



Could This Value Stock Be Canada's Safest Oil Investment?

Description

Imperial Oil ([TSX:IMO](#))(NYSE:IMO) is one of Canada's largest integrated oil companies. It is active in all phases of the petroleum industry in Canada, including the exploration, production, and sale of crude oil and natural gas. In Canada, it is a major producer of crude oil, the largest petroleum refiner, and a leading marketer of petroleum products. It is also a major [producer of petrochemicals](#).

The company's operations are conducted in three main segments. Upstream operations include the exploration, and production of crude oil, natural gas, synthetic oil, and bitumen. Downstream operations consist of the transportation and refining of crude oil, blending of refined products, and the distribution and marketing of those products. Chemical operations consist of the manufacturing and marketing of various petrochemicals.

Applying high-impact technologies

Imperial produces crude oil and natural gas for sale predominantly into North American markets. Imperial's upstream business strategies guide the company's exploration, development, production, research, and gas marketing activities. These strategies include maximizing asset reliability, accelerating development, and application of high-impact technologies, maximizing value by capturing new business opportunities and managing the existing portfolio as well as pursuing sustainable improvements in organizational efficiency and effectiveness.

These strategies are underpinned by a relentless focus on operations integrity, commitment to innovative technologies, disciplined approach to investing and cost management, development of employees, and investment in the communities within which the company operates. Imperial has a significant oil and gas resource base and a large inventory of potential projects. The company continues to evaluate opportunities to support long-term growth.

Significant growth potential

As future development projects bring new production online, Imperial should [experience growth](#) from

oil sands in-situ and mining as well as unconventional resources, with the largest growth potential related to in-situ. Imperial continually monitors the effects of regulations and evaluates opportunities, including crude shipments by rail, and the pace of the development of the company's Aspen in-situ oil sands project, as economically justified. Imperial believes prices over the long term will be driven by market supply and demand.

On the supply side, prices are impacted by political events, logistics constraints, the actions of governments and other factors. To manage the risks associated with price, Imperial evaluates annual plans and all major investments across a range of price scenarios. In 2020, Imperial reassessed the long-term development plans of the company's unconventional portfolio in Alberta and no longer plans to further develop a significant portion of this portfolio. This decision is consistent with Imperial's strategy of focusing the company's upstream resources and efforts on key oil sands assets as well as on only the most attractive portions of the company's unconventional portfolio.

Competitive advantages

Imperial's downstream business strategies competitively position the company across a range of market conditions. These strategies include targeting industry leading performance in reliability, safety and operations integrity, as well as maximizing value from advanced technologies, capitalizing on integration across Imperial's businesses, selectively investing for resilient and advantaged returns, operating efficiently and effectively, and providing quality, valued, and differentiated products and services to customers.

Overall, Imperial's stock looks very attractive at current prices.

CATEGORY

1. Energy Stocks
2. Investing

POST TAG

1. canada

TICKERS GLOBAL

1. NYSEMKT:IMO (Imperial Oil Limited)
2. TSX:IMO (Imperial Oil Limited)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Energy Stocks
2. Investing

Tags

1. canada

Date

2025/08/21

Date Created

2021/06/24

Author

nikhilwaterloo

default watermark

default watermark