marketing Inc. and Suncor Energy Products Inc., respectively, and Mr. Nabholz is Executive Vice-President of Suncor Energy Services Inc., which provides major projects and other shared services to the Suncor group of companies.

All of the foregoing executive officers of the Company have, for the past five years, been actively engaged as executives or employees of Suncor or its affiliates, except Mr. Williams, who joined the Company in May 2002. Prior to joining Suncor, Mr. Williams held various executive positions with Ocelt Corporation, a global chemicals company. Prior to joining Ocelt Corporation in 1995, Mr. Williams held executive positions with Esso Petroleum Company Limited, an affiliate of Exxon.

The percentage of Common Shares of Suncor owned beneficially, directly or indirectly, or over which control or direction is exercised by Suncor's directors and executive officers, as a group, is less than 1%.

**Additional Disclosure for Directors and Executive Officers**

To the best of our knowledge, having made due inquiry, we confirm that, as at the date hereof:

(i) in the last ten years, no director or executive officer of Suncor is or has been a director or officer of another issuer that, while that person was acting in that capacity,

(a) was the subject of a cease trade or similar order, or an order that denied the relevant issuer access to any exemption under Canadian securities legislation for a period of more than 30 consecutive days;

(b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or

(c) became bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, other than Mr. Canfield, a director of Suncor who was a director of Royal Trust Co. in 1994 when it entered into a plan of arrangement with creditors and Mr. Korthals, a director of Suncor who was a director of Anvil Range Mining Corporation, which sought protection under the Companies Creditors Arrangement Act (Canada) in 1998;

(ii) no director or executive officer of Suncor has

(a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision;

(iii) no director or executive officer of Suncor nor any personal holding company controlled by such person has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or executive officer; and

(iv) no director or executive officer has any direct or indirect material interest in respect of any matter that has materially affected or will materially affect Suncor or any of its subsidiaries.

#### **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

No director, executive officer, or principal holder of Suncor securities or any associate or affiliate of these persons has, or has had, any material interest in any transaction or any proposed transaction that has materially affected or will materially affect us or any of our affiliates, within the three most recently completed financial years or during the current financial year.

**TRANSFER AGENT AND REGISTRAR**

The transfer agent and registrar for our common shares is Computershare Trust Company of Canada at its principal offices in Calgary, Montreal, Toronto and Vancouver and Computershare Trust Company Inc. in Denver, Colorado.

**INTERESTS OF EXPERTS**

As at the date hereof the principles of Gilbert Laustsen Jung Associates Ltd., as a group, beneficially owned, directly or indirectly, less than 1% of our outstanding securities, including the securities of our associates and affiliates.

**FEES PAID TO AUDITORS**



**Fees Paid to Auditors**

Reference is made to the information under the heading, "Appointment of Auditors" on page 8 of Suncor's Management Proxy Circular dated March 24, 2005 for information regarding fees paid by Suncor to its auditors for the last two completed fiscal years, which information is incorporated by reference into this Annual Information Form.

**Audit Committee Pre-Approval Policies for Non Audit Services**

Our Audit Committee has considered whether the provision of services other than audit services is compatible with maintaining the auditors independence and has a policy governing the provision of these services. A copy of our policy relating to Audit Committee approval of fees paid to our auditors, in compliance with the *Sarbanes Oxley Act of 2002*, is attached as Schedule A to this Annual Information Form.



**RELIANCE ON EXEMPTIVE RELIEF**

We are reporting our reserves data in accordance with, and are relying on, the terms of the following MRRS Decision Document: In the Matter of the Securities Legislation of Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut AND In the Matter of The Mutual Reliance Review System for Exemptive Relief Applications AND In the Matter of Suncor Energy Inc., December 22, 2003 (the Decision Document ).



Our reserves data consists of the following:





net proved working interest oil and gas reserve quantities relating to oil and gas operations, other than mining, estimated as at December 31, 2004 using constant dollar cost and pricing assumptions as of a point in time, namely December 31, 2004, and the related standardized measure;



gross proved and probable working interest oil reserve quantities relating to surface mineable oil sands operations estimated as at December 31, 2004; and



gross proved and probable working interest oil and gas reserve quantities relating to Firebag in-situ leases, estimated as at December 31, 2004 using constant dollar cost and pricing assumptions, generally intended to represent a normalized annual average for the year in accordance with CSA Staff Notice 51-315.



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Our estimates of reserves and related standardized measure of discounted future net cash flows (the standardized measure ) were evaluated or reviewed in accordance with the standards set out in the Canadian Oil and Gas Evaluation Handbook (the COGE Handbook ) modified to the extent necessary to reflect the terminology and standards of US disclosure requirements, including:





the information required by the United States Financial Accounting Standards Board, including Financial Accounting Standard No. 69;



the information required by SEC Industry Guide 2 Disclosure of Oil and Gas Operations, as amended from time to time; and



certain other information required in accordance with US disclosure practices.



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If we had been reporting our reserves data in accordance with National Instrument 51-101 and had not been relying on the terms of the Decision Document, we would have been required to report gross and net reserves data consisting of the following:





proved working interest oil and gas reserve quantities relating to oil and gas operations using constant prices and costs and related net present value of future net revenue, discounted at 10%; and



proved and probable working interest oil and gas reserve quantities relating to oil and gas operations using forecast prices and costs and related net present value of future net revenue, discounted at 5%, 10%, 15% and 20%.



**LEGAL PROCEEDINGS**

There are no legal proceedings to which we are a party or of which any of our property is the subject, nor are there any proceedings known by us to be contemplated that involves a claim for damages exceeding ten percent of our current assets, other than the claims by John S. Rendall against us, our President and Chief Executive Officer, Syncrude (Canada), Inc., Shell (Canada) Inc., Exxon-Mobil, Inc., Deutsche Bank, AG, Raymond and Rawl (Exxon), Bob Pitmann, Al Hyndman, Helmar Kopper and Merrill Lynch and the claim by W. Jack Butler against us, Syncrude (Canada), Inc., Deutsche Morgan Grenfell, Inc., Exxon-Mobil Corporation, Deutsche Bank, AG and Merrill Lynch, Pierce Fenner and Smith, Inc., both recently dismissed by the Second Judicial District Court, County of Bernalillio, New Mexico, USA and subsequently appealed by the Plaintiffs. The total amount of the claims is \$21.5 billion, plus unquantified damages and involves an allegation that we and various other defendants caused the bankruptcy of Solv-Ex. The claims involve allegations of breach of contract, fraud, aiding and abetting tortuous conduct, interference with economic advantage, breach of fiduciary duty, aiding and abetting such breaches, breach of trust, conspiracy under U.S. racketeering statutes and anti-trust law, intentional infliction of emotional distress and malicious abuse of process. The appeals were filed in early 2005.





**ADDITIONAL INFORMATION**

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Additional information, including directors and officers remuneration and indebtedness, principal holders of our securities, options to purchase securities and interests of insiders in material transactions, where applicable, is contained in our most recent management proxy circular for our most recent annual meeting of our shareholders that involved the election of directors. Additional financial information is provided in our 2004 Consolidated Financial Statements.

Further information about Suncor, filed with Canadian securities commissions and the United States Securities and Exchange Commission (SEC), including periodic quarterly and annual reports and the Annual Information Form (AIF/40-F) is available online at [www.sedar.com](http://www.sedar.com) and [www.sec.gov](http://www.sec.gov). In addition, our Standards of Business Conduct Code is available online at [www.suncor.com](http://www.suncor.com).

**SCHEDULE "A"**



**\*\*\*Approved and Accepted April 28, 2004\*\*\***





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**POLICY AND PROCEDURES FOR PRE-APPROVAL OF AUDIT**



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**AND NON-AUDIT SERVICES**



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Pursuant to the Sarbanes-Oxley Act of 2002 and Multilateral Instrument 52-110, the Securities and Exchange Commission and the Ontario Securities Commission respectively has adopted final rules relating to audit committees and auditor independence. These rules require the Audit Committee of Suncor Energy Inc ( Suncor ) to be responsible for the appointment, compensation, retention and oversight of the work of its independent auditor. The Audit Committee must also pre-approve any audit and non-audit services performed by the independent auditor or such services must be entered into pursuant to pre-approval policies and procedures established by the Audit Committee pursuant to this policy.



**I. STATEMENT OF POLICY**



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The Audit Committee has adopted this Policy and Procedures for Pre-Approval of Audit and Non-Audit Services (the Policy ), which sets forth the procedures and the conditions pursuant to which services proposed to be performed by the independent auditor will be pre-approved. The procedures outlined in this Policy are applicable to all Audit, Audit-Related, Tax Services and All Other Services provided by the independent auditor.





**II. RESPONSIBILITY**



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Responsibility for the implementation of this Policy rests with the Audit Committee. The Audit Committee delegates its responsibility for administration of this policy to management. The Audit Committee shall not delegate its responsibilities to pre-approve services performed by the independent auditor to management.



**III. DEFINITIONS**



For the purpose of these policies and procedures and any pre-approvals:





a) Audit services include services that are a necessary part of the annual audit process and any activity that is a necessary procedure used by the auditor in reaching an opinion on the financial statements as is required under generally accepted auditing standards ( GAAS ), including technical reviews to reach audit judgement on accounting standards;



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The term "audit services" is broader than those services strictly required to perform an audit pursuant to GAAS and include such services as:



- i) the issuance of comfort letters and consents in connections with offerings of securities;



- ii) the performance of domestic and foreign statutory audits;





iii) Attest services required by statute or regulation;



iv) Internal control reviews; and



- v) Assistance with and review of documents filed with the Canadian Securities administrators, the Securities and Exchange Commission and other regulators



having jurisdiction over Suncor and its subsidiaries, and responding to comments from such regulators;





b) Audit-related services are assurance (e.g. due diligence services) and related services traditionally performed by the external auditors and that are reasonably related to the performance of the audit or review of financial statements and not categorized under audit fees for disclosure purposes.



Audit-related services include:



- i) employee benefit plan audits, including audits of employee pension plans;



- ii) due diligence related to mergers and acquisitions;





iii) consultations and audits in connection with acquisitions, including evaluating the accounting treatment for proposed transactions;



iv) internal control reviews;



- v) attest services not required by statute or regulation; and



- vi) consultations regarding financial accounting and reporting standards;





Non-financial operational audits are not audit-related services;



c) Tax services include but are not limited to services related to the preparation of corporate and/or personal tax filings, tax due diligence as it pertains to mergers, acquisitions and/or divestitures and tax planning;



d) All other services consist of any other work that is neither an Audit service, nor an Audit-Related service nor a Tax service, the provision of which by the independent auditor is not expressly prohibited by Rule 2-01(c)(7) of Regulation S-X under the Securities and Exchange Act of 1934, as amended. (See Appendix A for a summary of the prohibited services.)



IV. GENERAL POLICY





The following general policy applies to all services provided by the independent auditor:



All services to be provided by the independent auditor will require specific pre-approval by the Audit Committee. The Audit Committee will not approve engaging the independent auditor for services which can reasonably be classified as tax services or all other services unless a compelling business case can be made for retaining the independent auditor instead of another service provider.



The Audit Committee will not provide pre-approval for services to be provided in excess of twelve months from the date of the pre-approval, unless the Audit Committee specifically provides for a different period.



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The Audit Committee has delegated authority to pre-approve services with an estimated cost not exceeding \$100,000 in accordance with this Policy to the Chairman of the Audit Committee. The delegate member of the Audit Committee must report any pre-approval decision to the Audit Committee at its next meeting.





The Chairman of the Audit Committee may delegate his authority to pre-approve services to another sitting member of the Audit Committee provided that the recipient has also



been delegated the authority to act as Chairman of the Audit Committee in the Chairman's absence. A resolution of the Audit Committee is required to evidence the Chairman's delegation of authority to another Audit Committee member under this policy.



The Audit Committee will, from time to time, but no less than annually, review and pre-approve the services that may be provided by the independent auditor.



The Audit Committee must establish pre-approval fee levels for services provided by the independent auditor on an annual basis. On at least a quarterly basis, the Audit Committee will be provided with a detailed summary of fees paid to the independent auditor and the nature of the services provided and a forecast of fees and services that are expected to be provided during the remainder of the fiscal year.





The Audit Committee will not approve engaging the independent auditor to provide any prohibited non-audit services as set forth in Appendix A.



The Audit Committee shall evidence their pre-approval for services to be provided by the independent auditor as follows:



a) In situations where the Chairman of the Audit Committee pre-approves work under his delegation of authority, the Chairman will evidence his pre-approval by signing and dating the pre-approval request form, attached as Appendix B. If it is not practicable for the Chairman to complete the form and transmit it to the Company prior to engagement of the independent audit, the Chairman may provide verbal or email approval of the engagement, followed up by completion of the request form at the first practical opportunity.



- b) In all other situations, a resolution of the Audit Committee is required.

All audit and non-audit services to be provided by the independent auditors shall be provided pursuant to an engagement letter that shall:





- a) be in writing and signed by the auditors



- b) specify the particular services to be provided



- c) specify the period in which the services will be performed



- d) specify the estimated total fees to be paid, which shall not exceed the estimated total fees approved by the Audit Committee pursuant to these procedures, prior to application of the 10% overrun.





e) include a confirmation by the auditors that the services are not within a category of services the provision of which would impair their independence under applicable law and Canadian and U.S. generally accepted accounting standards.



The Audit Committee pre-approval permits an overrun of fees pertaining to a particular engagement of no greater than 10% of the estimate identified in the associated engagement letter. The intent of the overrun authorization is to ensure on an interim basis only, that services can continue pending a review of the fee estimate and if required, further Audit Committee approval of the overrun. If an overrun is expected to exceed the 10% threshold, as soon as the overrun is identified, the Audit Committee or its designate must be notified and an additional pre-approval obtained prior to the engagement continuing.



**v. RESPONSIBILITIES OF EXTERNAL AUDITORS**

To support the independence process, the independent auditors will:





- a) Confirm in each engagement letter that performance of the work will not impair independence;



- b) Satisfy the Audit Committee that they have in place comprehensive internal policies and processes to ensure adherence, world-wide, to independence requirements, including robust monitoring and communications;



- c) Provide communication and confirmation to the Audit Committee regarding independence on at least a quarterly basis;



- d) Maintain registration by the Canadian Public Accountability Board and the U.S. Public Company Accounting Oversight Board;





- e) Review their partner rotation plan and advise the Audit Committee on an annual basis.



In addition, the external auditors will:



- a) Provide regular, detailed fee reporting including balances in the Work in Progress account;



- b) Monitor fees and notify the Audit Committee as soon as a potential overrun is identified.





**VI. DISCLOSURES**



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Suncor will, as required by applicable law, annually disclose its pre-approval policies and procedures, and will provide the required disclosure concerning the amounts of audit fees, audit-related fees, tax fees and all other fees paid to its outside auditors in its filings with the SEC.



\* \* \*



Appendix A





Prohibited Non-Audit Services



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An external auditor is not independent if, at any point during the audit and professional engagement period, the auditor provides the following non-audit services to an audit client.



*Bookkeeping or other services related to the accounting records or financial statements of the audit client.* Any service, unless it is reasonable to conclude that the results of these services will not be subject to audit procedures during an audit of Suncor's financial statements, including:



Maintaining or preparing the audit client's accounting records;

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Preparing Suncor's financial statements that are filed with the Securities and Exchange Commission ( SEC ) or that form the basis of financial statements filed with the SEC; or



Preparing or originating source data underlying Suncor's financial statements.



*Financial information systems design and implementation.* Any service, unless it is reasonable to conclude that the results of these services will not be subject to audit procedures during an audit of Suncor's financial statements, including:



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Directly or indirectly operating, or supervising the operation of, Suncor's information system or managing Suncor's local area network; or

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Designing or implementing a hardware or software system that aggregates source data underlying the financial statements or generates information that is significant to Suncor's financial statements or other financial information systems taken as a whole.



*Appraisal or valuation services, fairness opinions or contribution-in-kind reports.* Any appraisal service, valuation service or any service involving a fairness opinion or contribution-in-kind report for Suncor, unless it is reasonable to conclude that the results of these services will not be subject to audit procedures during an audit of Suncor's financial statements.





*Actuarial services.* Any actuarially-oriented advisory service involving the determination of amounts recorded in the financial statements and related accounts for Suncor other than assisting Suncor in understanding the methods, models, assumptions, and inputs used in computing an amount, unless it is reasonable to conclude that the results of these services will not be subject to audit procedures during an audit of Suncor's financial statements.



*Internal audit outsourcing services.* Any internal audit service that has been outsourced by Suncor that relates to Suncor's internal accounting controls, financial systems, or financial statements, unless it is reasonable to conclude that the result of these services will not be subject to audit procedures during an audit of Suncor's financial statements.



*Management functions.* Acting, temporarily or permanently, as a director, officer, or employee of Suncor, or performing any decision-making, supervisory, or ongoing monitoring function for Suncor.



*Human resources.*





Searching for or seeking out prospective candidates for managerial, executive, or director positions;

Engaging in psychological testing, or other formal testing or evaluation programs;

Undertaking reference checks of prospective candidates for an executive or director position;

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Acting as a negotiator on Suncor's behalf, such as determining position, status or title, compensation, fringe benefits, or other conditions of employment; or

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Recommending, or advising Suncor to hire a specific candidate for a specific job (except that an accounting firm may, upon request by Suncor, interview candidates and advise Suncor on the candidate's competence for financial accounting, administrative, or control positions.)



*Broker-dealer, investment adviser or investment banking services.* Acting as a broker-dealer (registered or unregistered), promoter, or underwriter, on behalf of Suncor, making investment decisions on behalf of Suncor or otherwise having discretionary authority over Suncor's investments, executing a transaction to buy or sell Suncor's investment, or having custody of Suncor's assets, such as taking temporary possession of securities purchased by Suncor.





*Legal services.* Providing any service to Suncor that, under circumstances in which the service is provided, could be provided only by someone licensed, admitted, or otherwise qualified to practice law in the jurisdiction in which the service is prohibited.



*Expert services unrelated to the audit.* Providing an expert opinion or other expert service for Suncor, or Suncor's legal representative, for the purpose of advocating Suncor's interest in litigation or in a regulatory or administrative proceeding or investigation. In any litigation or regulatory or administrative proceeding or investigation, an accountant's independence shall not be deemed to be impaired if the accountant provides factual accounts, including testimony, of work performed or explains the positions taken or conclusions reached during the performance of any service provided by the accountant for Suncor.



Appendix B



Pre-approval Request Form





NATURE OF WORK	ESTIMATED FEES (Cdn \$)
Total	



Date

Signature



**FORM 51-101F3**

*REPORT OF MANAGEMENT AND DIRECTORS*







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This is the form referred to in item 3 of section 2.1 of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ( *NI 51-101* ), as amended pursuant to the MRRS Decision Document dated December 22, 2003, *In the Matter of Suncor Energy Inc.* (the *Decision Document* ).



Terms to which a meaning is ascribed in the Decision Document have the same meaning in this form.



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Management of Suncor Energy Inc. (the Company ) are responsible for the preparation and disclosure of information with respect to the Company's oil and gas and surface mineable oil sands activities in accordance with securities regulatory requirements. This information includes reserves data, which consist of the following:



(a) proved working interest oil and gas reserve quantities relating to oil and gas operations, other than mining, estimated as at December 31, 2004 using constant dollar cost and pricing assumptions as of a point in time, namely December 31, 2004, and the related standardized measure;





(b) proved and probable working interest oil reserve quantities relating to surface mineable oil sands operations estimated as at December 31, 2004; and



(c) proved and probable working interest oil and gas reserve quantities relating to Firebag in-situ leases, estimated as at December 31, 2004 using constant dollar cost and pricing assumptions, generally intended to represent a normalized annual average for the year in accordance with CSA Staff Notice 51-315.



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Gilbert Laustsen Jung Associates Ltd., independent qualified reserves evaluators, have evaluated the Company's reserves data. The report of the independent qualified reserves evaluators will be filed with securities regulatory authorities concurrently with this report.



The Audit Committee of the board of directors of the Company has





- (a) reviewed the Company's procedures for providing information to the independent qualified reserves evaluators;



(b) met with the independent qualified reserves evaluators to determine whether any restrictions affected the ability of the independent qualified reserves evaluators to report without reservation; and



- (c) reviewed the reserves data with management and the independent qualified reserves evaluators.



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The Audit Committee of the board of directors has reviewed the Company's procedures for assembling and reporting other information associated with oil and gas and surface mineable oil sands activities and has reviewed that information with management. The board of directors has, on the recommendation of the Audit Committee, approved





- (a) the content and filing with securities regulatory authorities of the reserves data and other oil and gas and surface mineable oil sands information;



- (b) the filing of the report of the independent qualified reserves evaluators on the reserves data; and



- (c) the content and filing of this report.



Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material.







RICHARD L. GEORGE



RICHARD L. GEORGE

President and Chief Executive Officer







J. KENNETH ALLEY



J. KENNETH ALLEY

Senior Vice President and Chief Financial Officer





JOHN T. FERGUSON





JOHN T. FERGUSON

Director





JR SHAW



JR SHAW

Chairman of the Board of Directors







March 21, 2005



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Gilbert Laustsen Jung

Associates Ltd. Petroleum Consultants

4100, 400 - 3rd Avenue S.W., Calgary, Alberta, Canada T2P 4H2 (403) 266-9500 Fax (403) 262-1855





BY









Suncor Energy Inc.

P.O. Box 38

112 4 Avenue S.W.

Calgary, AB T2P 2V5





To: The Board of Directors of Suncor Energy Inc.



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Re: Form 51-101F2, as modified in accordance with exemptions from National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ( NI 51-101 ) contained in the MRRS Decision Document dated December 22, 2003, *In the Matter of Suncor Energy Inc.* (the Decision Document )



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We are providing this report in accordance with the terms of the Decision Document and any capitalized terms, not otherwise defined in this report, shall have the same meaning as set out in the Decision Document.



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We have evaluated the Company's reserves data as at December 31, 2004. The reserves data consist of the following:





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proved working interest oil and gas reserve quantities relating to oil and gas operations, other than mining, estimated as at December 31, 2004 using constant dollar cost and pricing assumptions as of a point in time, namely December 31, 2004, and the related standardized measure;

proved and probable working interest oil reserve quantities relating to surface mineable oil sands operations estimated as at December 31, 2004;  
and

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proved and probable working interest oil and gas reserve quantities relating to Firebag in-situ leases, estimated as at December 31, 2004 using constant dollar cost and pricing assumptions, generally intended to represent a normalized annual average for the year in accordance with CSA Staff Notice 51-315.



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The reserves data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves data based on our evaluation.



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We evaluated or reviewed the Company's estimates of reserves and related future net revenue (or, where applicable, related standardized measure of discounted future net cash flows (the standardized measure)) in accordance with the standards set out in the Canadian Oil and Gas Evaluation Handbook (the COGE Handbook) modified to the extent necessary to reflect the terminology and standards of the US Disclosure Requirements.





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Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook, as modified to the extent necessary to reflect the terminology and standards of the US Disclosure Requirements.



The following table sets forth the estimated standardized measure of future cash flows (before deducting income taxes) attributed to proved oil and gas reserve quantities not related to mining operations, estimated using constant prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated for the year ended, December 31, 2004:



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Standardized Measure of Future Cash Flows for Proved  
Oil and Gas Reserve Quantities (before income taxes,  
10% discount rate)

Preparation Date of Report	Location of Reserves	Evaluated	Reviewed	Total
February 17, 2005	Canada	\$ 1,337 million (94%)	\$ 85 million (6%)	\$ 1,422 million (100%)

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In addition, all proved plus probable company gross reserves have been evaluated for Suncor's oil sands mining properties located in Canada and all reserves and resources have been evaluated or reviewed for all of Suncor's oil and gas plus mining operations.



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In our opinion, the reserves data evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook, as modified or amended as set out above. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.





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We have no responsibility to update our reports evaluating reserves data of the Company by us for the year ended December 31, 2004 for events and circumstances occurring after the preparation dates of our reports.



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Reserves are estimates only, and not exact quantities. Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material.



Executed as to our report referred to above:







GILBERT LAUSTSEN JUNG ASSOCIATES LTD.,

Calgary, Alberta, Canada





GILBERT LAUSTSEN JUNG ASSOCIATES LTD.



Harry Jung, P. Eng.

President





Calgary, Alberta, Canada

March 21, 2005



**UNDERTAKING AND CONSENT TO SERVICE OF PROCESS**

**A. Undertaking**

Suncor Energy Inc. (the Registrant ) undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the staff of the Securities and Exchange Commission ( SEC ), and to furnish promptly, when requested to do so by the SEC staff, information relating to the securities in relation to which the obligation to file an annual report on Form 40-F arises, or transactions in said securities.

**B. Consent to Service of Process**

The Registrant has filed previously with the SEC a Form F-X in connection with the Common Shares.

***DISCLOSURE CONTROLS AND PROCEDURES***



See page 34 and 35 of Exhibit 99-2.

**MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

See page 55 of Exhibit 99-1.

**ATTESTATION REPORT OF THE REGISTERED PUBLIC ACCOUNTING FIRM**

See page 56 and 57 of Exhibit 99-1.

**AUDIT COMMITTEE FINANCIAL EXPERT**





See pages 25 and 37 of Appendix B of Exhibit 99-3.

*CODE OF ETHICS*



See pages 26 and 31 of Exhibit 99-3 and page 45 of our Annual Information Form.

***FEES PAID TO PRINCIPAL ACCOUNTANT***



See page 8 of Exhibit 99-3.

**AUDIT COMMITTEE PRE-APPROVAL POLICIES**



See page 44 of Annual Information Form.

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**APPROVAL OF NON-AUDIT SERVICES**



See page 8 of Exhibit 99-3.

**OFF-BALANCE SHEET ARRANGEMENTS**

See pages 22 and 23 of Exhibit 99-2.

**TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS**

See pages 22 and 23 of Exhibit 99-2.

**IDENTIFICATION OF THE AUDIT COMMITTEE**

See page 28 of Exhibit 99-3.

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**SIGNATURES**

Pursuant to the requirements of the Exchange Act, the registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereto duly authorized.

SUNCOR ENERGY INC.

DATE: March 30, 2005

PER: RICHARD L. GEORGE  
RICHARD L. GEORGE  
President and Chief Executive  
Officer

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**EXHIBIT INDEX**

<b>Exhibit No.</b>	<b>Description</b>
99-1	Audited Consolidated Financial Statements of Suncor Energy Inc. for the fiscal year ended December 31, 2004, including reconciliation to U.S. GAAP (Note 19)
99-2	Management's Discussion and Analysis for the fiscal year ended December 31, 2004, dated February 23, 2005
99-3	Excerpts from pages 8, 25, 26, 28, 31 and 37 inclusive of Suncor Energy Inc.'s Management Proxy Circular dated February 28, 2005
99-4	Consent of PricewaterhouseCoopers LLP
99-5	Consent of Gilbert Laustsen Jung Associates Ltd.
99-6	Certificate of President and Chief Executive Officer Pursuant to Exchange Act Rules 13a-14(a) or 15d-14(a)
99-7	Certificate of Senior Vice President and Chief Financial Officer Pursuant to Exchange Act Rules 13a-14(a) or 15d-14(a)
99-8	Certificate of the President and Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Enacted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99-9	Certificate of the Senior Vice President and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Enacted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

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