Petro-Canada Corporate Guidance
October 23, 2008

PETRO-CANADA

2008 Consolidated Net Production Outlook From Continuing Operations

Upstream production is expected to be in the 400,000 boe/d to 420,000 boe/d range in 2008, slightly higher than the 390,000 boe/d to 420,000 boe/d range provided in the production outlook on December 13, 2007. The slight increase in expected volumes reflects increased North American Natural Gas, East Coast Canada and International production outlooks.

Factors that may impact production during 2008 include reservoir performance, drilling results, facility reliability and the successful execution of planned turnarounds.

(thousands of boe/d) [(1)]	**2008 Outlook (+/-)** As at July 24, 2008
North American Natural Gas	
Natural gas	94
Liquids	12
Oil Sands	
Syncrude	35
MacKay River	25
International & Offshore	
East Coast Canada	87
International	
North Sea	94
Other International	58
Total continuing operations	**400 – 420**

(1) Barrels of Oil Equivalent (boe's) may be misleading particularly if used in isolation. A boe conversion ratio of 6 thousand cubic feet of natural gas to 1 barrel of oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Earnings Sensitivities

The following table shows the estimated after-tax effects that changes in certain factors would have had on Petro-Canada's 2007 net earnings had these changes occurred. Amounts are in Canadian dollars unless otherwise specified.

Factor [1, 2]	Change (+)	Annual net earnings impact *(millions of dollars)*	Annual net earnings impact *($/share)* [3]
Upstream			
Price received for crude oil and NGL [4]	$1.00/bbl	$ 52	$ 0.11
Price received for natural gas	$0.25/Mcf	30	0.06
Exchange rate: US$/Cdn$ refers to impact on upstream net earnings [5]	$0.01	(40)	(0.08)
Crude oil and NGL production	1,000 barrels/day (b/d)	10	0.02
Natural gas production	10 million cubic feet/day (MMcf/d)	7	0.01
Downstream			
New York Harbor 3-2-1 crack spread	$1.00 US/bbl	22	0.05
Chicago 3-2-1 crack spread	$1.00 US/bbl	24	0.05
Seattle 3-2-1 crack spread	$1.00 US/bbl	7	0.01
WTI/Dated Brent price differential	$1.00 US/bbl	25	0.05
Dated Brent/Maya FOB price differential	$1.00 US/bbl	6	0.01
Edmonton Light/Synthetic price differential	$1.00 Cdn/bbl	13	0.03
Exchange rate: US$/Cdn$ refers to impact on Downstream cracking margins and crude price differentials [6]	$0.01	(11)	(0.02)
Natural gas fuel cost – AECO natural gas price	$1.00 Cdn/Mcf	(11)	(0.02)
Asphalt – % of Maya crude oil price	1%	2	–
Heavy fuel oil (HFO) – % of WTI crude oil price	1%	2	–
Corporate			
Exchange rate: US$/Cdn$ refers to impact of the revaluation of U.S. dollar-denominated, long-term debt [7]	$0.01	$ 10	$ 0.02

1 The impact of a change in one factor may be compounded or offset by changes in other factors. This table does not consider the impact of any inter-relationship among the factors.
2 The impact of these factors is illustrative.
3 Per share amounts are based on the number of shares outstanding as at December 31, 2007.
4 This sensitivity is based upon an equivalent change in the price of WTI and Dated Brent, excluding the derivative contracts associated with the Buzzard acquisition that were closed out in the fourth quarter of 2007.
5 A strengthening Canadian dollar compared with the U.S. dollar has a negative effect on upstream net earnings.
6 A strengthening Canadian dollar compared with the U.S. dollar has a negative effect on Downstream cracking margins and crude price differentials.
7 A strengthening Canadian dollar versus the U.S. dollar has a positive effect on corporate earnings with respect to the Company's U.S. denominated debt. The impact refers to gains or losses on $1.4 billion US of the Company's U.S. denominated long-term debt and interest costs on U.S. denominated debt. Gains or losses on $1.1 billion US of the Company's U.S. denominated long-term debt, associated with the self-sustaining International business segment and the U.S. Rockies operations included in the North American Natural Gas business unit, are deferred and included as part of shareholders' equity.

Capital Expenditures

Capital Investment by Business Unit *(millions of Canadian dollars)*	**2008 Outlook** As at July 24, 2008
Upstream	
North American Natural Gas	$ 620
Oil Sands	1,420
International & Offshore	
East Coast Canada	335
International	2,040 [1]
	4,415
Downstream	
Refining and Supply	1,520
Sales and Marketing	160
Lubricants	25
	1,705
Shared Services	35
Total continuing operations	**$ 6,155**

[1] Approximately $450 million is a non-cash accrual related to the Libya acquisition.

Taxation Information

	2008E
Effective Tax Rate	
- North America	30-35%
- International	60-70%
- Corporate Overall	40-50%

Target Debt Ratios

	Ranges	**As at Sept. 30, 2008**
Debt to Cash Flow	up to 2.5 times	0.9 times
Debt to Debt plus Equity	up to 45%	20.4%

Future Quarterly Releases:

- *January 29, 2009: Fourth Quarter Results & Conference Call*
- *April 28, 2009: First Quarter Results & Conference Call*

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