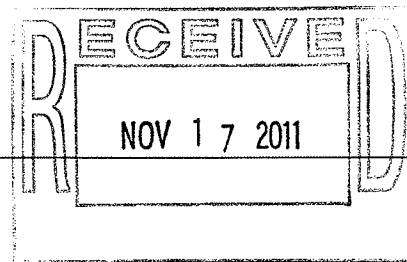




Imperial Oil

Imperial Oil Limited
237 Fourth Avenue SW
Calgary, AB T2P 3M9



November 15, 2011

Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street, N.W.
Washington D.C. 20006 -2803

**Re: Public Company Accounting Oversight Board (PCAOB) Release No. 2011-006
Rulemaking Docket Matter No. 37 – Concept Release on Auditor Independence and
Audit Firm Rotation**

Dear PCAOB Board Members,

I am writing, on behalf of the Board Audit Committee of Imperial Oil Limited, in response to your request to comment on the concept release on auditor independence and audit firm rotation. We appreciate the opportunity to provide comments.

Imperial Oil is a Canadian incorporated company and a large accelerated *Form 10-K* filer with the Securities and Exchange Commission (SEC). The company is one of Canada's largest integrated oil companies. It is active in all phases of the petroleum industry in Canada, including the exploration for, and production and sale of, crude oil and natural gas.

In developing our response to the concept release, we have limited our comments to those areas that we believe, as a board audit committee, are most relevant. Accordingly, we have not attempted to answer every question that was raised in the concept release.

We believe, auditor independence is an important element to safeguard the interests of the various stakeholders of a publicly traded company. There are relevant rules and standards governing audit firms and these are enhanced by the important oversight activities conducted by the PCAOB. The auditor itself ensures its independence by adhering to audit standards as well as establishing a mindset of auditor independence and professional objectivity.

We fundamentally believe that, in addition to the external drivers, board audit committees are uniquely positioned to maintain and strengthen the independence of the independent auditors. For that reason, we strongly disagree with any steps that would impair board audit committees' ability to exercise their responsibility on behalf of stakeholders. Selection and appointment of the right independent auditor is an important responsibility as are setting the independent auditor's compensation level and oversight of the work they perform.

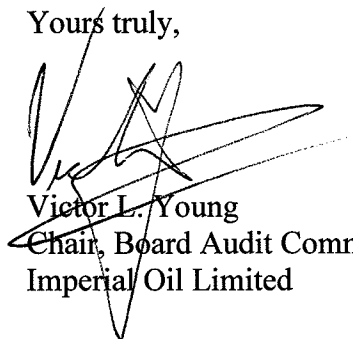
It is our view that a key component to attaining audit independence is through knowledge and experience of the audit engagement. While an audit firm brings a level of technical expertise and knowledge of the industry to an audit, at the outset of its work for a new client it lacks specific knowledge about a company. Obtaining an in-depth understanding of a company is critical to an effective and independent audit. Indeed, during the initial years of auditing a client, an audit firm could be more exposed to an undetected error. In our view, the current requirement to rotate the engagement partner every five years within the same audit firm provides the fresh perspective deemed needed to complete a high quality audit, while maintaining the stability and the institutional knowledge and expertise at the same time. We also believe, particularly for the larger firms, rotation of partners also serves to safeguard independence as individual partners have a vested interest in the ongoing integrity and viability of their own firms. From the board audit committee's perspective, the risks involved in the automatic rotation of an audit firm far outweigh the perceived benefits.

Mandatory rotation of the audit firm effectively supersedes the board audit committee's important responsibility to appoint and retain the independent auditor. We believe there are only a limited number of audit firms large enough to audit companies like Imperial Oil Limited. Mandatory rotation, based on arbitrary points in time, could limit the availability of qualified firms, placing the audit committee and as such the company stakeholders in an unacceptable position.

In our assessment, the current process works effectively. We are not aware of any firm evidence that an auditor independence issue exists and therefore disagree there is cause for action on audit firm tenure at this time. We recommend that prior to any steps taken to impair or supersede board audit committees' responsibilities to select and appoint audit firms, the PCAOB conduct a thorough risk analysis based on real versus perceived issues along with a cost / benefit study.

Thank you for allowing us the opportunity to respond to this proposal.

Yours truly,



Victor L. Young
Chair, Board Audit Committee
Imperial Oil Limited