

UNITED STATES
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): October 30, 2008

IMPERIAL OIL LIMITED

(Exact name of registrant as specified in its charter)

<u>Canada</u> (State or other jurisdiction of incorporation)	<u>0-12014</u> (Commission File Number)	<u>98-0017682</u> (IRS Employer Identification No.)
<u>237 Fourth Avenue S.W., Calgary, Alberta</u> (Address of principal executive offices)		<u>T2P 3M9</u> (Zip Code)

Registrant's telephone number, including area code: (800) 567-3776

(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 2.02 Results of Operations and Financial Condition.

On October 30, 2008, Imperial Oil Limited (the "Company") by means of a press release disclosed information relating to the Company's financial condition and results of operations for the fiscal quarter ended September 30, 2008. A copy of the press release is attached as Exhibit 99.1 to this report.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

The following exhibit is furnished as part of this report on Form 8-K:

- 99.1 Press release of the Company on October 30, 2008 disclosing information relating to the Company's financial condition and results of operations for the fiscal quarter ended September 30, 2008.

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.

IMPERIAL OIL LIMITED

Date: October 30, 2008

By: /s/ Brian Livingston

Name: Brian Livingston
Title: Vice-President, General Counsel and
Corporate Secretary

By: /s/ Brent Latimer

Name: Brent Latimer
Title: Assistant Secretary



Imperial Oil Limited
237 - 4th Avenue S.W.
Calgary, AB T2P 0H6

News Release

Imperial Oil announces third quarter financial and operating results

Calgary, October 30, 2008 – Imperial Oil today announced that net income for the third quarter was a record \$1,389 million or \$1.57 a share, compared with \$816 million or \$0.88 a share for the same period last year. Net income for the first nine months of 2008 was \$3,218 million or \$3.60 a share, versus \$2,302 million or \$2.45 a share for the first nine months of 2007.

Earnings in the third quarter were higher than the same quarter of 2007 as earnings improved in all segments. In the Upstream, higher crude oil and natural gas commodity prices were partially offset by the negative impacts of lower volumes, higher royalties, and higher energy and planned maintenance costs. Higher Downstream earnings were primarily due to stronger margins. Chemical earnings benefited from higher margins for polyethylene products. Lower share-based compensation costs also contributed to higher earnings.

Operating revenues were \$9,478 million in the third quarter, compared with \$6,306 million in the corresponding period last year. Capital and exploration expenditures were \$388 million in the third quarter, compared with \$245 million during the same quarter of 2007. For the first nine months of 2008, capital and exploration expenditures were \$996 million, versus \$661 million in the same period a year ago. During the third quarter and the first nine months of 2008, the company repurchased about 12 million shares for \$610 million and about 34 million shares for \$1,806 million, respectively. At September 30, the company's balance of cash was \$1,933 million, compared with \$1,208 million at the end of 2007.

"Imperial's strong balance sheet coupled with the company's long-term approach to disciplined investment and operational excellence is a proven combination," said Bruce March, chairman, president and chief executive officer of Imperial Oil. "Over the past quarter it has allowed us to provide advantage to our shareholders by advancing our major projects, continuing the company's share buyback and dividend programs, and maintaining a solid financial footing during these unsettling economic times," March added.

Imperial Oil is one of Canada's largest corporations and a leading member of the country's petroleum industry. It is one of the country's largest producers of crude oil and natural gas, is the largest petroleum refiner, and has a leading market share in petroleum products sold through a coast-to-coast supply network that includes about 1,900 service stations.

-30-

For further information:

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Dee Brandes
(403) 237-4537

Media relations
Gordon Wong
(403) 237-2710



Highlights/Items of interest

Progress on Kearl oil sands project

In total, about \$400 million has been spent on the Kearl project as of the end of the third quarter. Detailed design engineering continues and long-lead procurement items are being advanced. Site activities are focused on access road construction and plant site earthworks preparation.

Beaufort Sea exploration update

Imperial completed a 3-D seismic survey in the Beaufort Sea, a promising frontier exploration area. This work follows the acquisition of a multi-year exploration licence covering more than 500,000 acres that was acquired by Imperial (50 percent interest) and ExxonMobil Canada in 2007.

Sarnia refinery to reduce sulphur dioxide (SO₂) emissions by more than 50 percent

Imperial will construct a Tail Gas Clean-Up unit at its Sarnia refinery to reduce the site's SO₂ emissions. The unit's high efficiency process will increase overall product sulphur recovery at the sulphur recovery units to more than 99.5 percent. This new facility, together with operational enhancements at the refinery, will enable the site to reduce its SO₂ emissions by more than 50 percent. The unit will involve an investment of more than \$100 million and is expected to take about 16 months to build.

Third quarter dividend declared – increased to 10 cents a share

On July 31, 2008, the company declared a quarterly dividend of ten cents a share, an increase of one cent share from the previous quarter, payable on October 1, 2008.

IMPERIAL OIL LIMITED

FINANCIAL HIGHLIGHTS (unaudited)

	Third quarter		Nine months to September 30	
	2008	2007	2008	2007
Net income (U.S. GAAP, millions of dollars)				
Upstream	999	607	2,587	1,630
Downstream	270	191	539	703
Chemical	38	24	72	74
Corporate and other	82	(6)	20	(105)
Net income (U.S. GAAP)	1,389	816	3,218	2,302
Cash flow from operating activities	1,663	1,014	3,417	2,414
Capital and exploration expenditures	388	245	996	661
Per-share information (dollars)				
Net income - basic	1.57	0.88	3.62	2.46
Net income - diluted	1.57	0.88	3.60	2.45
Dividends	0.10	0.09	0.28	0.26
Share prices - close at September 30				
Toronto Stock Exchange (Canadian dollars)			45.58	49.29
American Stock Exchange (U.S. dollars)			42.60	49.56

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OPERATING RESULTS

The company's net income for the third quarter of 2008 was a record \$1,389 million or \$1.57 a share on a diluted basis, compared with \$816 million or \$0.88 a share for the same period last year. Net income for the first nine months of 2008 was \$3,218 million or \$3.60 a share on a diluted basis, versus \$2,302 million or \$2.45 a share for the first nine months of 2007.

Earnings in the third quarter were higher than the same quarter of 2007 as earnings improved in all segments. In the Upstream, higher crude oil and natural gas commodity prices were partially offset by the negative impacts of lower volumes, higher royalties, and higher energy and planned maintenance costs. Higher Downstream earnings were primarily due to stronger margins. Chemical earnings benefited from higher margins for polyethylene products. Lower share-based compensation costs also contributed to higher earnings.

For the first nine months, earnings increased primarily due to higher crude oil and natural gas commodity prices. Improved upstream realizations were partially offset by the negative impacts of lower upstream volumes, higher royalties, lower overall downstream margins and a stronger Canadian dollar.

IMPERIAL OIL LIMITED

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS (continued**

Upstream

Net income in the third quarter was a record \$999 million, \$392 million higher than the same period in 2007. Increased earnings were primarily due to higher crude oil and natural gas commodity prices totaling about \$960 million. Improved realizations were partially offset by the negative impacts of higher royalties of about \$150 million, lower conventional volumes from expected reservoir decline of about \$95 million, lower cyclical Cold Lake heavy oil production of about \$85 million and lower Syncrude volumes of about \$70 million. Earnings were also negatively impacted by higher energy and planned Syncrude maintenance costs totaling about \$120 million and lower gains from asset divestments of about \$50 million.

Net income for the first nine months was \$2,587 million versus \$1,630 million during the same period last year. Crude oil and natural gas commodity prices were stronger by about \$2,500 million. Their positive impact on earnings was partially offset by lower conventional volumes of about \$375 million, lower Syncrude volumes of about \$130 million and lower cyclical Cold Lake heavy oil production of about \$70 million. Earnings were also negatively impacted by higher royalties of about \$425 million, a stronger Canadian dollar of about \$180 million, higher energy, Syncrude maintenance, and other production costs totaling about \$240 million and lower gains from asset divestments of about \$140 million.

Gross production of Cold Lake heavy oil averaged 143 thousand barrels a day during the third quarter, versus 160 thousand barrels in the same quarter last year. For the first nine months, gross production was 147 thousand barrels a day this year, compared with 152 thousand barrels in the same period of 2007. Lower production volumes in the third quarter and nine months of 2008 were due to the cyclic nature of production at Cold Lake.

The company's share of Syncrude's gross production in the third quarter was 79 thousand barrels a day compared with 87 thousand barrels during the same period a year ago. Lower volumes were attributed to planned maintenance of a coker unit which began in the third quarter. During the nine-month period, the company's share of gross production from Syncrude averaged 71 thousand barrels a day, down from 76 thousand barrels in 2007. Lower volumes were due primarily to unplanned shutdowns in the first quarter and planned maintenance activities in the second and third quarters of 2008.

In both the third quarter and nine months of 2008, gross production of conventional crude oil averaged 27 thousand barrels a day and was essentially the same when compared to corresponding periods in 2007.

Gross production of natural gas during the third quarter of 2008 decreased to 309 million cubic feet a day from 430 million cubic feet in the same period last year. In the first nine months of the year, gross production was 315 million cubic feet a day, down from 482 million in the first nine months of 2007. The lower production volume was primarily due to the decline, as expected, in production from the Wizard Lake gas cap blowdown, which is largely complete.

Gross production of natural gas liquids (NGLs) available for sale was 9 thousand barrels a day in the third quarter, down from 16 thousand barrels in the same quarter last year. During the first nine months of 2008, gross production of NGLs available for sale decreased to 11 thousand barrels a day, from 17 thousand barrels in 2007. The lower production volumes in the third quarter and the first nine months of 2008 were mainly due to the expected decline in production from Wizard Lake.

IMPERIAL OIL LIMITED

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS (continued**

Downstream

Net income was \$270 million in the third quarter of 2008, compared with \$191 million in the same period a year ago. Earnings were higher mainly due to stronger margins in the quarter. Also contributing to higher earnings was increased throughput at the refineries, with refinery utilization averaging 93 percent in the third quarter.

Nine-month net income was \$539 million compared with \$703 million in 2007. Earnings decreased primarily due to lower overall downstream margins of about \$285 million and the negative impact of a stronger Canadian dollar of about \$50 million. These factors were partially offset by a gain of \$187 million from the sale of the company's equity investment in Rainbow Pipe Line Co. Ltd. in the second quarter of 2008.

Chemical

Net income was \$38 million in the third quarter, compared with \$24 million in the same quarter last year. Higher earnings in the third quarter were primarily due to higher margins for polyethylene products partially offset by lower overall sales volumes. Nine-month net income was \$72 million, compared with \$74 million in 2007. Lower margins for intermediate and other chemical products were essentially offset by higher margins for polyethylene products.

Corporate and other

Net income effects were \$82 million in the third quarter, compared with negative \$6 million in the same period of 2007. For the nine months of 2008, net income effects were \$20 million, versus negative \$105 million last year. Favourable earnings effects in the third quarter and the first nine months of 2008 were primarily due to lower share-based compensation charges.

LIQUIDITY AND CAPITAL RESOURCES

Cash flow from operating activities was \$1,663 million during the third quarter of 2008, \$649 million higher than the same period last year. Year-to-date cash flow from operating activities was \$3,417 million, an increase of \$1,003 million from the first nine months of 2007. Higher cash flow in the third quarter and the nine months of 2008 were primarily due to higher earnings.

Investing activities used net cash of \$335 million in the third quarter and \$647 million in the nine months of 2008, compared to \$143 million and \$330 million in the corresponding periods in 2007. Additions to property, plant and equipment were \$354 million in the third quarter, compared with \$226 million during the same quarter of 2007, and \$905 million in the first nine months, compared with \$598 million in the first nine months of 2007. For the Upstream segment, capital and exploration expenditures included ongoing development drilling at Cold Lake to maintain and expand production capacity, advancing the Kearl oil sands project, investments in facilities improvement at Syncrude, drilling at conventional fields in Western Canada and a 3-D seismic program in the Beaufort Sea. The Downstream segment's capital expenditures were focused mainly on reducing air emissions and improving refinery reliability and utilization. Proceeds from asset sales were \$260 million in the nine months of 2008 compared with \$268 million in the corresponding period of 2007.

During the third quarter and the first nine months of 2008, the company repurchased about 12 million shares for \$610 million and about 34 million shares for \$1,806 million, respectively. Under the current share repurchase program, which began on June 25, 2008, the company has purchased about 14 million shares, including shares purchased from ExxonMobil.

IMPERIAL OIL LIMITED

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS (continued**

Cash dividends of \$242 million were paid in the first nine months of 2008 compared with dividends of \$236 million in the same period of 2007. On July 31, 2008, the company declared a quarterly dividend of ten cents a share, an increase of one cent a share from the previous quarter, payable on October 1, 2008. Per-share dividends declared in the first three quarters of 2008 totaled \$0.28, up from \$0.26 in the same period of 2007.

The above factors led to an increase in the company's balance of cash to \$1,933 million at September 30, 2008, from \$1,208 million at the end of 2007.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

Information about market risks for the nine months ended September 30, 2008 does not differ materially from that discussed on page 33 in the company's annual report to shareholders for the year ended December 31, 2007 and interim reports to shareholders for the quarters ended March 31, 2008 and June 30, 2008 except for the following:

Earnings sensitivity (a) millions of dollars after tax	
Nine cents decrease (increase) in the value of the Canadian dollar versus the U.S. dollar	+ (-) 600

The sensitivity of net income to changes in the Canadian dollar versus the U.S. dollar decreased from the second quarter of 2008 by about \$5 million (after tax) for each one-cent difference. This was primarily due to the decrease in crude oil prices partially offset by the impacts of narrowing price spread between light crude oil and Cold Lake heavy oil and higher industry refining margins.

(a) The amount quoted to illustrate the impact of the sensitivity represents a change of about 10 percent in the value of the commodity at the end of the third quarter 2008. The sensitivity calculation shows the impact on annual net income that results from a change in one factor, after tax and royalties and holding all other factors constant. While the sensitivity is applicable under current conditions, it may not apply proportionately to larger fluctuations.

This report may contain forward-looking information. Actual results could differ materially due to market conditions, changes in law or government policy, changes in operating conditions and costs, changes in project schedules, operating performance, demand for oil and gas, commercial negotiations or other technical and economic factors.

IMPERIAL OIL LIMITED

CONSOLIDATED STATEMENT OF INCOME

(U.S. GAAP, unaudited)

millions of Canadian dollars	Third quarter		Nine months to September 30	
	2008	2007	2008	2007
REVENUES AND OTHER INCOME				
Operating revenues (a)(b)	9,478	6,306	25,327	18,372
Investment and other income (4)	37	124	310	331
TOTAL REVENUES AND OTHER INCOME	9,515	6,430	25,637	18,703
EXPENSES				
Exploration	34	19	91	90
Purchases of crude oil and products (c)	5,727	3,519	15,535	10,142
Production and manufacturing (5)(d)	1,092	846	3,183	2,580
Selling and general (5)	175	298	794	969
Federal excise tax (a)	341	343	981	972
Depreciation and depletion	188	205	550	592
Financing costs (6)(e)	1	10	(2)	33
TOTAL EXPENSES	7,558	5,240	21,132	15,378
INCOME BEFORE INCOME TAXES	1,957	1,190	4,505	3,325
INCOME TAXES	568	374	1,287	1,023
NET INCOME (3)	1,389	816	3,218	2,302
NET INCOME PER COMMON SHARE - BASIC (dollars) (8)	1.57	0.88	3.62	2.46
NET INCOME PER COMMON SHARE - DILUTED (dollars) (8)	1.57	0.88	3.60	2.45
DIVIDENDS PER COMMON SHARE (dollars)	0.10	0.09	0.28	0.26

(a) Federal excise tax included in operating revenues	341	343	981	972
(b) Amounts from related parties included in operating revenues	637	431	1,856	1,277
(c) Amounts to related parties included in purchases of crude oil and products	1,442	866	3,951	2,357
(d) Amounts to related parties included in production and manufacturing expenses	48	55	138	148
(e) Amounts to related parties included in financing costs	-	9	(1)	26

The notes to the financial statements are an integral part of these financial statements.

IMPERIAL OIL LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

(U.S. GAAP, unaudited)

inflow/(outflow)

millions of Canadian dollars

	Third quarter		Nine months to September 30	
	2008	2007	2008	2007
OPERATING ACTIVITIES				
Net income	1,389	816	3,218	2,302
Adjustment for non-cash items:				
Depreciation and depletion	188	205	550	592
(Gain)/loss on asset sales (4)	(4)	(72)	(236)	(211)
Deferred income taxes and other	137	9	(105)	98
Changes in operating assets and liabilities:				
Accounts receivable	128	(23)	(636)	(255)
Inventories and prepaids	(8)	(51)	(477)	(249)
Income taxes payable	200	183	559	(225)
Accounts payable	(409)	(80)	654	400
All other items - net (a)	42	27	(110)	(38)
CASH FROM (USED IN) OPERATING ACTIVITIES	1,663	1,014	3,417	2,414
INVESTING ACTIVITIES				
Additions to property, plant and equipment and intangibles	(354)	(226)	(905)	(598)
Proceeds from asset sales	19	82	260	268
Loans to equity company	-	1	(2)	-
CASH FROM (USED IN) INVESTING ACTIVITIES	(335)	(143)	(647)	(330)
FINANCING ACTIVITIES				
Short-term debt - net	-	(1)	-	404
Repayment of long-term debt	-	(250)	-	(904)
Long-term debt issued	-	250	-	500
Reduction in capitalized lease obligations	(1)	(1)	(3)	(2)
Issuance of common shares under stock option plan	-	1	6	10
Common shares purchased (8)	(610)	(600)	(1,806)	(1,791)
Dividends paid	(79)	(84)	(242)	(236)
CASH FROM (USED IN) FINANCING ACTIVITIES	(690)	(685)	(2,045)	(2,019)
INCREASE (DECREASE) IN CASH	638	186	725	65
CASH AT BEGINNING OF PERIOD	1,295	2,037	1,208	2,158
CASH AT END OF PERIOD	1,933	2,223	1,933	2,223
(a) Includes contribution to registered pension plans	(6)	(5)	(159)	(158)

The notes to the financial statements are an integral part of these financial statements.

IMPERIAL OIL LIMITED

CONSOLIDATED BALANCE SHEET

(U.S. GAAP, unaudited)

	As at Sept.30 2008	As at Dec.31 2007
millions of Canadian dollars		
ASSETS		
Current assets		
Cash	1,933	1,208
Accounts receivable, less estimated doubtful accounts	2,770	2,132
Inventories of crude oil and products	898	566
Materials, supplies and prepaid expenses	273	128
Deferred income tax assets	807	660
Total current assets	6,681	4,694
Long-term receivables, investments and other long-term assets	785	766
Property, plant and equipment, less accumulated depreciation and depletion	23,709 12,812	22,962 12,401
Property, plant and equipment, net	10,897	10,561
Goodwill	204	204
Other intangible assets, net	60	62
TOTAL ASSETS	18,627	16,287
LIABILITIES		
Current liabilities		
Short-term debt	105	105
Accounts payable and accrued liabilities (7)(a)	3,995	3,335
Income taxes payable	2,057	1,498
Current portion of capitalized lease obligations	3	3
Total current liabilities	6,160	4,941
Capitalized lease obligations	35	38
Other long-term obligations (7)	1,879	1,914
Deferred income tax liabilities	1,503	1,471
TOTAL LIABILITIES	9,577	8,364
SHAREHOLDERS' EQUITY		
Common shares at stated value (8)(b)	1,546	1,600
Earnings reinvested (9)	8,294	7,071
Accumulated other comprehensive income (10)	(790)	(748)
TOTAL SHAREHOLDERS' EQUITY	9,050	7,923
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	18,627	16,287

(a) Accounts payable and accrued liabilities include amounts to related parties of \$556 million (2007 - \$260 million).

(b) Number of common shares outstanding was 870 million (2007 - 903 million).

The notes to the financial statements are an integral part of these financial statements.

Approved by the directors October 30, 2008

/s/ B.H March

Chairman, president and
chief executive officer

/s/ P.A. Smith

Senior vice-president,
finance and administration, and treasurer

IMPERIAL OIL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

1. Basis of financial statement presentation

These unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles of the United States of America and follow the same accounting policies and methods of computation as, and should be read in conjunction with, the most recent annual consolidated financial statements. In the opinion of the management, the information furnished herein reflects all known accruals and adjustments necessary for a fair presentation of the financial position of the company as at September 30, 2008, and December 31, 2007, and the results of operations and changes in cash flows for the nine months ending September 30, 2008 and 2007. All such adjustments are of a normal recurring nature. The company's exploration and production activities are accounted for under the "successful efforts" method. Certain reclassifications to the prior year have been made to conform to the 2008 presentation.

The results for the nine months ending September 30, 2008, are not necessarily indicative of the operations to be expected for the full year.

All amounts are in Canadian dollars unless otherwise indicated.

2. Accounting changes**Uncertainty in income taxes**

As of January 1, 2007, the company adopted the Financial Accounting Standards Board (FASB) Interpretation No. 48 (FIN 48), "Accounting for Uncertainty in Income Taxes". The cumulative adjustment for the accounting change reported in the first quarter of 2007 was an after-tax gain of \$14 million.

Fair value measurements

Effective January 1, 2008, the company adopted the Financial Accounting Standards Board's (FASB) Statement No. 157 (SFAS 157), "Fair Value Measurements" for financial assets and liabilities that are measured at fair value and nonfinancial assets and liabilities that are remeasured at fair value on a recurring basis. SFAS 157 defines fair value, establishes a framework for measuring fair value when an entity is required to use a fair value measure for recognition or disclosure purposes and expands the disclosures about fair value measurements. The initial application of SFAS 157 had no impact on the company's financial statements.

On January 1, 2009, the company will adopt SFAS 157 for nonfinancial assets and liabilities that are not remeasured at fair value on a recurring basis. The application of SFAS 157 to the company's nonfinancial assets and liabilities will mostly be limited to the recognition and measurement of nonmonetary exchange transactions, asset retirement obligations and asset impairments. The company does not expect the adoption to have a material impact on the company's financial statements.

IMPERIAL OIL LIMITED

3. Business Segments

Third quarter millions of dollars	Upstream		Downstream		Chemical	
	2008	2007	2008	2007	2008	2007
REVENUES AND OTHER INCOME						
External sales (a)	1,692	1,028	7,393	4,934	393	344
Intersegment sales	1,682	1,227	747	552	132	74
Investment and other income	5	85	18	14	-	-
	3,379	2,340	8,158	5,500	525	418
EXPENSES						
Exploration (b)	34	19	-	-	-	-
Purchases of crude oil and products	1,134	817	6,759	4,243	395	312
Production and manufacturing	671	479	369	321	52	46
Selling and general	2	2	256	251	19	19
Federal excise tax	-	-	341	343	-	-
Depreciation and depletion	124	141	57	59	4	4
Financing costs	1	-	-	-	-	-
TOTAL EXPENSES	1,966	1,458	7,782	5,217	470	381
INCOME BEFORE INCOME TAXES	1,413	882	376	283	55	37
INCOME TAXES	414	275	106	92	17	13
NET INCOME	999	607	270	191	38	24
Export sales to the United States	984	490	682	200	250	212
Cash flows from (used in) operating activities	1,534	760	93	184	32	60
CAPEX (b)	316	184	67	50	3	2

Third quarter millions of dollars	Corporate and Other		Eliminations		Consolidated	
	2008	2007	2008	2007	2008	2007
REVENUES AND OTHER INCOME						
External sales (a)	-	-	-	-	9,478	6,306
Intersegment sales	-	-	(2,561)	(1,853)	-	-
Investment and other income	14	25	-	-	37	124
	14	25	(2,561)	(1,853)	9,515	6,430
EXPENSES						
Exploration (b)	-	-	-	-	34	19
Purchases of crude oil and products	-	-	(2,561)	(1,853)	5,727	3,519
Production and manufacturing	-	-	-	-	1,092	846
Selling and general	(102)	26	-	-	175	298
Federal excise tax	-	-	-	-	341	343
Depreciation and depletion	3	1	-	-	188	205
Financing costs	-	10	-	-	1	10
TOTAL EXPENSES	(99)	37	(2,561)	(1,853)	7,558	5,240
INCOME BEFORE INCOME TAXES	113	(12)	-	-	1,957	1,190
INCOME TAXES	31	(6)	-	-	568	374
NET INCOME	82	(6)	-	-	1,389	816
Export sales to the United States	-	-	-	-	1,916	902
Cash flows from (used in) operating activities	4	10	-	-	1,663	1,014
CAPEX (b)	2	9	-	-	388	245

(a) Includes crude oil sales made by Downstream in order to optimize refining operations.

(b) Capital and exploration expenditures (CAPEX) include exploration expenses, additions to property, plant, equipment and intangibles and additions to capital leases.

IMPERIAL OIL LIMITED

Nine months to September 30 millions of dollars	Upstream		Downstream		Chemical	
	2008	2007	2008	2007	2008	2007
REVENUES AND OTHER INCOME						
External sales (a)	4,977	3,377	19,223	14,016	1,127	979
Intersegment sales	4,528	2,977	2,418	1,609	374	247
Investment and other income	14	225	260	38	1	-
	9,519	6,579	21,901	15,663	1,502	1,226
EXPENSES						
Exploration (b)	91	90	-	-	-	-
Purchases of crude oil and products	3,480	2,241	18,202	11,821	1,173	913
Production and manufacturing	1,927	1,515	1,097	925	159	140
Selling and general	5	6	732	728	56	54
Federal excise tax	-	-	981	972	-	-
Depreciation and depletion	359	399	175	180	10	9
Financing costs	1	3	(5)	1	-	-
TOTAL EXPENSES	5,863	4,254	21,182	14,627	1,398	1,116
INCOME BEFORE INCOME TAXES	3,656	2,325	719	1,036	104	110
INCOME TAXES	1,069	695	180	333	32	36
NET INCOME	2,587	1,630	539	703	72	74
Export sales to the United States	2,635	1,512	1,275	702	701	576
Cash flows from (used in) operating activities	3,075	1,702	336	656	42	1
CAPEX (b)	821	495	162	133	7	8
Total assets as at September 30	8,790	7,923	7,820	6,889	516	499
Capital employed as at September 30	4,614	4,143	3,380	3,476	257	323

Nine months to September 30 millions of dollars	Corporate and Other		Eliminations		Consolidated	
	2008	2007	2008	2007	2008	2007
REVENUES AND OTHER INCOME						
External sales (a)	-	-	-	-	25,327	18,372
Intersegment sales	-	-	(7,320)	(4,833)	-	-
Investment and other income	35	68	-	-	310	331
	35	68	(7,320)	(4,833)	25,637	18,703
EXPENSES						
Exploration (b)	-	-	-	-	91	90
Purchases of crude oil and products	-	-	(7,320)	(4,833)	15,535	10,142
Production and manufacturing	-	-	-	-	3,183	2,580
Selling and general	1	181	-	-	794	969
Federal excise tax	-	-	-	-	981	972
Depreciation and depletion	6	4	-	-	550	592
Financing costs	2	29	-	-	(2)	33
TOTAL EXPENSES	9	214	(7,320)	(4,833)	21,132	15,378
INCOME BEFORE INCOME TAXES	26	(146)	-	-	4,505	3,325
INCOME TAXES	6	(41)	-	-	1,287	1,023
NET INCOME	20	(105)	-	-	3,218	2,302
Export sales to the United States	-	-	-	-	4,611	2,790
Cash flows from (used in) operating activities	(36)	55	-	-	3,417	2,414
CAPEX (b)	6	25	-	-	996	661
Total assets as at September 30	1,956	2,256	(455)	(314)	18,627	17,253
Capital employed as at September 30	983	1,273	-	-	9,234	9,215

(a) Includes crude oil sales made by Downstream in order to optimize refining operations.

(b) Capital and exploration expenditures (CAPEX) include exploration expenses, additions to property, plant, equipment and intangibles and additions to capital leases.

IMPERIAL OIL LIMITED

4. Investment and other income

Investment and other income includes gains and losses on asset sales as follows:

millions of dollars	Third quarter		Nine months to September 30	
	2008	2007	2008	2007
Proceeds from asset sales	19	82	260	268
Book value of assets sold	15	10	24	57
Gain/(loss) on asset sales, before tax (a)	4	72	236	211
Gain/(loss) on asset sales, after tax (a)	2	51	203	152

(a) Third quarter of 2007 included a gain of \$71 million (\$51 million, after tax) from the sale of the company's interest in the Willesden Green producing property.

5. Employee retirement benefits

The components of net benefit cost included in production and manufacturing and selling and general expenses in the consolidated statement of income are as follows:

millions of dollars	Third quarter		Nine months to September 30	
	2008	2007	2008	2007
Pension benefits:				
Current service cost	24	25	71	75
Interest cost	67	62	203	185
Expected return on plan assets	(82)	(83)	(247)	(247)
Amortization of prior service cost	5	5	14	15
Recognized actuarial loss	22	19	68	57
Net benefit cost	36	28	109	85
Other post-retirement benefits:				
Current service cost	2	1	5	4
Interest cost	7	5	19	17
Recognized actuarial loss	1	2	4	5
Net benefit cost	10	8	28	26

6. Financing costs

millions of dollars	Third quarter		Nine months to September 30	
	2008	2007	2008	2007
Debt related interest	2	18	6	51
Capitalized interest	(2)	(9)	(6)	(25)
Net interest expense	-	9	-	26
Other interest	1	1	(2)	7
Total financing costs	1	10	(2)	33

IMPERIAL OIL LIMITED

7. Other long-term obligations

	As at Sept.30 2008	As at Dec.31 2007
millions of dollars		
Employee retirement benefits (a)	904	954
Asset retirement obligations and other environmental liabilities (b)	516	522
Share-based incentive compensation liabilities	253	210
Other obligations	206	228
Total other long-term obligations	1,879	1,914

(a) Total recorded employee retirement benefits obligations also include \$59 million in current liabilities (December 31, 2007 - \$59 million).

(b) Total asset retirement obligations and other environmental liabilities also include \$74 million in current liabilities (December 31, 2007 - \$74 million).

8. Common shares

	As at Sept.30 2008	As at Dec.31 2007
thousands of shares		
Authorized	1,100,000	1,100,000
Common shares outstanding	869,673	903,263

From 1995 through 2007, the company purchased shares under thirteen 12-month normal course issuer bid share repurchase programs, as well as an auction tender. On June 25, 2008, another 12-month normal course issuer bid program was implemented with an allowable purchase of 44.2 million shares (five percent of the total on June 24, 2008), less shares purchased from Exxon Mobil Corporation and shares purchased by the employee savings plan and company pension fund. The results of these activities are as shown below:

Year	Shares	millions of Dollars
1995 - 2006	795.6	10,453
2007 - Third quarter	12.8	600
- Full year	50.5	2,358
2008 - Third quarter	12.4	610
- Year-to-date	34.0	1,806
Cumulative purchases to date	880.1	14,617

Exxon Mobil Corporation's participation in the above share repurchase maintained its ownership interest in Imperial at 69.6 percent.

The excess of the purchase cost over the stated value of shares purchased has been recorded as a distribution of earnings reinvested.

IMPERIAL OIL LIMITED

The following table provides the calculation of net income per common share:

	Third quarter		Nine months to September 30	
	2008	2007	2008	2007
Net income per common share - basic				
Net income (millions of dollars)	1,389	816	3,218	2,302
Weighted average number of common shares outstanding (millions of shares)	877.3	922.0	888.4	935.0
Net income per common share (dollars)	1.57	0.88	3.62	2.46
Net income per common share - diluted				
Net income (millions of dollars)	1,389	816	3,218	2,302
Weighted average number of common shares outstanding (millions of shares)	877.3	922.0	888.4	935.0
Effect of employee share-based awards (millions of shares)	6.5	5.9	6.4	5.7
Weighted average number of common shares outstanding, assuming dilution (millions of shares)	883.8	927.9	894.8	940.7
Net income per common share (dollars)	1.57	0.88	3.60	2.45

9. Earnings reinvested

millions of dollars	Third quarter		Nine months to September 30	
	2008	2007	2008	2007
Earnings reinvested at beginning of period	7,581	6,659	7,071	6,462
Cumulative effect of accounting change (2)	-	-	-	14
Net income for the period	1,389	816	3,218	2,302
Share purchases in excess of stated value	(588)	(577)	(1,746)	(1,721)
Dividends	(88)	(83)	(249)	(242)
Earnings reinvested at end of period	8,294	6,815	8,294	6,815

10. Comprehensive income

millions of dollars	Third quarter		Nine months to September 30	
	2008	2007	2008	2007
Net income	1,389	816	3,218	2,302
Post-retirement benefit liability adjustment (excluding amortization)	-	-	(105)	(28)
Amortization of post retirement benefit liability adjustment included in net periodic benefit costs	21	18	63	53
Other comprehensive income (net of income taxes)	21	18	(42)	25
Total comprehensive income	1,410	834	3,176	2,327

IMPERIAL OIL LIMITED

OPERATING STATISTICS

(unaudited)

	Third quarter		Nine months to September 30	
	2008	2007	2008	2007
GROSS CRUDE OIL AND NGL PRODUCTION				
(thousands of barrels a day)				
Cold Lake	143	160	147	152
Syncrude	79	87	71	76
Conventional	27	28	27	29
Total crude oil production	249	275	245	257
Natural gas liquids (NGLs) available for sale	9	16	11	17
Total crude oil and NGL production	258	291	256	274
NET CRUDE OIL AND NGL PRODUCTION				
(thousands of barrels a day)				
Cold Lake	117	132	122	127
Syncrude	66	72	60	64
Conventional	20	21	19	22
Total crude oil production	203	225	201	213
Natural gas liquids (NGLs) available for sale	7	11	9	13
Total crude oil and NGL production	210	236	210	226
COLD LAKE BLEND SALES (thousands of barrels a day)	180	202	191	197
NGL SALES (thousands of barrels a day)	8	16	11	20
NATURAL GAS (millions of cubic feet a day)				
Production (gross)	309	430	315	482
Production (net)	248	379	254	423
Sales	286	378	287	432
AVERAGE REALIZATIONS AND PRICES (Canadian dollars)				
Conventional crude oil realizations (a barrel)	114.58	75.73	108.89	68.45
NGL realizations (a barrel)	78.21	45.57	65.70	44.94
Natural gas realizations (a thousand cubic feet)	9.20	5.73	9.16	7.11
Par crude oil price at Edmonton (a barrel)	123.19	82.07	116.34	74.50
Heavy crude oil at Hardisty (Bow River, a barrel)	104.90	56.17	95.57	52.97
TOTAL REFINERY THROUGHPUT (thousands of barrels a day)	468	451	448	435
REFINERY CAPACITY UTILIZATION (percent)	93	90	89	86
PETROLEUM PRODUCTS SALES (millions of litres a day)				
Gasolines	33.3	33.8	32.4	32.6
Heating, diesel and jet fuels	25.5	25.2	24.9	25.8
Heavy fuel oils	5.1	6.2	4.7	5.0
Lube oils and other products	8.2	7.7	7.2	7.1
Net petroleum products sales	72.1	72.9	69.2	70.5
PETROCHEMICAL SALES (thousands of tonnes a day)	2.8	3.2	3.0	3.1

IMPERIAL OIL LIMITED

SHARE OWNERSHIP, TRADING AND PERFORMANCE

(unaudited)

	Third quarter		Nine months to September 30	
	2008	2007	2008	2007
RETURN ON AVERAGE CAPITAL EMPLOYED (a) (rolling 4 quarters, percent)			48.2	34.4
RETURN ON AVERAGE SHAREHOLDERS' EQUITY (rolling 4 quarters, percent)			49.3	40.9
INTEREST COVERAGE RATIO - EARNINGS BASIS (rolling 4 quarters, times covered)			328.0	63.1
SHARE OWNERSHIP				
Outstanding shares (thousands)				
Monthly weighted average	877,294	921,976	888,382	934,950
At September 30			869,673	914,216
Number of shareholders				
At September 30			13,162	13,141
SHARE PRICES				
Toronto Stock Exchange (Canadian dollars)				
High	57.80	51.90	62.54	54.70
Low	41.60	40.86	41.60	37.40
Close at September 30			45.58	49.29
American Stock Exchange (U.S. dollars) (b)				
High	56.89	50.95	63.08	50.95
Low	40.00	37.99	40.00	31.87
Close at September 30			42.60	49.56

- (a) Return on capital employed is net income excluding the after-tax cost of financing divided by the average rolling four quarters' capital employed.
(b) Share price presented is based on consolidated U.S. market data.