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News Release

Producers agree to study feasibility of developing Mackenzie Delta gas

Calgary, Feb. 28, 2000 - Imperial Oil Resources, Gulf Canada Resources Limited, Shell Canada Limited and Mobil Canada have entered into an agreement to study the feasibility of developing Mackenzie Delta gas. The four companies are in the early stages of conceptual development planning for onshore natural gas resources, totaling approximately six trillion cubic feet.

The commercial viability of these natural gas resources, and the pipeline required to transport this natural gas to markets, is dependent on a number of factors. These factors include natural gas markets, support from northern parties, regulatory approvals, environmental considerations, pipeline participation, fiscal terms, and the cost of constructing, operating and abandoning the field production and pipeline facilities. There are complex issues to be resolved and many interested parties to be consulted, before any development could proceed.

In assessing the feasibility of advancing onshore Mackenzie Delta natural gas development, the group plans to consult with many parties, including the territorial government, Aboriginal groups, northern communities, the federal government, other producers and pipeline companies.

As the largest resource-holder in the Mackenzie Delta region, Imperial is acting as spokesperson for this producer group.

- 30 -

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