

Forward Looking Statements



Certain statements relating to Canadian Natural Resources Limited (the "Company") in this document or documents incorporated herein by reference constitute forward-looking statements or information (collectively referred to herein as "forward-looking statements") within the meaning of applicable securities legislation. Forward-looking statements can be identified by the words "believe", "anticipate", "expect", "plan", "estimate", "continue", "could", "intend", "may", "potential", "predict", "should", "will", "objective", "project", "forecast", "goal", "guidance", "outlook", "effort", "seeks", "schedule", "proposed" or expressions of a similar nature suggesting future outcome or statements regarding an outlook. Disclosure related to expected future commodity pricing, forecast or anticipated production volumes, royalties, operating costs, capital expenditures, income tax expenses, and other guidance provided throughout this Annual Information Form ("AIF") constitute forward-looking statements. Disclosure of plans relating to and expected results of existing and future developments, including but not limited to the Horizon Oil Sands operations and future expansion, Septimus, Primrose thermal projects, Pelican Lake water and polymer flood project, the Kirby Thermal Oil Sands Project, construction of the proposed Keystone XL Pipeline from Hardisty, Alberta to the US Gulf coast, the proposed Kinder Morgan Trans Mountain pipeline expansion from Edmonton, Alberta to Vancouver, British Columbia and the construction and future operations of the North West Redwater bitumen upgrader and refinery also constitute forward-looking statements. This forward-looking information is based on annual budgets and multi-year forecasts, and is reviewed and revised throughout the year as necessary in the context of targeted financial ratios, project returns, product pricing expectations and balance in project risk and time horizons. These statements are not guarantees of future performance and are subject to certain risks and the reader

In addition, statements relating to "reserves" are deemed to be forward-looking statements as they involve the implied assessment based on certain estimates and assumptions that the reserves described can be profitably produced in the future. There are numerous uncertainties inherent in estimating quantities of proved and proved plus probable crude oil and natural gas and natural gas liquids (NGLs") reserves and in projecting future rates of production and the timing of development expenditures. The total amount or timing of actual future production may vary significantly from reserve and production estimates.

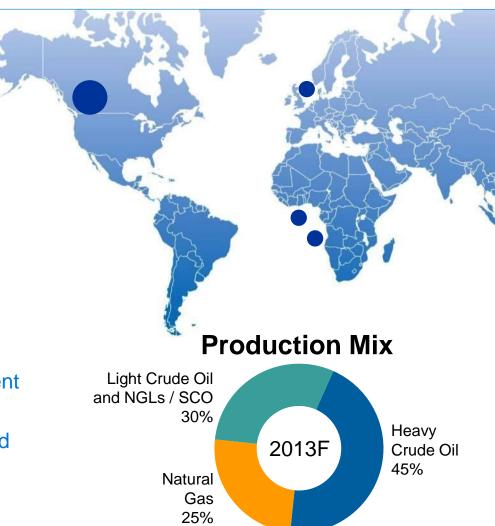
The forward-looking statements are based on current expectations, estimates and projections about the Company and the industry in which the Company operates, which speak only as of the date such statements were made or as of the date of the report or document in which they are contained, and are subject to known and unknown risks and uncertainties that could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks and uncertainties include, among others: general economic and business conditions which will, among other things, impact demand for and market prices of the Company's products; volatility of and assumptions regarding crude oil and natural gas prices; fluctuations in currency and interest rates; assumptions on which the Company's current guidance is based; economic conditions in the countries and regions in which the Company conducts business; political uncertainty, including actions of or against terrorists, insurgent groups or other conflict including conflict between states; industry capacity; ability of the Company to implement its business strategy, including exploration and development activities; impact of competition; the Company's defense of lawsuits; availability and cost of seismic, drilling and other equipment; ability of the Company and its subsidiaries to complete capital programs; the Company's and its subsidiaries' ability to secure adequate transportation for its products; unexpected disruptions of delays in the resumption of the mining, extracting or upgrading of the Company's bitumen products; potential delays or changes in plans with respect to exploration or development projects or capital expenditures; ability of the Company to attract the necessary labour required to build its thermal and oil sands mining projects; operating hazards and other difficulties inherent in the exploration for and production and sale of crude oil and natural gas and in mining, extracting or upgrading the Company's bitumen products; availability and cost of financing; the Company's and its subsidiaries' success of exploration and development activities and their ability to replace and expand crude oil and natural gas reserves; timing and success of integrating the business and operations of acquired companies; production levels; imprecision of reserve estimates and estimates of recoverable quantities of crude oil, natural gas and NGLs not currently classified as proved; actions by governmental authorities; government regulations and the expenditures required to comply with them (especially safety and environmental laws and regulations and the impact of climate change initiatives on capital and operating costs); asset retirement obligations; the adequacy of the Company's provision for taxes; and other circumstances affecting revenues and expenses. The Company's operations have been, and in the future may be, affected by political developments and by federal, provincial and local laws and regulations such as restrictions on production, changes in taxes, royalties and other amounts payable to governments or governmental agencies, price or gathering rate controls and environmental protection regulations. Should one or more of these risks or uncertainties materialize, or should any of the Company's assumptions prove incorrect, actual results may vary in material respects from those projected in the forward-looking statements. The impact of any one factor on a particular forward-looking statement is not determinable with certainty as such factors are dependent upon other factors, and the Company's course of action would depend upon its assessment of the future considering all information then available. For additional information refer to the "Risks Factors" section of the AIF. Readers are cautioned that the foregoing list of factors is not exhaustive. Unpredictable or unknown factors not discussed in this report could also have material adverse effects on forward-looking statements.

Although the Company believes that the expectations conveyed by the forward-looking statements are reasonable based on information available to it on the date such forward-looking statements are made, no assurances can be given as to future results, levels of activity and achievements. All subsequent forward-looking statements, whether written or oral, attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Except as required by law, the Company assumes no obligation to update forward-looking statements, whether as a result of new information, future events or other factors, or the foregoing factors affecting this information, should circumstances or Management's estimates or opinions change.

Who is Canadian Natural?



- Canadian based E&P company with international exposure
- ~US\$40 billion enterprise value
- 655 MBOE/d 2012
 - − ~70% crude oil weighted
- 663-704 MBOE/d 2013F
 - ~75% crude oil weighted
- Returns focused
- Major oil sands player
 - Major thermal in situ producer with several projects in inventory with current production capacity of 120,000 bbl/d
 - Major mining project with 110,000 bbl/d of SCO production capacity



The Premium Value, Defined Growth, Independent

Our Approach To Business





- Healthy and safe work environment
- Environmental protection
- Economic opportunities in the communities where we do business
- Community investment and benefits

Environmental Protection





Minimize:

- use of fresh water
- project footprint



Maximize:

- water recycling for steam
- brackish / saline groundwater



Protect:

- water & air quality
- wildlife

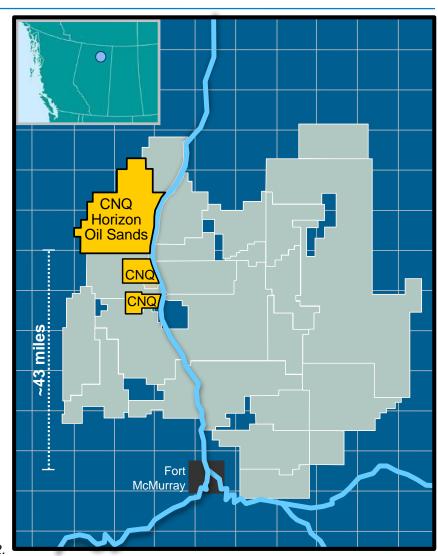


Horizon Oil Sands Core Area



- World Class asset
- 14.4 billion barrels BIIP*
 - 2P SCO reserves 3.4 billion barrels**
 - Best estimate contingent resources other than reserves – 3.3 billion barrels of bitumen***
- Phased development (SCO)
 - 110,000 bbl/d capacity (Phase 1)
 - Targeted expansion to 250,000 bbl/d
 - Targeted future expansion to 500,000 bbl/d
- 40+ years of production with no declines
- 100% working interest
- Significant free cash flow generation for decades

^{***}Best estimate contingent resources other than reserves as at December 31, 2012.



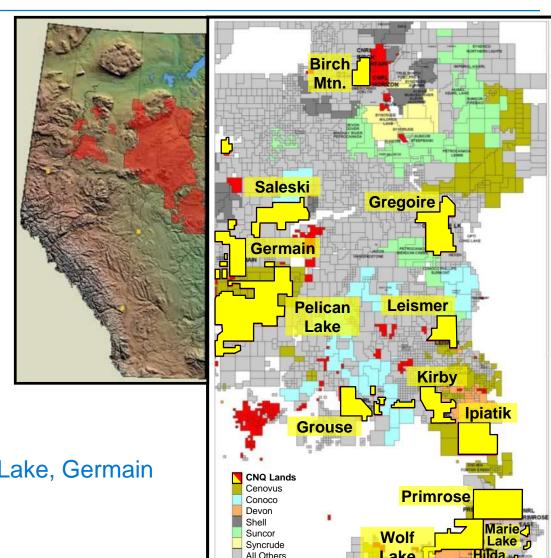
^{*}Discovered Bitumen Initially in Place.

^{**}Company Gross proved plus probable reserves as at December 31, 2012.

Thermal In Situ Oil Sands Core Area

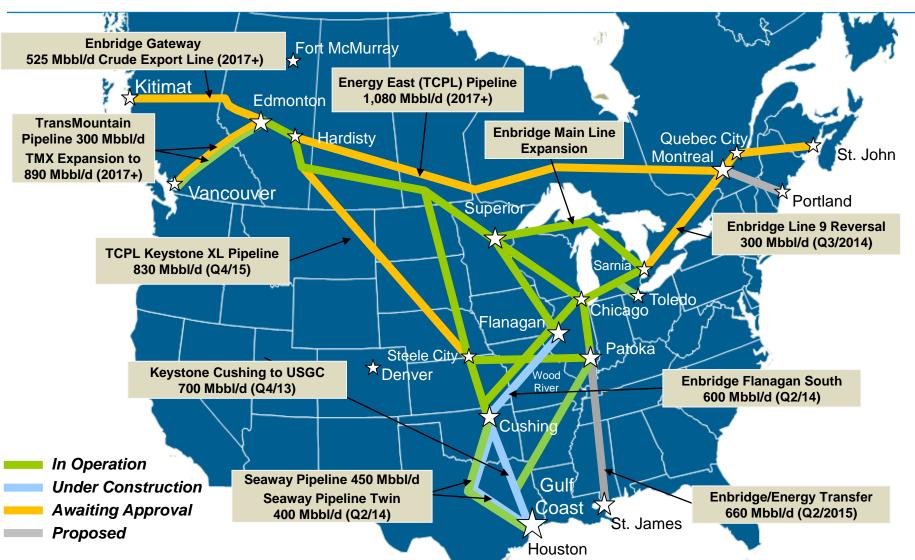


- Clearwater
 - Primrose, Wolf Lake
 - Hilda Lake, Marie Lake
- McMurray
 - Kirby
 - -Grouse
 - Birch Mountain
 - Gregoire
 - Leismer
 - Ipiatik
- Wabiskaw
 - Kirby, Ipiatik
- Grand Rapids
 - Primrose, Wolf Lake, Pelican Lake, Germain
- Carbonates
 - Saleski



Expanding Pipeline Options

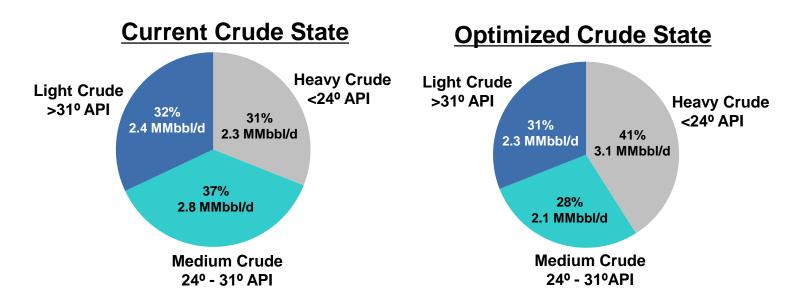




Brave New World: Expanding Markets

USGC Heavy Oil Demand





Offshore imported heavy oil to displace ~2.3 MMbbl/d Incremental heavy capacity available in USGC ~0.8 MMbbl/d Heavy oil capacity to access ~3.1 MMbbl/d

Medium crude will be displaced by blending Heavy and Light crude

Source: Muse Stancil.

Note: Assume 7.5 MMbbl/d of USGC refining capacity.

Advancing Innovation

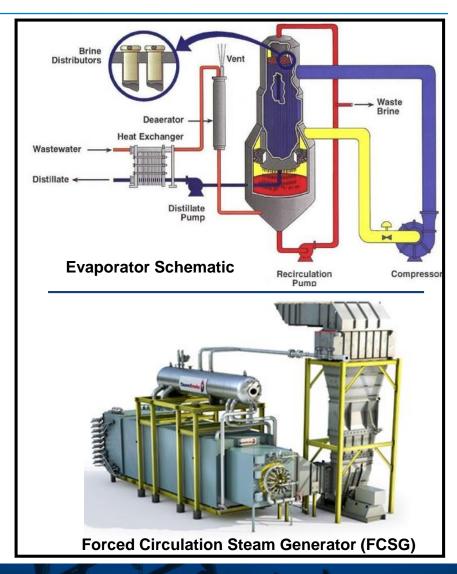


- Technology key to unlocking the oil sands and to ongoing environmental performance improvements
- In 2012, Canadian Natural invested more than \$280 million in research and development to:
 - -Minimize environmental footprint;
 - Increase resource recovery; and
 - Lower costs
- Many investments are in projects where technology and results will be shared with Canada's Oil Sands Innovation Alliance (COSIA)
 - -Priority areas: Tailings, Water, Land and GHGs
 - To date, shared over 450 technologies representing \$700 million in execution costs

In Situ Oil Sands Applied Technology

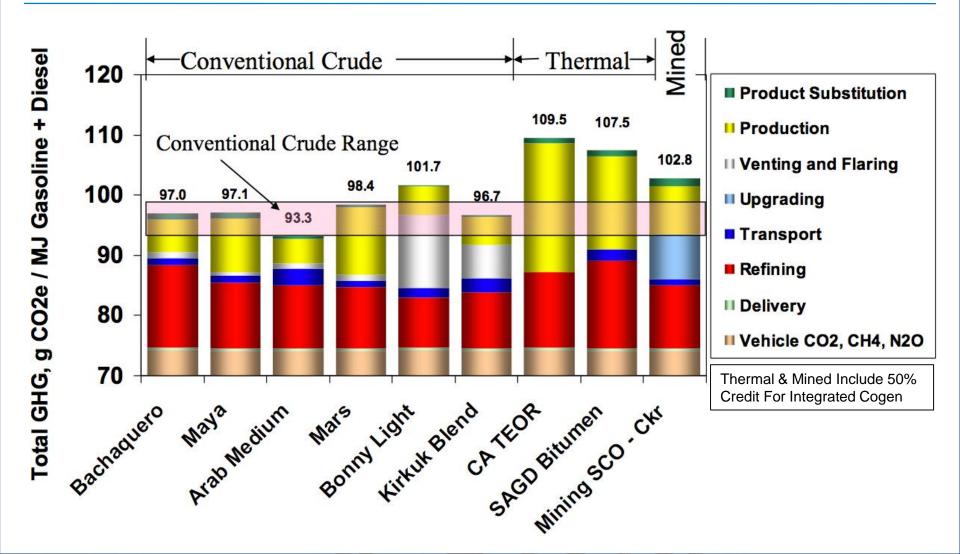


- Water Treating and Steam Generation
 - Combined system is novel
 - Benefits of system
 - >10% reduction in capex
 - Higher operability, lower op cost
 - Less down time;
 expect 95% availability
 - Less maintenance required
 - Generate more steam per barrel of water
 - More environmentally friendly
 - Less disposal of water required
 - Less use of chemicals
 - >30% reduction in plot space



WTW Greenhouse Gas Emissions

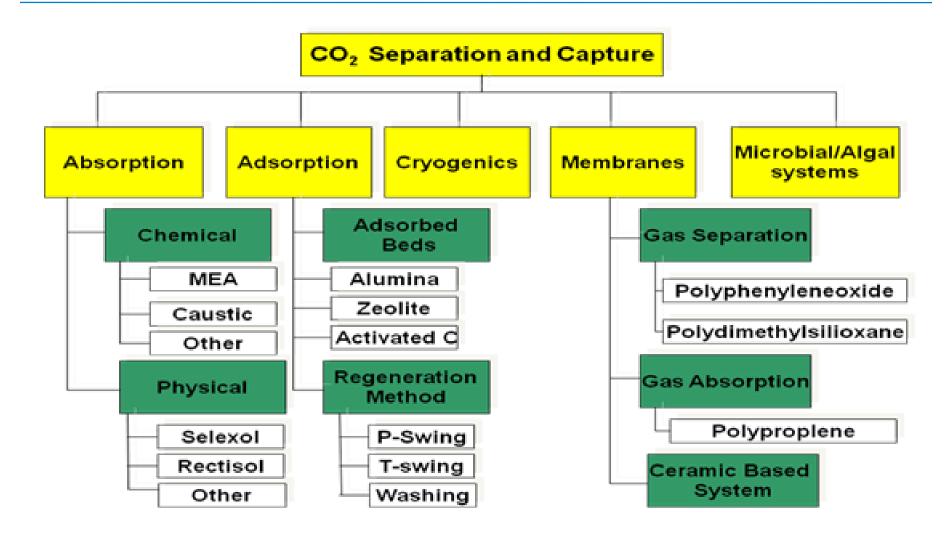




Source: Jacobs Consultancy, Life Cycle Assessment Comparison of North American and Imported Crudes, 2009

Technology Options for Carbon Capture





Algal Carbon Conversion – Global Scale

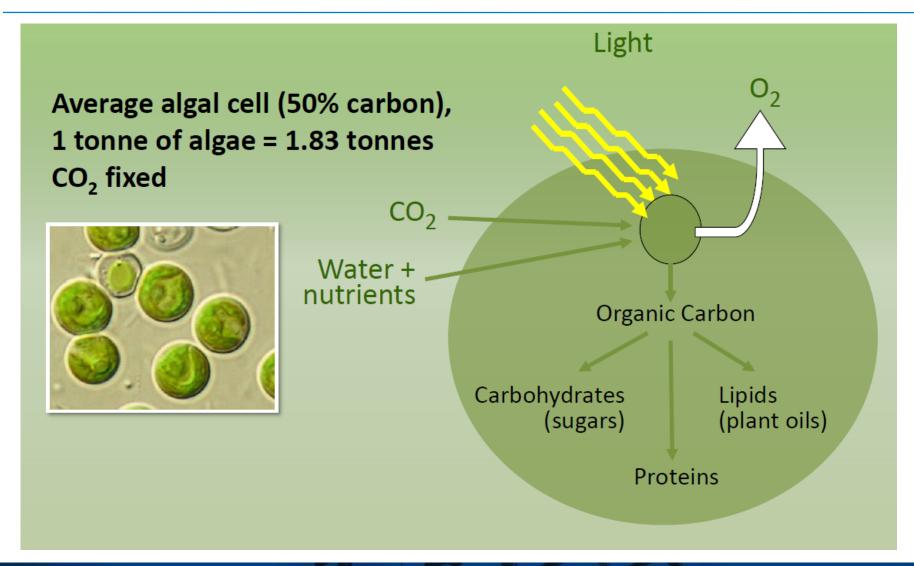






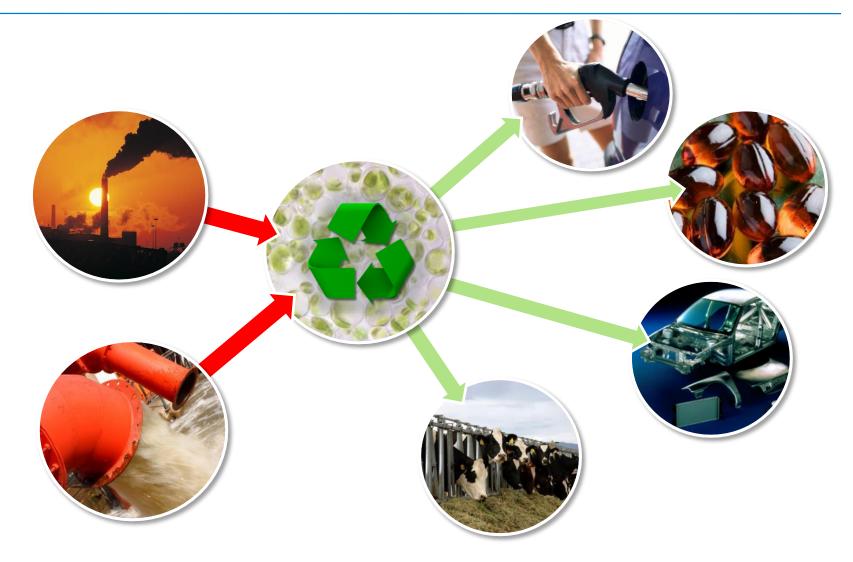
Algal Carbon Conversion – Micro Scale





Converting Waste Into Valuable Products





Algae Project - Partners









Canadian Natural

Project Goal is to Profitably Convert Canadian Industrial CO₂ Emissions into Valuable Products through Algae

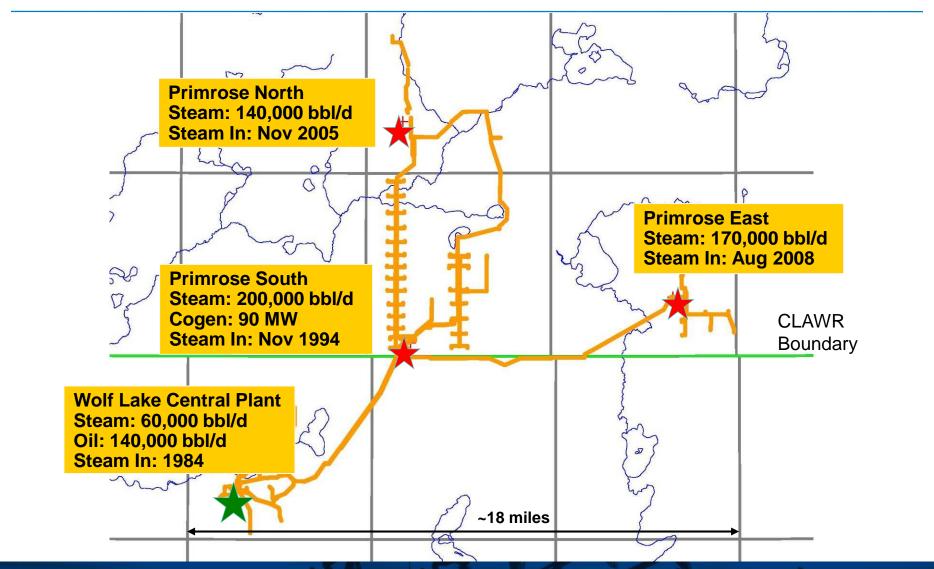
Algae Project - Concept



- Leveraging technology in an innovative way to create value added products while delivering significant environmental benefits
- Pilot a commercially viable solution to convert CO₂ and other source pollutants (NO₂ and SO₂) into biofuel and biomass products
- Project will construct a demonstration scale algae bio-refinery at Primrose South operations
- Potential for commercial facilities to be built at Horizon and Primrose

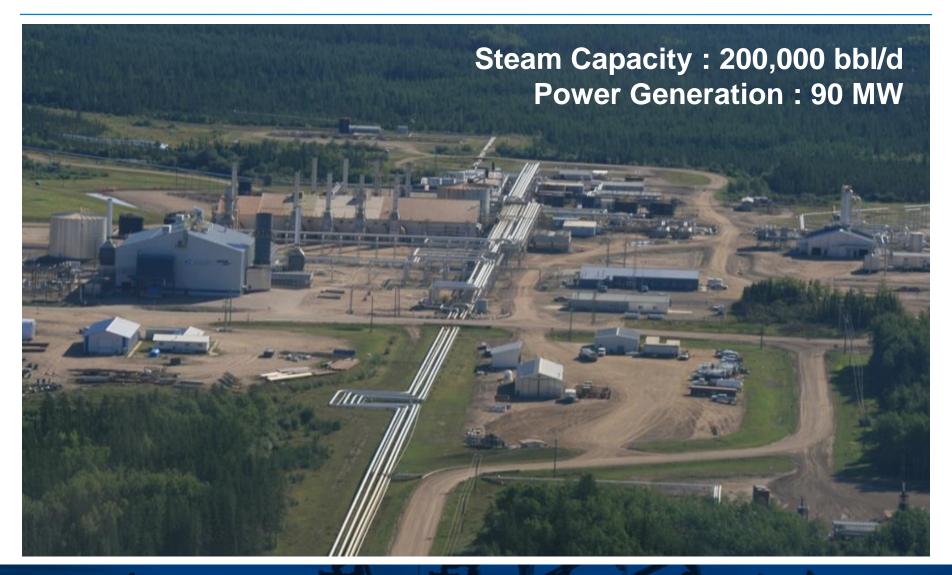
Primrose / Wolf Lake Infrastructure





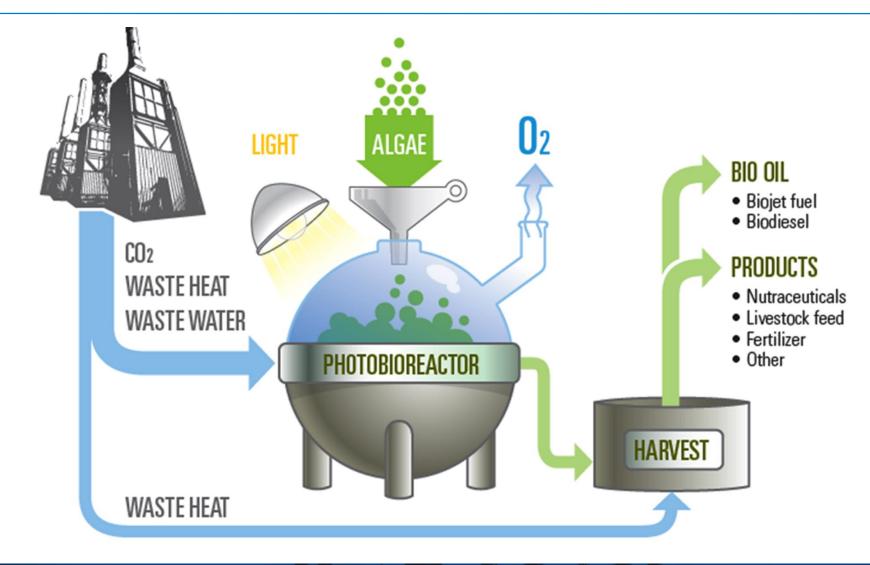
Primrose South Steam Plant





Algae Bio Refinery Conceptual Process





Algae Process Inputs / Outputs



Major Inputs ——— Cultivation ——— Major Outputs (per day)

CO₂: 360 kg Boiler exhaust 8 to 11 % CO2

O₂: 260 kg Released

Algal oil: 60 kg

Nitrogen: 14 kg
Wastewater +
boiler exhaust

Algae Culture (100 m³) 2 kg per m³ Harvest: 200 kg per day

Protein: 30 kg

Phosphorus: 2 kg
Wastewater+
blowdown

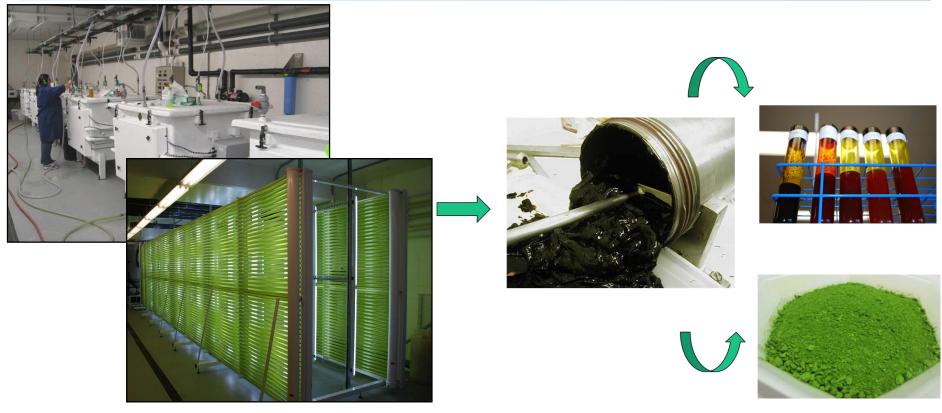
NO₂: 85 % Removed

Heat and Light

Carbohydrate: 110 kg

Algae Process





- Significantly minimizes energy usage with high efficiency LED lights
- Utilizes wastes CO₂, heat and water
- Process working at Saint Mary's cement plant in Ontario

Algae Project – Creating Value



- Growth of each kilogram of algae:
 - -removes 1.8 kg of CO₂ from flue gas
 - -releases 1.3 kg of O₂
 - -yields 0.3 kg of bio oil and 0.7 kg of biomass products
- Bio oil can be blended into heavy oil or synthetic crude oil
- Bio mass can be used as fertilizer, livestock feed and other premium products
- If commercialized will potentially reduce CO₂ emissions by:
 - -15% at Horizon
 - -30% or more at Primrose
 - -1.5 MM tonne overall comparable to removing 300,000 vehicles off the road

Algae Project - Objectives



- 100,000 L capacity plant to validate parameters
 - -Scalability of gas / liquid / biomass mixing, exposure to light, harvesting
 - -Rate of CO₂ conversion or uptake
 - -Favorable CO₂ balance at the commercial scale
 - Algae productivity
 - Nutrients requirement
 - -Lipids and biomass yield
 - Material and energy balance
 - -Evaluation of downstream lipids and biomass handling strategies
 - -Testing potential innovative equipment such as water removal
 - -Confirmation of operating/capital cost and resource requirement

Algae Project – Equipment Layout





Algae Project - Phase 1



- Engineering, Procurement & Construction
 - Preliminary & Detailed Engineering Design
 - Hazard and operability study (HAZOP)
 - Manufacture Photo-BioReactors & LED lighting system
 - -Procurement of building, electrical skid, pumps, tanks, etc.
 - -Site preparation, piles & foundations, building erection
 - –Install PBR & other equipment
 - Tie in to OTSG exhaust (flue gas emission source)
 - Commissioning & Startup
- Startup expected in Q3 2014

Algae Project - Phase 2 & 3



- Phase 2 Facility Optimization (1 year)
 - -Confirm algae growth rates & CO₂ conversion
 - Process optimization of algae growth rate
 - Minimizing operating costs and energy inputs
 - -Procurement of algae drying & oil extraction units
 - Incorporation of treated waste water into algae cultivation strategy
- Phase 3 Data Collection & Technology Improvement (1 year)
 - Development of baseline data for cost, rate of CO₂ conversion, algae productivity, lipids & biomass yield
 - Evaluation of technological improvements from NRC Pilots
 - Determine scale up parameters for a Commercial Facility
- Total Project Budget: \$19 million

