Canadian Natural

Corporate Presentation

March 2012

SNAPSHOT

	2011	2012F
Cash flow[1] *(C$ millions)*	$6,547	$7,600 - $8,000
Per share – basic[1] *(C$)*	$5.98	$6.95 - $7.30
Capital expenditures[2] *(C$ millions)*	$6,010	$7,045
Dividend *(C$/share)*	$0.36	
Common shares *(thousands)*		
Production *(annual average, before royalties)*		
Oil *(Mbbl/d)*	389	440 - 480
Natural gas *(MMcf/d)*	1,257	1,247 - 1,297
BOE *(MBOE/d)*	599	648 - 696
Company Gross Reserves of crude oil and natural gas *(as at December 31, 2011)*		
Proved crude oil and NGLs *(MMbbl)*	4,090	
Proved natural gas *(Bcf)*	4,447	
Proved BOE *(MMBOE)*	4,831	
Proved and probable BOE *(MMBOE)*	7,538	

[1] *Based upon the following average strip pricing as at March 2012, including the impact of hedging.*

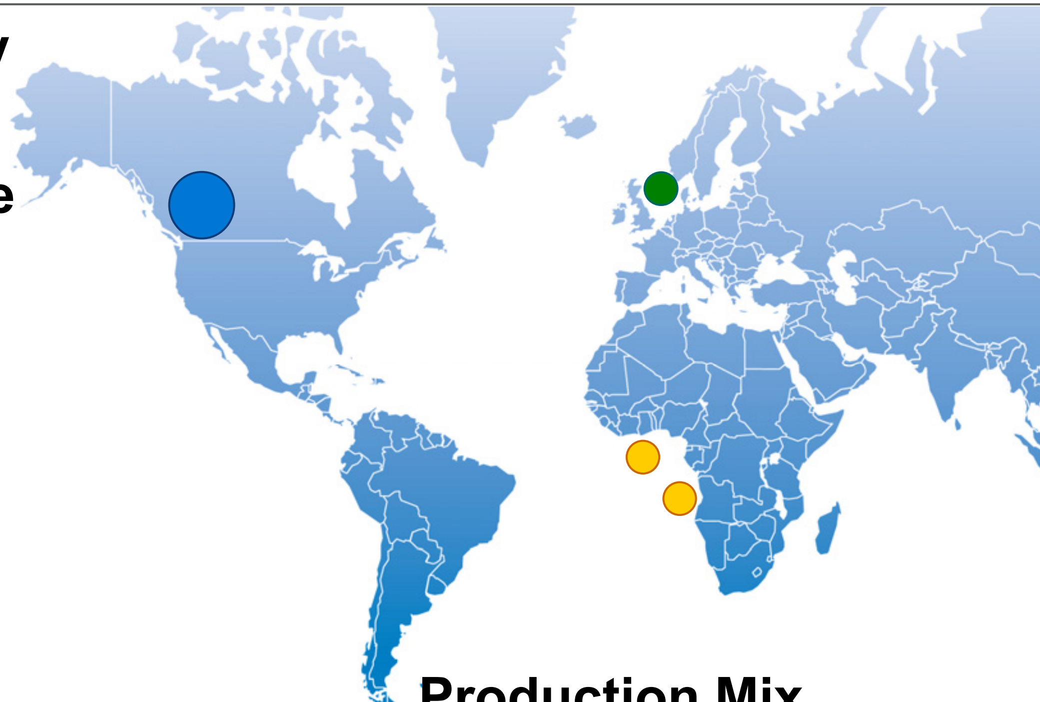
[2] *Including acquisitions and excluding Horizon Coker rebuild costs of $404 million in 2011.*

	2011	2012F
Oil WTI (US$/bbl)	*$95.14*	*$106.63*
Natural gas NYMEX (US$/MMbtu)	*$4.07*	*$2.81*
Natural gas AECO (C$/GJ)	*$3.48*	*$2.18*
Heavy oil diff (US$/bbl)	*$17.10*	*$25.19*
Exchange rate (C$ = XUS$)	*$0.99*	*$1.00*

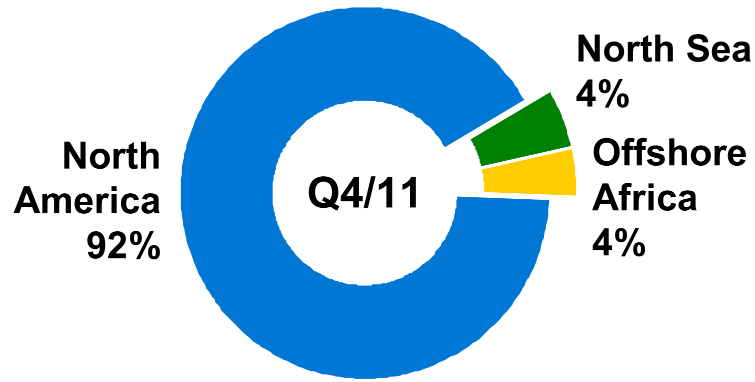
Note: All per share data in this presentation adjusted for 2004, 2005 and 2010 stock splits.

Who is Canadian Natural?

- Canadian based E&P company with international exposure
- ~US$45 billion enterprise value
- 599 MBOE/d – 2011
  - >65% crude oil weighted
- 648-696 MBOE/d – 2012F
  - ~68% crude oil weighted
- Returns focused
- Major oil sands player
  - Major thermal in situ producer with several projects in inventory
  - Major mining project with 110,000 bbl/d of SCO production capacity



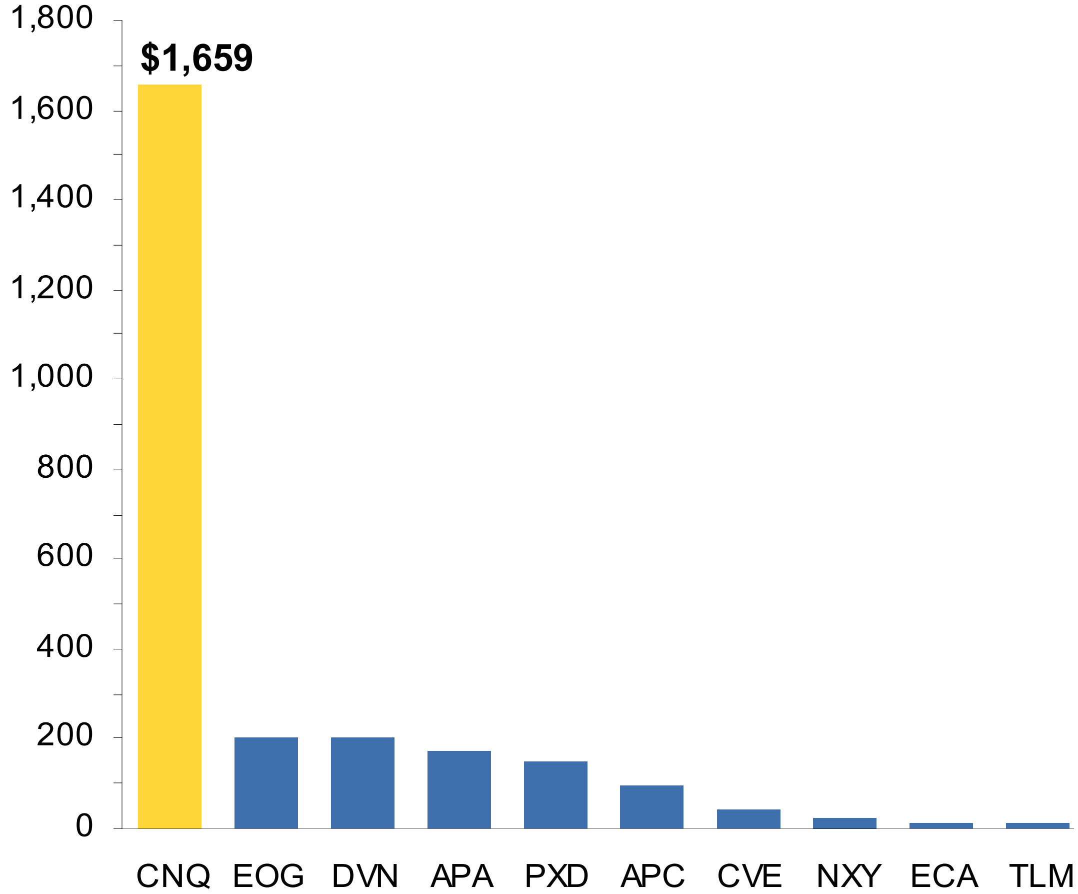
Production Mix



Committed Management

- **Substantial management and director wealth at stake**
  - Strong motivation for management to perform
  - Delivers clear alignment with shareholder interests

Management / Directors Stock Ownership (US$ Million)



Note: Based on share ownership data excluding options and priced at October 31, 2011.
Source: SEDI and Thomson Financial.

- **Drive our effective capital allocation model to:**
  - Maximize ROC
  - Generate significant Free Cash Flow
  - Continue transition to a more sustainable, long term asset base
  - Maintain strong balance sheet
  - Increase dividends

Canadian Natural
Delivering Sustainable Value

Canadian Natural

- **Strong, balanced assets / experience / excellence with significant upside**
  - Light crude oil and NGL
    - Offshore, Water Flood, Enhanced oil recovery, Horizontal multi frac
    - Canada → 17% growth in 2012
    - International → Espoir, Baobab, South Africa
  - Heavy crude oil
    - Target to expand to 480,000 bbl/d Thermal in situ capacity
    - Primary Heavy oil → 15% growth in 2012
    - Pelican Lake Polymer flood
  - Synthetic light oil – Mining / extraction / upgrading
    - Horizon targeted to expand to 500,000 bbl/d capacity
  - Natural Gas
    - Shallow, deep, foothills, unconventional – to unlock with gas price
- **Dominate land base / infrastructure**
  - Most effective / efficient producer

Canadian Natural
Delivering the CNQ Outcomes

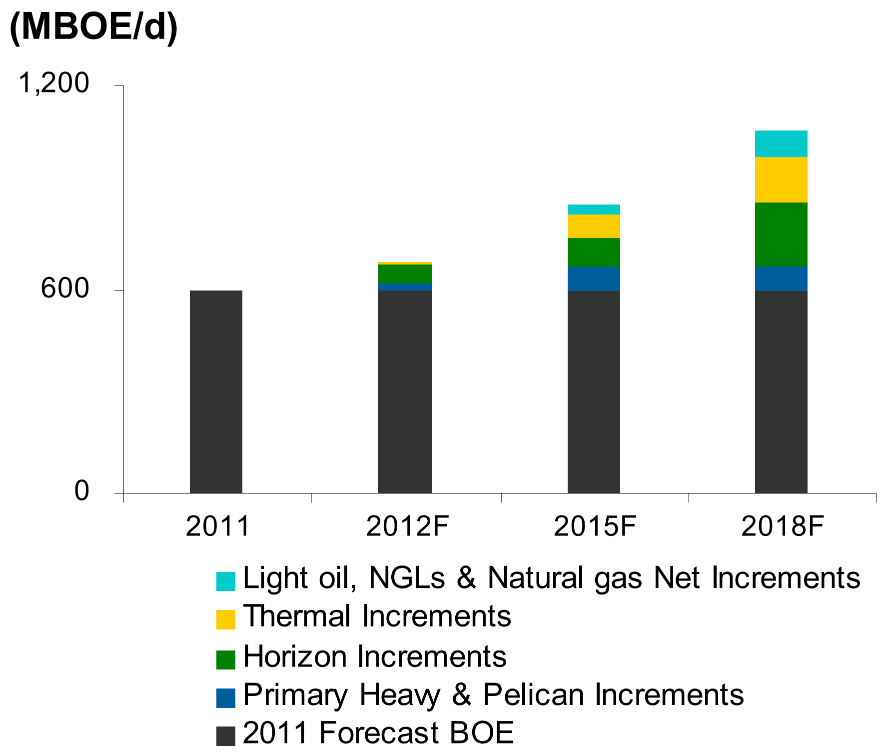
Canadian Natural

- Significant Free Cash Flow ⟶ $0.7 billion - $1.1 billion in 2012
- Production / Value Growth ⟶ 10% Q4-12 over Q4-11
- 3.8 billion (~53%) of 2012 capital program for future growth
- Transition to more sustainable assets, maintain existing base assets
- Increasing dividends
- Strong balance sheet and financial discipline
- Poised for additional acquisition opportunities

Target Growth In Near / Mid / Long Term

Canadian Natural

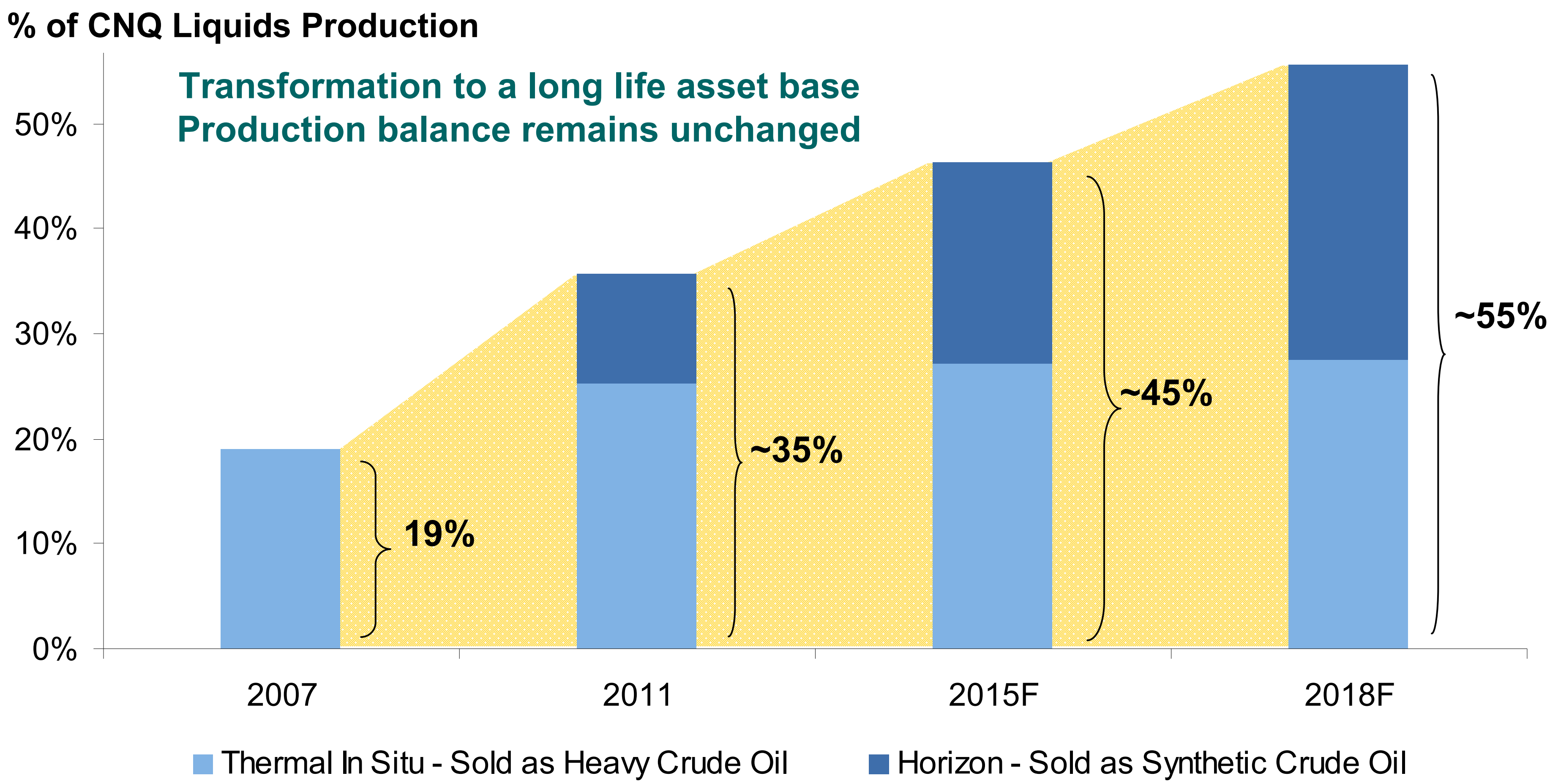
- **CNQ can organically grow production**
  - **2012 targeted growth driven by**
    - **Horizon recovery**
    - **Primary Heavy**
    - **Thermal in situ**
    - **North America Light and NGL**
  - **2012 – 2015 targeted growth driven by**
    - **Primary Heavy**
    - **Pelican Lake**
    - **Kirby Thermal in situ**
  - **2015 – 2018 targeted growth driven by**
    - **Horizon expansions to 250 Mbbl/d**
    - **Thermal in situ growth plan**
- **Natural gas provides further growth optionality should prices recover**
- **Deliver significant free cash flow facilitating:**
  - **Acquisitions**
  - **Dividend increases**
  - **Balance Sheet strength**



Note: 2012F based on Corporate Guidance as at March 2012. 2015 - 2018F based on company internal forecast as at January 2012. Dependent upon economic and regulatory conditions, global economic factors, project sanction and capital allocation.

Targeted Growth In Liquids Production

Canadian Natural



Note: 2012F based on Corporate Guidance as at March 2012. 2015 - 2018F based on company internal forecast as at January 2012. Dependent upon economic and regulatory conditions, global economic factors, project sanction and capital allocation.

Production Growth to Come From Long-Term Sustainable Growth Assets

Canadian Natural 2012 Forecast

Targeted Production	2011*	2012F*	% Change
Crude oil (Mbbl/d)			
Canada Light and NGLs	57	64-68	17%
Pelican Lake	38	38-40	3%
Primary Heavy	103	114-122	15%
Thermal in situ	98	104-110	9%
International	53	35-45	(25)%
Horizon	40	85-95	125%
Total Crude Oil	389	440-480	18%
Natural gas (MMcf/d)	1,257	1,247-1297	1%
MBOE/D	599	648-696	12%

**Rounded to the nearest 1,000 bbl/d*

Note: Numbers may not add due to rounding. Percent change represents midpoint.

Canadian Natural 2012 Forecast

Canadian Natural

Capital ($ Million)	2011	2012F	% Change
Natural gas	$707	$645	(9)%
Crude oil			
Pelican Lake	426	470	10%
Primary Heavy	980	990	1%
Thermal in situ	1,244	1,420	14%
Light			
Canada	518	550	6%
North Sea	232	350	51%
Offshore West Africa	33	130	294%
Total crude oil	$3,433	$3,910	14%
Horizon			
Sustaining Capital	170	225	32%
Turnarounds, Reclamation and Other	135	180	33%
Capital Projects	481	1,950	305%
Total Horizon	$786	$2,355	199%
Acquisitions and Midstream	1,084	135	(88)%
Total	$6,010	$7,045	17%

Note: Excludes Primary Upgrader fire recovery costs in 2011 of $404 Million.

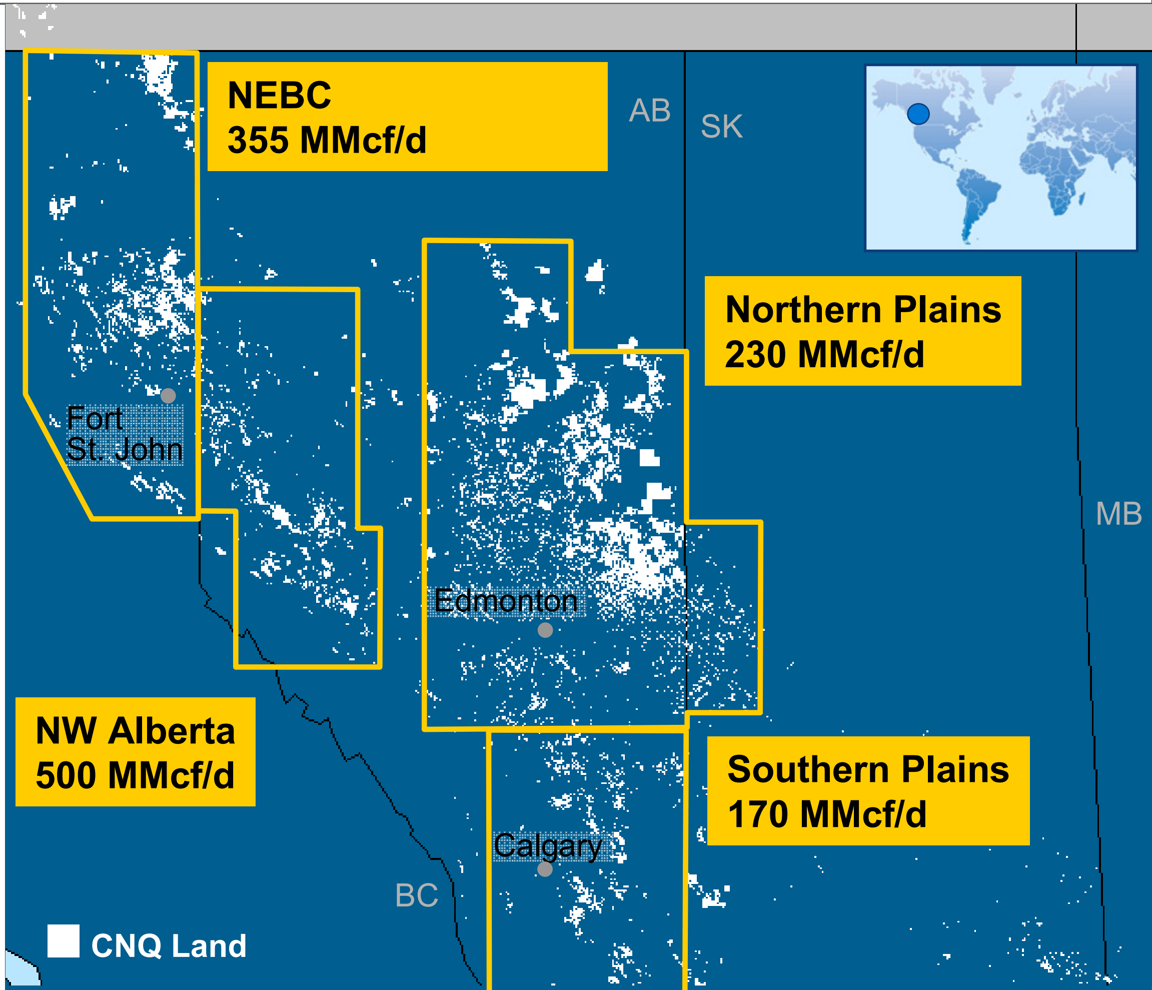
Natural Gas
Overall Strategy

- **Natural Gas prices will be low for 5 to 10 years**
- **Leverage our dominant infrastructure and land base**
  - **Maintain our position as most efficient producer**
  - **Generates Free Cash Flow**
- **Continue to strengthen our unconventional / tight gas asset base**
- **Continue to delineate new / emerging plays / technology**
- **Focus on liquids rich development**
- **Opportunistic acquisitions**

North America Natural Gas Core Area Summary

Canadian Natural

- Q4/11 production
  - 1,255 MMcf/d natural gas
  - ~22 Mbbl/d associated liquids
- Large proved and unproved land position
- 2P reserves
  - 5.84 Tcf*
- Reserve life
  - >12 years
- High working interest
  - 84%



*Company gross proved plus probable reserves at December 31, 2011.

Note: Reflects Q4/11 actual production, before royalties. Does not include NGLs production.

Canada's 2nd Largest Producer of Natural Gas

North America Natural Gas
2012 Plan

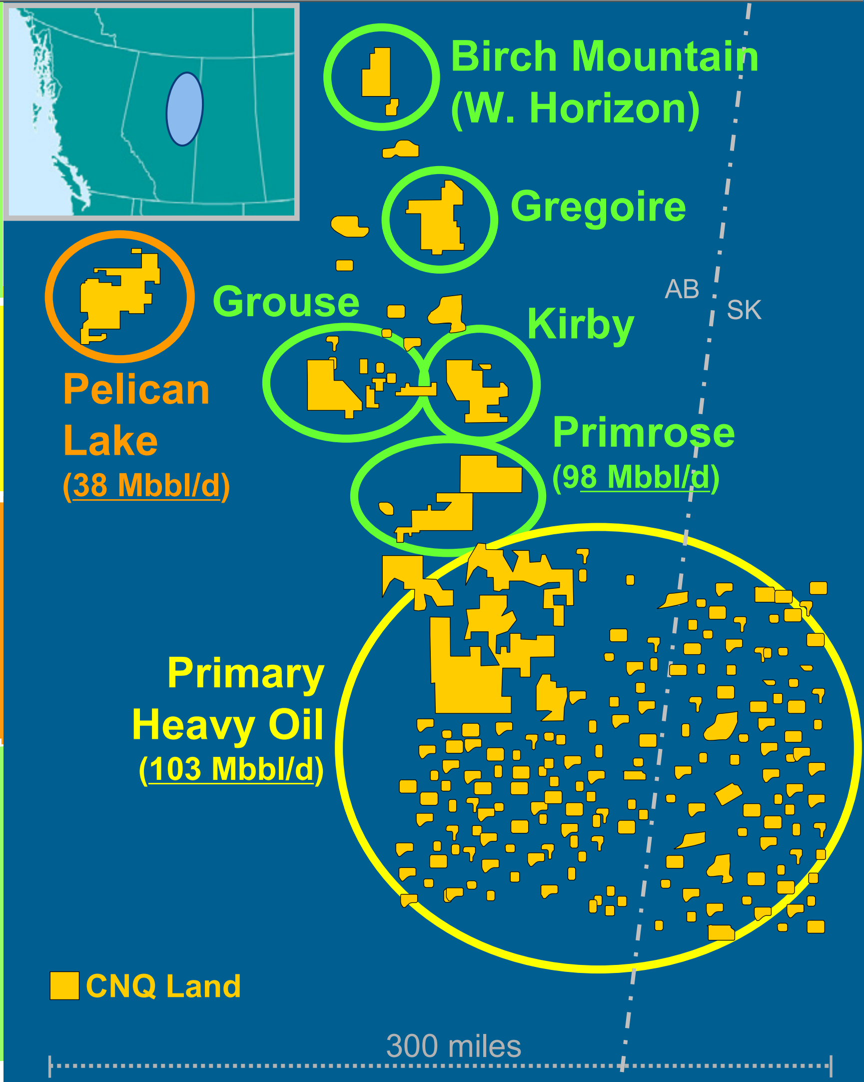
	2011	2012F	% Change
Production (MMcf/d)	1,231	1,225-1,275	2%
Drilling (net wells)	86	45	(48)%
Capital ($ Million)			
Turnaround / Maintenance	106	135	
Land / Seismic	66	57	
Drill, Complete, Tie-in	535	453	
Total	$707	$645	(9)%

- Entry / Exit 2% decline

Heavy Oil Assets

- **Thermal in situ development**
  - 2011 full production 98,000 bbl/d
  - Massive resource potential
  - Staged value growth
  - ~360,000 bbl/d of additional production capacity
- **Reliable primary production**
  - 2011 full production 103,000 bbl/d
  - Large land base
  - Record 808 wells in 2011
- **Pelican Lake EOR development**
  - 2011 full production 38,000 bbl/d
  - 4.1 billion barrels OIIP[(2)]
  - Largest polymer flood in North America
  - 3.5x increase in expected recovery
- **Horizon mining operation**
  - Company Gross proved plus probable SCO reserves – 3.4 billion barrels[(1)]
  - Best estimate contingent resources other than reserves – 2.6 billion barrels of bitumen[(1)]
  - ~500,000 bbl/d total capability

(1) Subject volumes are gross lease at December 31, 2011.
(2) Discovered heavy crude oil initially in place.

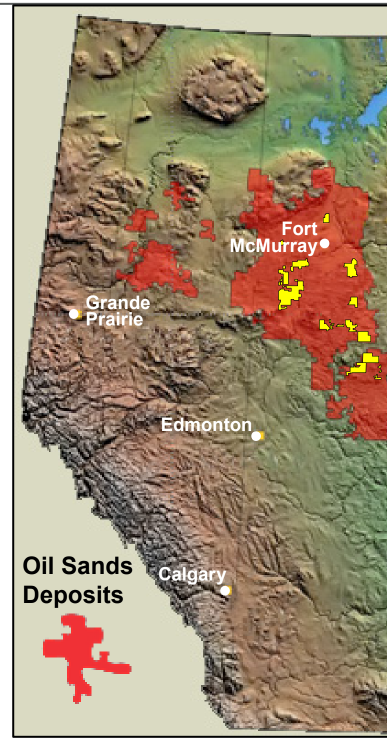


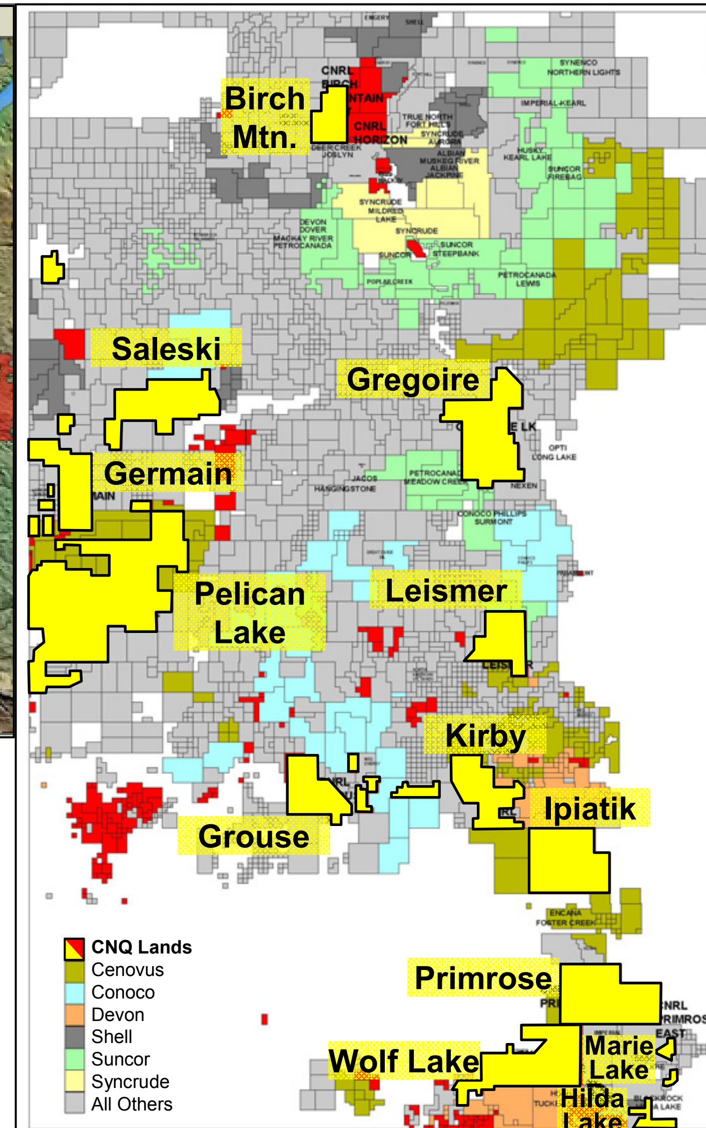
Note: Reflects 2011 actual working interest production.

Thermal In Situ Oil Sands

Canadian Natural

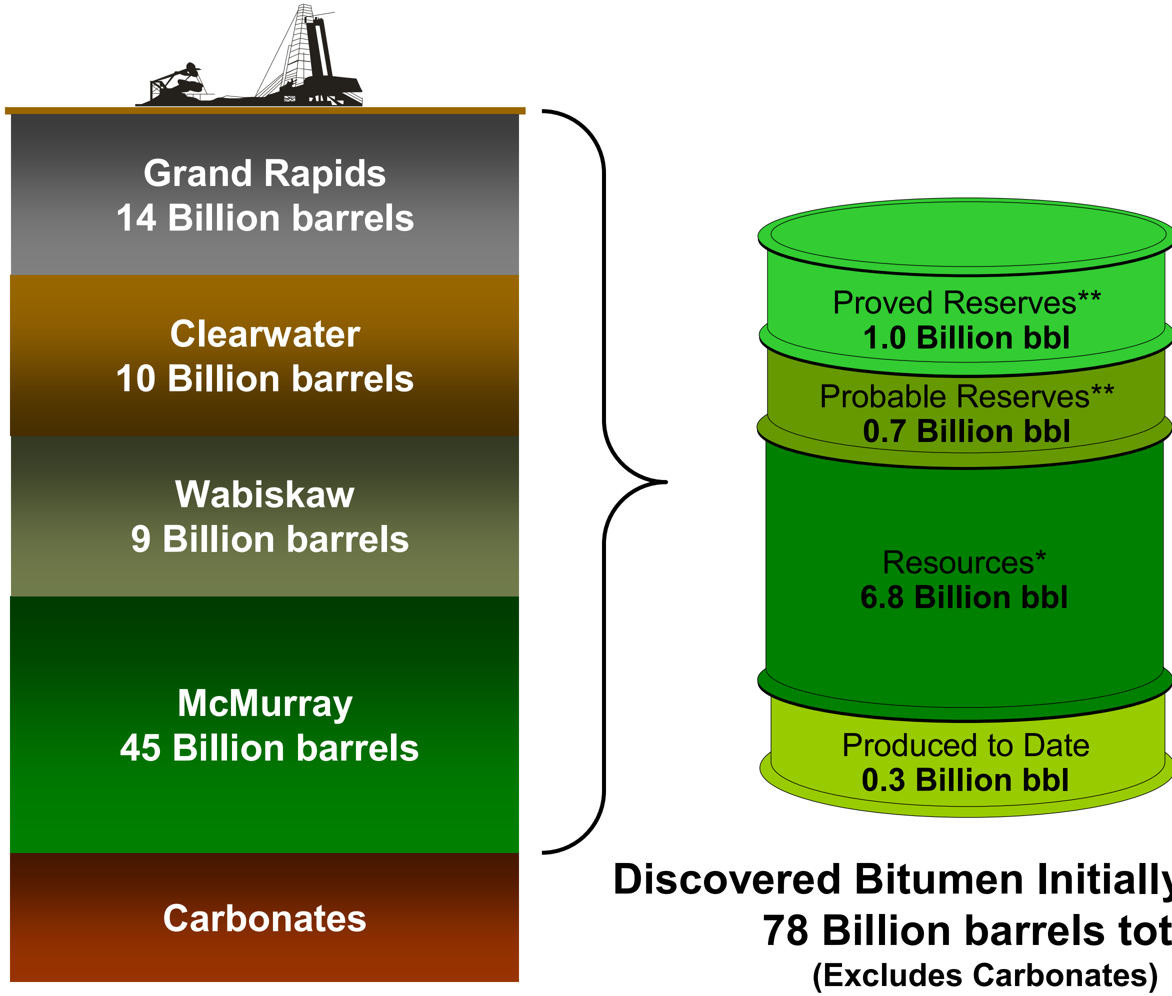
- **Land Holdings**
  - McMurray
    - Birch Mountain
    - Gregoire
    - Kirby
    - Grouse
    - Leismer
    - Ipiatik
  - Clearwater
    - Primrose, Wolf Lake
    - Hilda Lake, Marie Lake
  - Wabiskaw
    - Kirby, Ipiatik
  - Grand Rapids
    - Primrose, Wolf Lake, Germain, Pelican Lake
  - Carbonates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





Huge Land Base & Great Assets = Choices

Thermal In Situ Oil Sands Potential



Discovered Bitumen Initially in Place
78 Billion barrels total
(Excludes Carbonates)

**Best estimate contingent resources other than reserves.*
***Company gross proved and probable reserves at December 31, 2011.*

Thermal In Situ Oil Sands Growth Plan

Canadian Natural

Phase	Reservoir	Oil Facility Capacity Target (bbl/d)	Target Steam-In Timing (year)
Primrose South/North – CSS	Clearwater	80,000	On Stream
Primrose East – CSS	Clearwater	40,000	On Stream
Kirby South Phase 1 – SAGD	McMurray	45,000	2013
Kirby North Phase 1 – SAGD	McMurray	40,000	2016
Grouse – SAGD	McMurray	40,000	2017
Kirby North Phase 2 – SAGD	Wabiskaw	40,000	2019
Kirby South Phase 2 – SAGD	McMurray	15,000	2020
Birch Mountain Phase 1 – SAGD	McMurray	60,000	2022
Gregoire Phase 1 – SAGD	McMurray	60,000	2024
Birch Mountain Phase 2 – SAGD	McMurray	60,000	2026

- 480,000 bbl/d of oil facility capacity in the defined growth plan
- 40,000-60,000 bbl/d addition every 2-3 years
- 100% working interest and operatorship

Thermal In Situ Oil Sands
2012 Plan

Canadian Natural

	2011	2012F	% Change
Production (Mbbl/d)	98	104-110	9%
Drilling (net wells)			
Producers	141	135	
Kirby SAGD pairs	15	24	
Strats	255	408	
Service / Observations wells	75	55	
Total	486	646	33%
Capital ($ Million)	$1,244	$1,420	14%

Thermal In Situ Oil Sands
Primrose Strategy

Canadian Natural

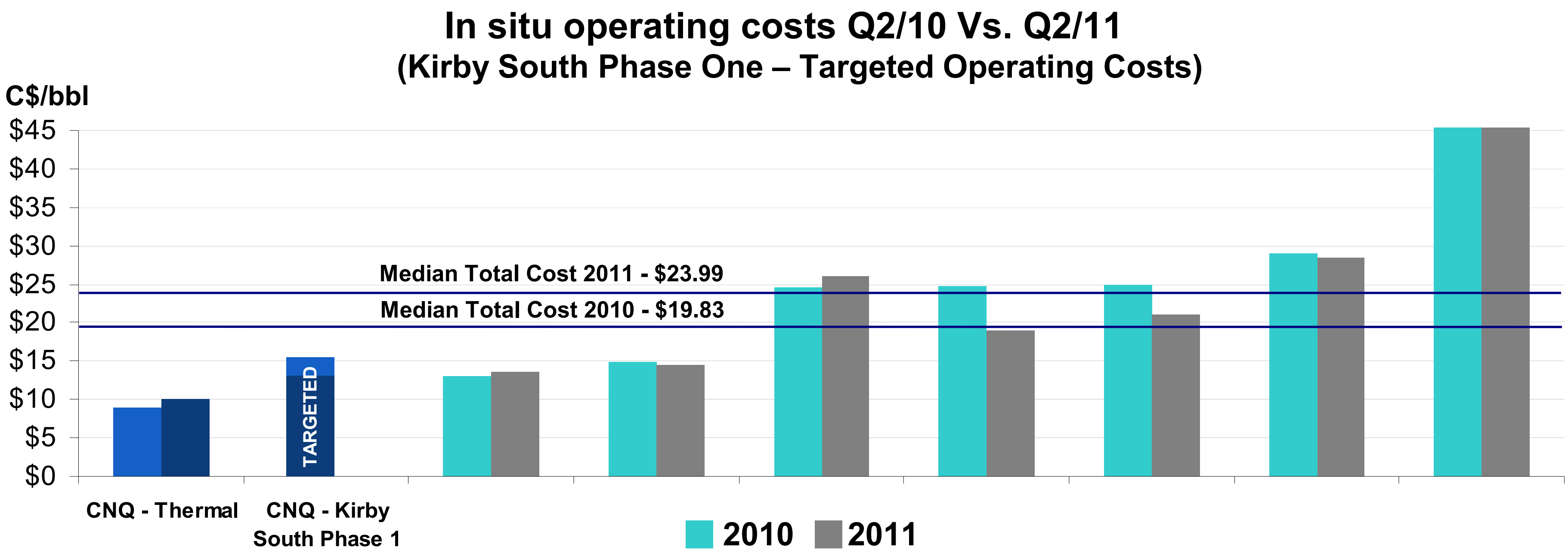
- Significant pad adds left to fully develop
- Optimize steaming techniques
- Potential future facility debottleneck / expansion
- Wolf Lake
  - McMurray / Grand Rapids SAGD development
- CSS follow up process
  - In-fill drilling, steam flood, solvents
- Leverage technology
  - Industry learning curve still steep

Thermal In Situ Oil Sands
Primrose 2012 Plan

Canadian Natural

	Pads	Production* (bbl/d)	Cost ($/bbl/d)
Primrose East	6	20,000	$12,900
Primrose South	3	15,000	$13,000

*Cyclic production year average.



Source: Peter's & Co.
Note: Amounts are gross (before royalties). Peers projects include: MEG Christina Lake, CVE Foster Creek & Christina Lake, HSE Thermal including Tucker, Pikes, Peak and Bolney Celtic, SU Thermal in situ including Firebag and MacKay River, CLL Pod One/Algar, NXY Long Lake.

Thermal In Situ Oil Sands
Kirby 2012 Plan

Canadian Natural

- Kirby South Phase 1 - 40,000 bbl/d → 45,000 bbl/d facility capacity
- Costs on budget, on schedule
  - At Q4/11 the project is 33% complete
- Drill 24 well pairs
- Progress facility construction
- Steam in late 2013

Thermal In Situ Oil Sands Projects Summary

Canadian Natural

- Primrose field development
- Kirby hub
  - Kirby South Phase 1 and Phase 2
  - Kirby North Phase 1 and Phase 2
  - Regulatory application for Kirby North Phase 1 and 2 and Kirby South Phase 2 submitted Q4-2011
- Grouse
  - Strat well delineation
  - Regulatory application submitted Q1-2012
- Birch Mountain East
  - Strat well delineation
- Gregoire
  - Work existing data
- Germain
  - Initiate strat program

Primary Heavy Oil

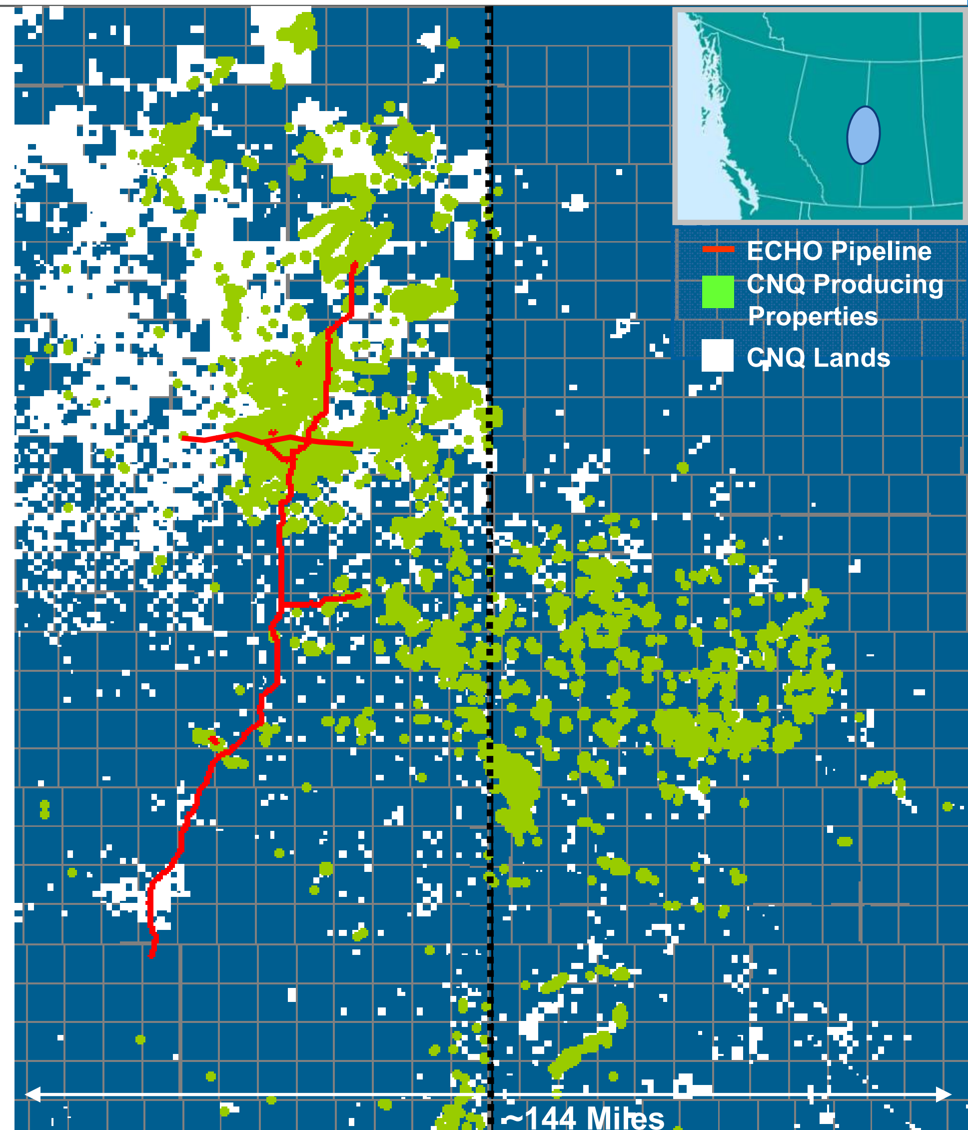
Major player

- **Q4/11 production**
  - 112 Mbbl/d primary heavy crude oil
- **Largest primary producer in region**
- **Large land base**
  - Land largely held – long tenure
- **Production growth**
  - 2011 ⟶ 11%
  - 2012 ⟶ 15%
- **2P reserves**
  - 249 Million barrels*
- **Reserve life**
  - >6 years

Effective cost control

- **Large concentrated drilling programs**
- **5 major processing facilities**
- **ECHO sales pipeline**

**Company gross proved plus probable reserves at December 31, 2011.*



Dominate Land Base and Infrastructure

Primary Heavy Oil
2012 Plan

Canadian Natural

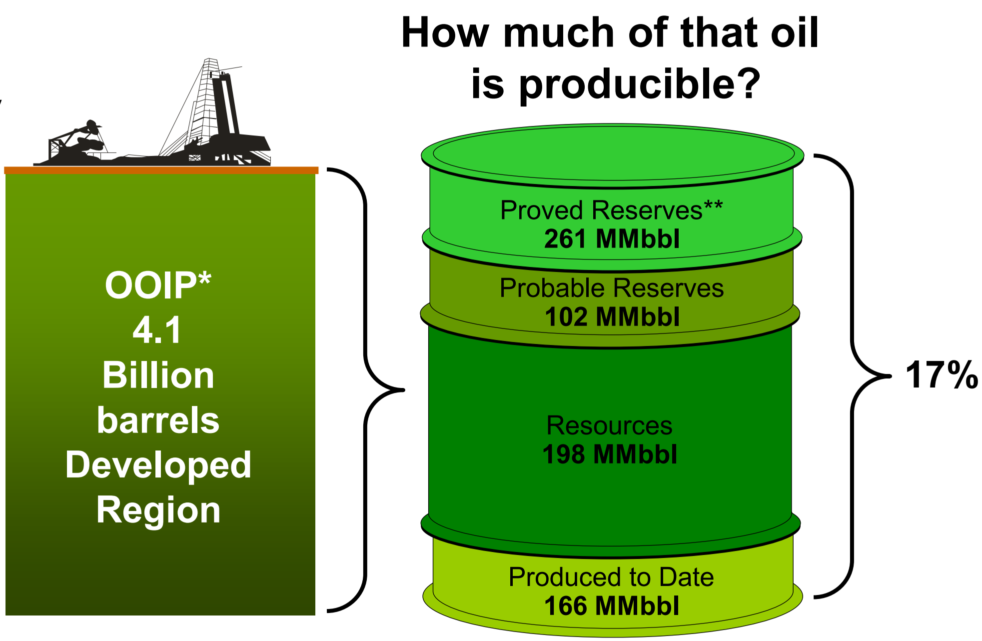
	2011	2012F	% Change
Production (Mbbl/d)	103	114-122	15%
Drilling (net wells)	783	808	
Recompletion (net wells)	575	416	
Capital ($ Million)	$980	$990	1%

- Target production growth of ~8% per year for the next three years

Pelican Lake Oil Pool

Canadian Natural

- World class oil pool
- Polymer flood successful both technically and economically
- Technology enhancements will continue to improve oil recovery
- 363 Million barrels of 2P reserves**
  - 198 Million barrels contingent resources***



*Discovered heavy crude oil initially in place.
**Company gross proved plus probable reserves at December 31, 2011.
***Best estimate contingent resources other than reserves.

Massive Resource to Exploit

Pelican Lake
Polymer Flood Strategy

Canadian Natural

- **2011 a year of transition**
  - Slower response in South
  - Many learnings for optimization
  - Oil recoveries trending higher
  - Deferred Q4 drilling program
- **2012 focus on optimization**
  - New battery construction 25,000 bbl/d
  - Development drilling 63 injectors, 13 producers
  - Optimize injection
  - Monitor polymer response
  - Potential ramp up of development mid 2012

Pelican Lake
2012 Plan

	2011	2012F	% Change
Production (Mbbl/d)	38	38-40	3%
Drilling (net wells)			
Producers	13	13	
Injectors	-	63	
Capital ($ Million)	$426	$470	10%

- Significant pre-investment for future polymer volumes
- Polymer response in 18 - 24 months from injection

Note: Rounded to the nearest 1,000 bbl/d.

Canadian Light Oil and NGL Strategy

Canadian Natural

- Large land base and assets in Canada
- Optimize existing waterfloods
- Leverage technology
  - EOR
  - CO_2, ASP
  - Horizontal Multi Frac's
- New pool developments
  - 9 new plays
- Deliver 17% production growth

Canadian Light Oil and NGL 2012 Plan

	2011	2012F	% Change
Production* (Mbbl/d)	57	64-68	17%
Drilling (net wells)	142	134	(6)%
Capital ($ Million)			
Drilling, completions and tie-ins	346	400	
Technology, EOR	157	150	
Total	$518	$550	6%

- Target strong production growth of 17% in 2012 and 4%-9% thereafter

** Includes NGLs.*

International
Overall Strategy

- Maintain our existing operations
- Convert undeveloped potential to production
  - As platform slots become available
    - North Sea
      - Ninian
      - Tiffany
    - Offshore Africa
      - Espoir
      - Baobab
- Infill drilling program Espoir
- Progress “Big E” exploration in South Africa
- Monitor acquisition opportunities
- Generate Free Cash Flow
- Prepare for Murchison abandonment

International
2012 Plan

International	2011	2012F	% Change
Crude oil production (Mbbl/d)	53	35-45	(25)%
Capital ($ Million)	$265	$480	81%

North Sea

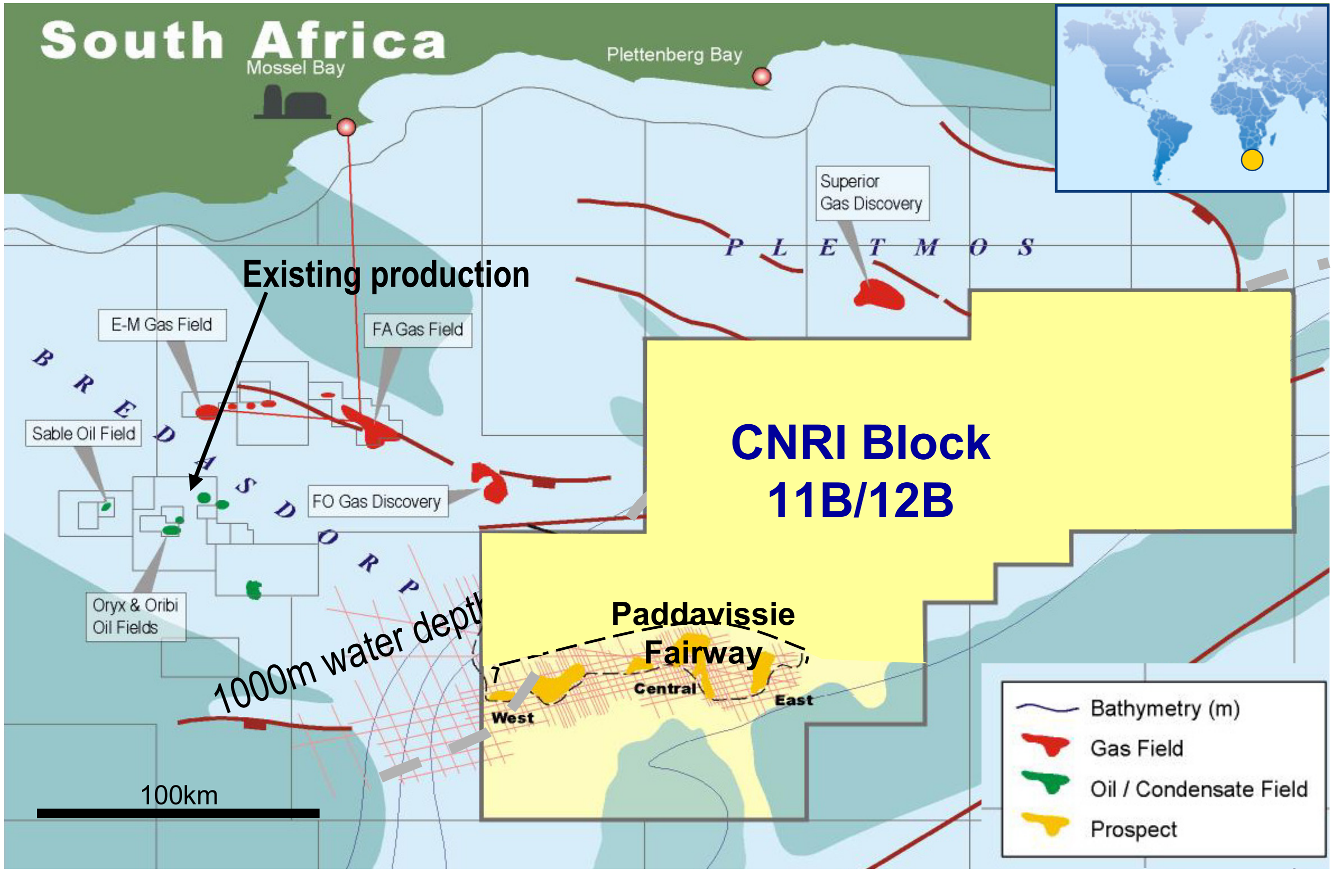
- Turnaround on 4 platforms
- Ninian
  - Workovers
  - Water injection wells
- Tiffany
  - Production well
- Lyell
  - Subsea pump installation

Offshore Africa

- Espoir infill drilling program
- Begin partner discussions South Africa

International South Africa

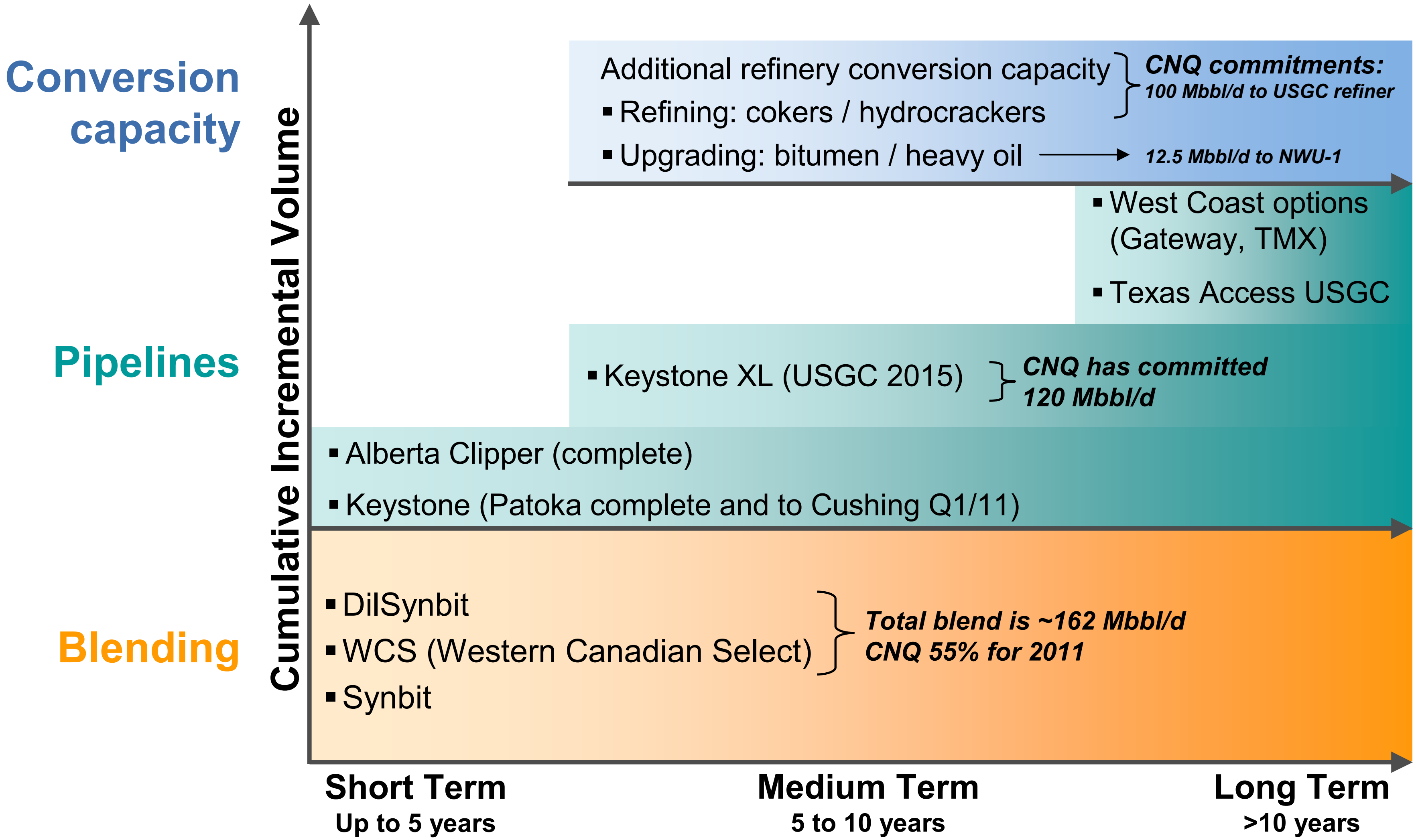
- **Paddavissie Fairway**
  - Basin floor fans up to 150m thick
  - 2D seismic
    - AVO and DHI anomolies
  - Up slope production
    - Oryx and Oribi
  - Targeted drill Q4/13 – Q1/14



Best Estimate Prospective Resources of 3 Billion Barrels OIIP

Heavy Oil
Three Pronged Marketing Plan

Canadian Natural



Access to Incremental Markets
Over the Short, Medium and Long Term

Redwater Upgrading/Refining Joint Venture

Canadian Natural

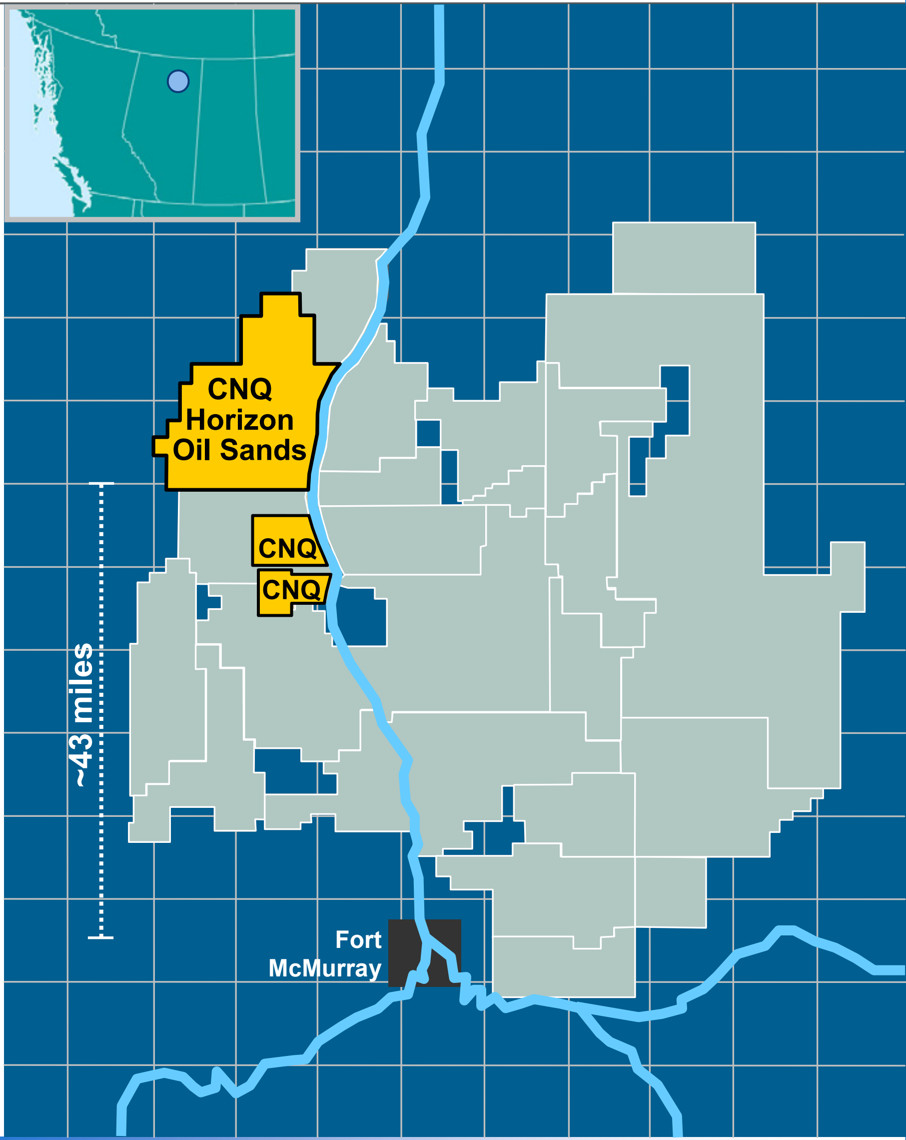
- Fits Canadian Natural's strategy to support additional heavy oil conversion capacity
- North West Upgrading and Canadian Natural formed a 50/50 partnership (NWRP) to construct and operate a new bitumen refinery near Redwater, AB
- Proposed bitumen refinery would convert 50 Mbbl/d of raw bitumen into useable products and provide an integrated CO_2 capture and management solution
- The technology selected and the process configuration make this plant the most advanced of its kind in the world
- Canadian Natural has committed 12.5 Mbbl/d to phase 1 of the project
- Alberta Government has committed 37.5 Mbbl/d under its Bitumen Royalty in Kind (BRIK) initiative
- Target project sanction in 2012

Strong Strategic Fit

Horizon Oil Sands

- **Mining resources**
  - 14.4 billion barrels BIIP*
  - Gross proved plus probable SCO reserves – 3.4 billion barrels
  - Best estimate contingent resources other than reserves – 2.6 billion barrels of bitumen
  - Phased development (SCO)
    - 110 Mbbl/d capacity (Phase 1)
    - Target expansion up to 250,000 bbl/d
    - Target future expansions to ~500,000 bbl/d
- **Significant free cash flow generation for decades**

*Discovered Bitumen Initially in Place and excludes BIIP attributable to Birch Mountain East SAGD property.
*Best estimate contingent resources other than reserves.
Note: Volumes are gross lease.
**Company gross proved and probable reserves at December 31, 2011.



World Class Opportunity

Horizon Operations

Canadian Natural

- **Q4/11 production**
  - **103 Mbbl/d synthetic crude oil**
- **OPP 3 turned over to operations in January 2012**
- **Opportune maintenance → Turnaround 2013**
- **Operations discipline in place**

Horizon Oil Sands 2012 Plan

	2011	2012F	% Change
Production (Mbbl/d)	40	85-95	125%
Sustaining Capital ($ Million)	$170	$225	
Turnarounds, Reclamation & Other ($ Million)	$135	$180	
Project capital ($ Million)			
Reliability - Tranche 2	$170	$145	
Directive 74 and Technology	32	190	
Phase 2A	125	300	
Phase 2B	23	625	
Phase 3	47	420	
Phase 4	10	30	
Owner’s Costs and Other	74	240	
Total	$481	$1,950	305%

Horizon Oil Sands Expansion Update

Canadian Natural

- **Reliability**
  - Projects on track, costs running below budget
  - OPP3 turned over to operations
- **Directive 74**
  - On track
  - Pilot studies, show potential cost savings
- **Phase 2A**
  - Coker expansion 6 months schedule slip
    - Coker fire rebuild impact
- **Phase 2B**
  - Lump sum contracts awarded
    - Gas / Oil Hydrotreater
    - Froth Treatment
    - Hydrogen plant
    - Bids out for major components
- **Phase 3**
  - Engineering on track
  - Extraction Trains 3&4 underway and on track

Future Expansion
110 Mbbl/d Up to 250 Mbbl/d

2012 Budget Summary

Cash Flow	$7.6-8.0 Billion	
2012 Free Cash Flow	$0.7-1.1 Billion	
Capital	$7.0 Billion	
Production Growth Q4/Q4	10%	

Capital for Future Production	$3.8 Billion	53%
Capital Flexibility	$3 Billion	42%

	2011	2012F
Production (MBOE/d)	599	648-696
Year End Debt	$8.6 Billion	$7.5-7.9
Year End Debt/Book*	27.0%	21.1%

2012 Strip pricing: WTI $106.63, AECO $2.18/GJ, heavy oil diff/US$/bbl of $25.19, C$/US$ $1.00.
**Midpoint of Guidance.*
Note: Free Cash Flow equals Cash Flow less Capital excluding acquisitions.

Canadian Natural
Free Cash Flow Uses

Canadian Natural

1) **Opportunistic acquisitions**
2) **Dividends**
   - 12 consecutive years of dividend increases → 21% CAGR
   - Must be sustainable
3) **Pay down debt**
4) **Share buybacks**
   - Target to eliminate dilution
   - 3.071 million at an average price of $33.68/share during 2011

Prudent Use of Free Cash Flow

Canadian Natural Advantage

- Management, business philosophy, practice
- Strong, balanced assets
  - Vast opportunities
- Balanced, proven, effective strategy
- Control over capital allocation
- Nimble
  - Capture opportunities
  - Willingness to make tough decisions
- Canadian Natural culture
  - Execution focused
  - Efficient operations
  - Cost control
- Significant free cash flow

Forward Looking Statements

Canadian Natural

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", "target", "continue", "could", "intend", "may", "potential", "predict", "should", "will", "objective", "project", "forecast", "goal", "guidance", "outlook", "effort", "seeks", "schedule" 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 Management's Discussion and Analysis ("MD&A") including the information in the "Outlook" section and the sensitivity analysis 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, ability to recover insurance proceeds, Primrose, Pelican Lake, the Kirby Thermal Oil Sands Project, the Keystone XL Pipeline US Gulf Coast expansion, 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 should not place undue reliance on these forward-looking statements as there can be no assurances that the plans, initiatives or expectations upon which they are based will occur.

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 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 or 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 natural gas liquids ("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 and Uncertainties" section of this MD&A.

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.

Reporting Disclosures

Canadian Natural

Special Note Regarding Currency, Production and Reserves

In this document, all references to dollars refer to Canadian dollars unless otherwise stated. Reserves and production data are presented on a before royalties basis unless otherwise stated. In addition, reference is made to crude oil and natural gas in common units called barrel of oil equivalent ("boe"). A barrel of oil equivalent ("BOE") is derived by converting six thousand cubic feet ("Mcf") of natural gas to one barrel ("bbl") of crude oil (6 Mcf:1 bbl). This conversion may be misleading, particularly if used in isolation, since the 6 Mcf:1 bbl ratio is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In comparing the value ratio using current crude oil prices relative to natural gas prices, the 6 Mcf:1 bbl conversion ratio may be misleading as an indication of value. In addition, for the purposes of this MD&A, crude oil is defined to include the following commodities: light & medium crude oil, primary heavy crude oil, Pelican Lake heavy crude oil, bitumen (thermal oil), and synthetic crude oil.

For the year ended December 31, 2011 the Company retained Independent Qualified Reserves Evaluators ("Evaluators"), Sproule Associates Limited and Sproule International Limited (together as "Sproule") and GLJ Petroleum Consultants Ltd. ("GLJ"), to evaluate and review all of the Company's proved and proved plus probable reserves with an effective date of December 31, 2011 and a preparation date of February 13, 2012. Sproule evaluated the North America and International crude oil, NGL and natural gas reserves. GLJ evaluated the Horizon SCO reserves. The evaluation and review was conducted in accordance with the standards contained in the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook") and disclosed in accordance with National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities ("NI 51-101") requirements. The 2011 reserves disclosure is presented in accordance with Canadian reporting requirements using forecast prices and escalated costs. The recovery and reserves estimates of crude oil, NGL and natural gas reserves provided in this presentation are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, NGL and natural gas reserves may be greater than or less than the estimates provided.

Reserves estimates provided in this presentation are company gross, before royalties.

Resources Other Than Reserves

The contingent resources other than reserves ("resources") estimates provided in this presentation are internally evaluated by qualified reserves evaluators in accordance with the COGE Handbook as directed by NI 51-101. No independent third party evaluation or audit was completed. Resources provided are best estimates as of December 31, 2011. The resources are evaluated using deterministic methods which represent the expected outcome with no optimism or conservatism.

Resources, as per the COGE Handbook definition, are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from know accumulations using established technology or technology under development, but are not currently considered commercially viable due to one or more contingencies. There is no certainty that it will be commercially viable to produce any portion of these resources.

Due to the inherent differences in standards and requirements employed in the evaluation of reserves and contingent resources, the total volumes of reserves or resources are not to be considered indicative of total volumes that may actually be recovered and are provided for illustrative purposes only.

Petroleum, bitumen or natural gas initially-in-place volumes provided are discovered resources which include: production, reserves, contingent resources and unrecoverable volumes.

Special Note Regarding non-GAAP Financial Measures

This MD&A includes references to financial measures commonly used in the crude oil and natural gas industry, such as adjusted net earnings from operations, cash flow from operations, cash production costs and net asset value. These financial measures are not defined by International Financial Reporting Standards ("IFRS") and therefore are referred to as non-GAAP measures. The non-GAAP measures used by the Company may not be comparable to similar measures presented by other companies. The Company uses these non-GAAP measures to evaluate its performance. The non-GAAP measures should not be considered an alternative to or more meaningful than net earnings, as determined in accordance with IFRS, as an indication of the Company's performance. The non-GAAP measures adjusted net earnings from operations and cash flow from operations are reconciled to net earnings, as determined in accordance with IFRS, in the "Financial Highlights" section of this MD&A. The derivation of cash production costs is included in the "Operating Highlights – Oil Sands Mining and Upgrading" section of this MD&A. The Company also presents certain non-GAAP financial ratios and their derivation in the "Liquidity and Capital Resources" section of this MD&A.

Volumes shown are Company share before royalties unless otherwise stated.

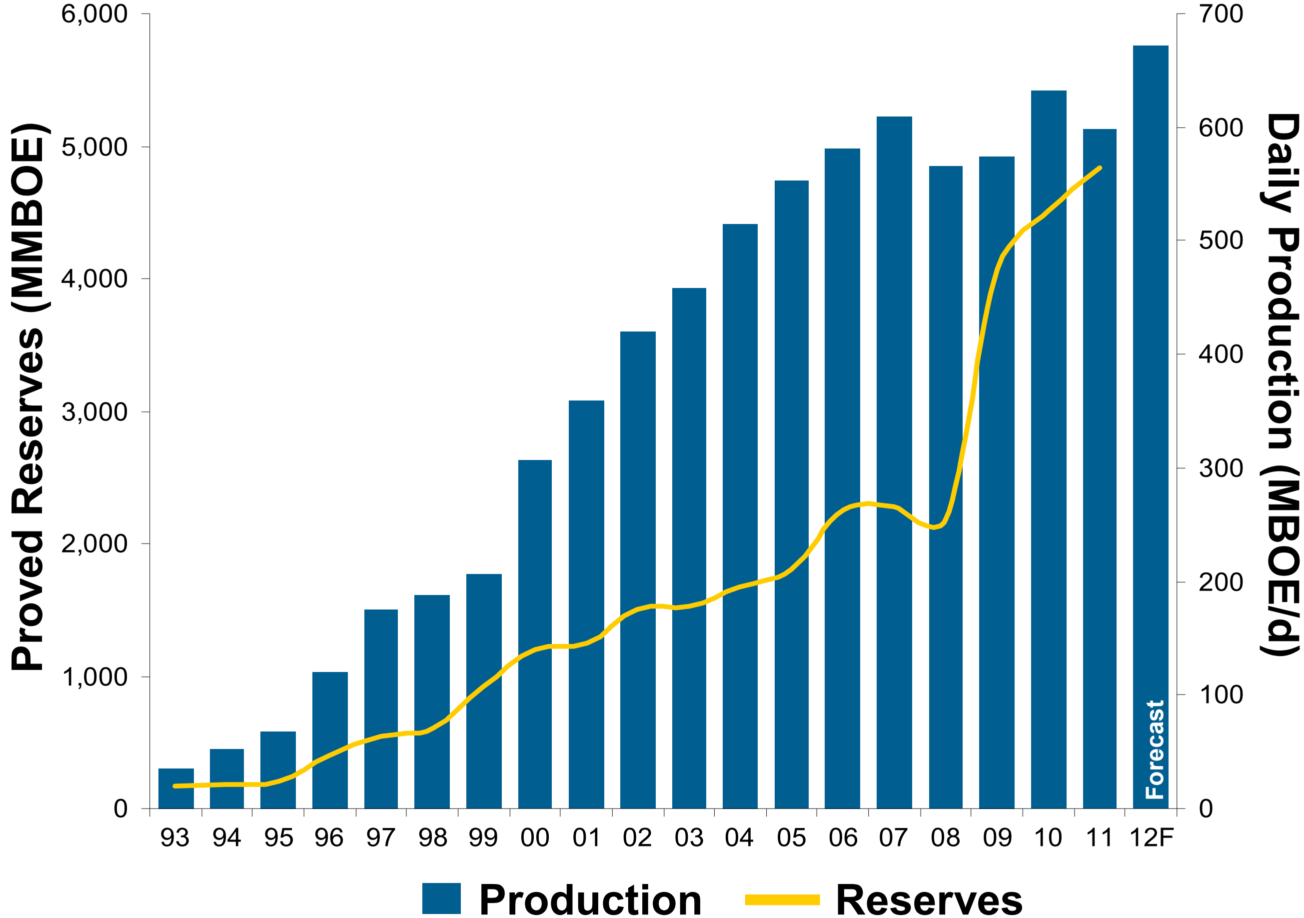
Appendices

Who is Canadian Natural?

Canadian Natural

- **Consistent value creation through successful**
  - Exploitation
  - Exploration
  - Opportunistic acquisitions
- **100% of reserves subject to independent evaluation**

Production / Proved Reserves History
(before royalties)



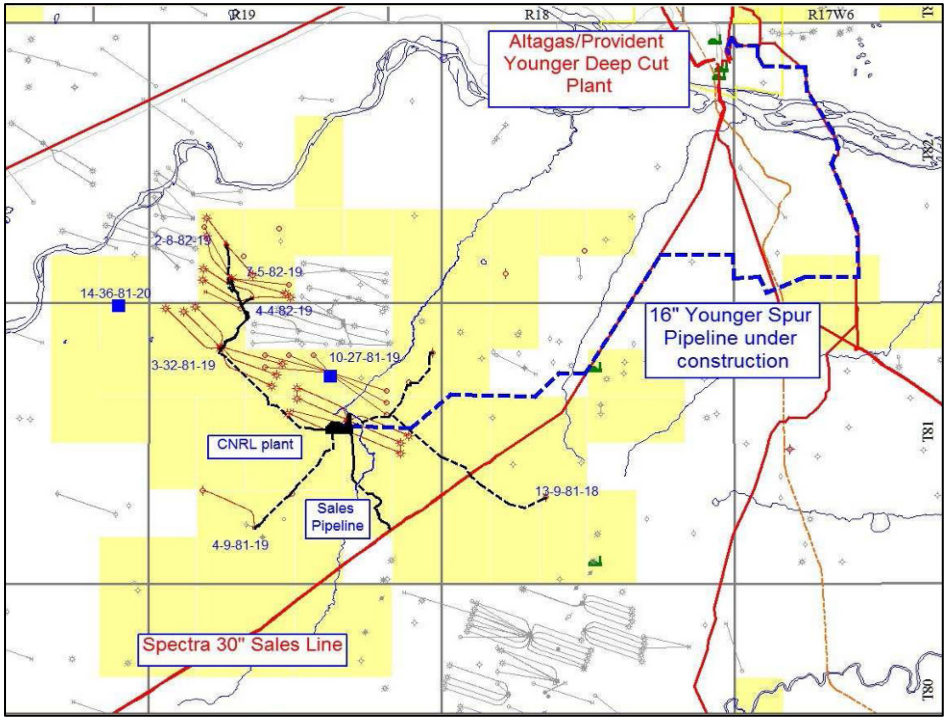
Note: 2009 and 2010 includes Horizon SCO reserves. Reserves prior to 2010 were calculated using constant prices and 2010 calculation based on escalating prices due to a change in disclosure requirements. 2012F daily production based on midpoint of guidance.

Natural Gas Outlook

- Shale gas production is real
- Shale gas reserves look real
- Shale gas full cycle returns at $4.00 AECO not certain
  - Sweet spots – yes
  - Liquids rich – yes to maybe
  - Overall – too early to tell
- LNG supply threat still exists
- Anticipate North America natural gas market to be over supplied for 5-10 years
- Being the most efficient producer is paramount

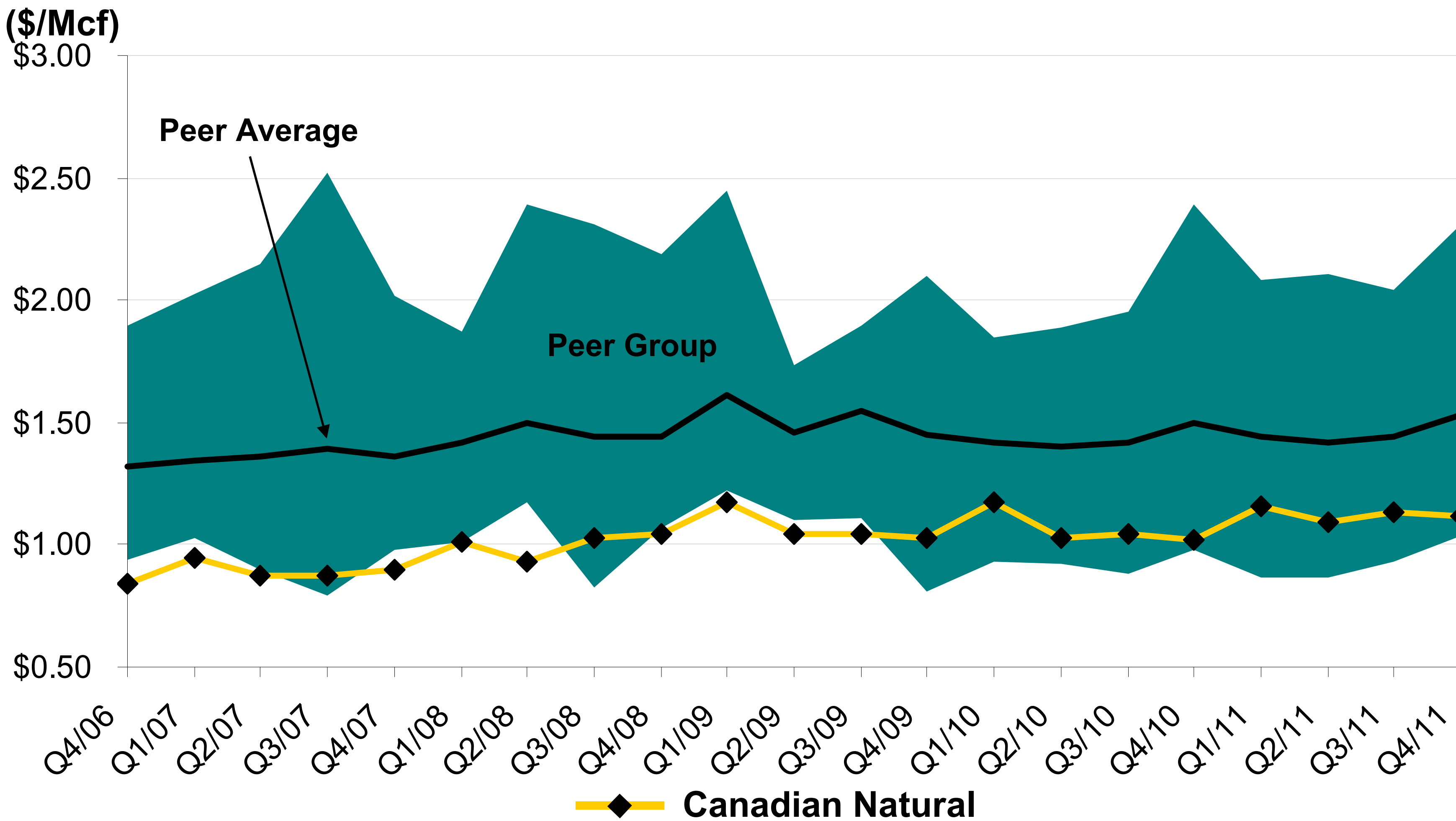
Septimus Montney Play Strategic Development

- **Large resource**
  - Liquids rich gas
- **Project to date**
  - Drilled 15 wells in 2010 and 13 wells in 2011
    - Avg D&C cost $5.7 MM/well
  - Between 9-13 fracs per horizontal well
  - Constructed 50 MMcf/d refrig gas plant on time / budget – onstream Nov 2010
  - Producing ~60 MMcf/d and ~1,800 bbl/d liquids
  - Completed tie-in to deep cut facility Q4/11
- **Project Plan in 2012**
  - Target drilling of 17 net horizontal wells
  - Expand plant to 120mmcf/d – onstream late 2012
  - Target yield of 10,000 bbl/d of liquids once through the plant and deep cut facilities



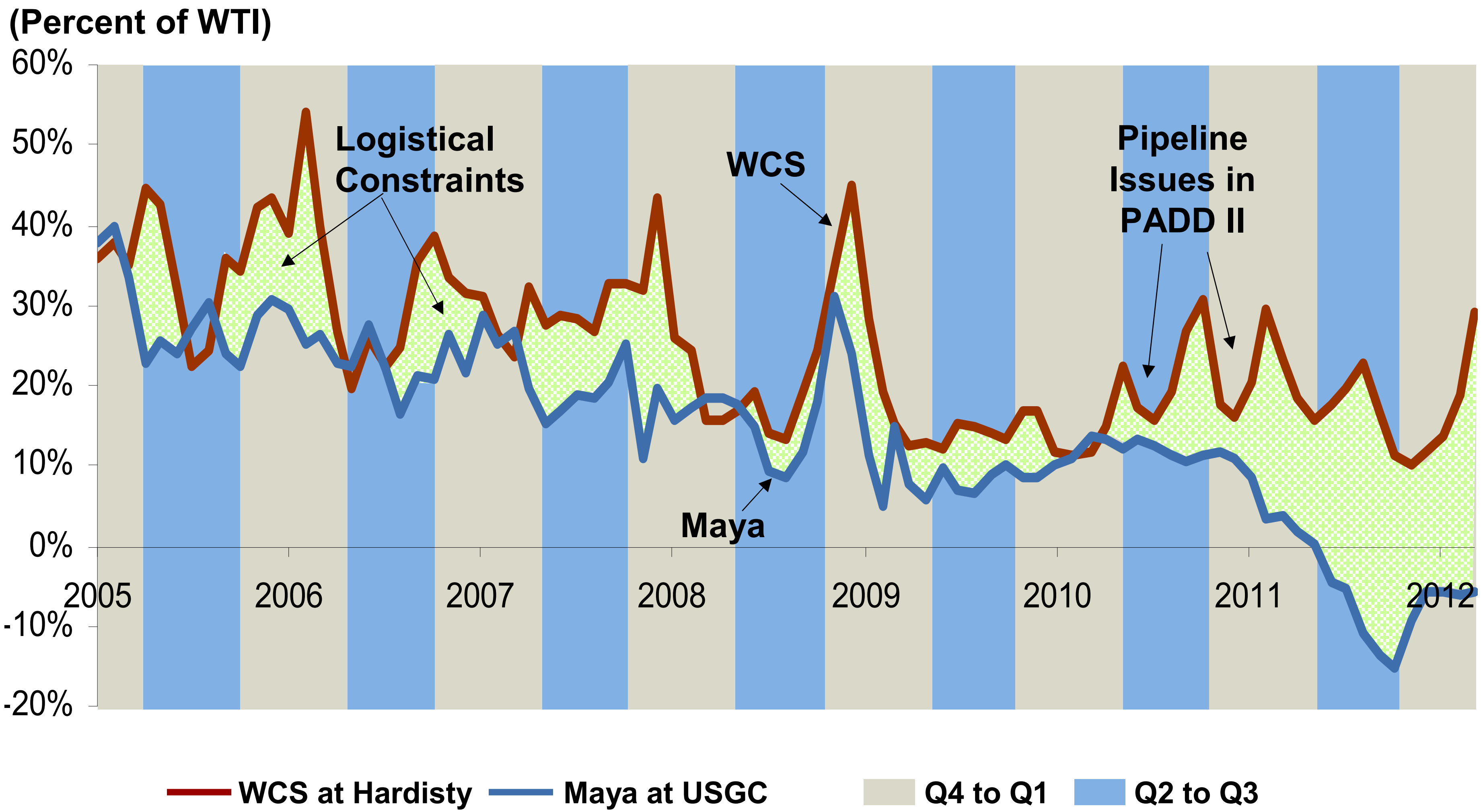
Natural Gas
Operating Cost Peer Comparison

Canadian Natural



Note: Other Producers - NXY, HSE, TLM, CVE, ECA, ARC, PWT, PGF.UN.
Source: Corporate reports.

Heavy Oil Differentials

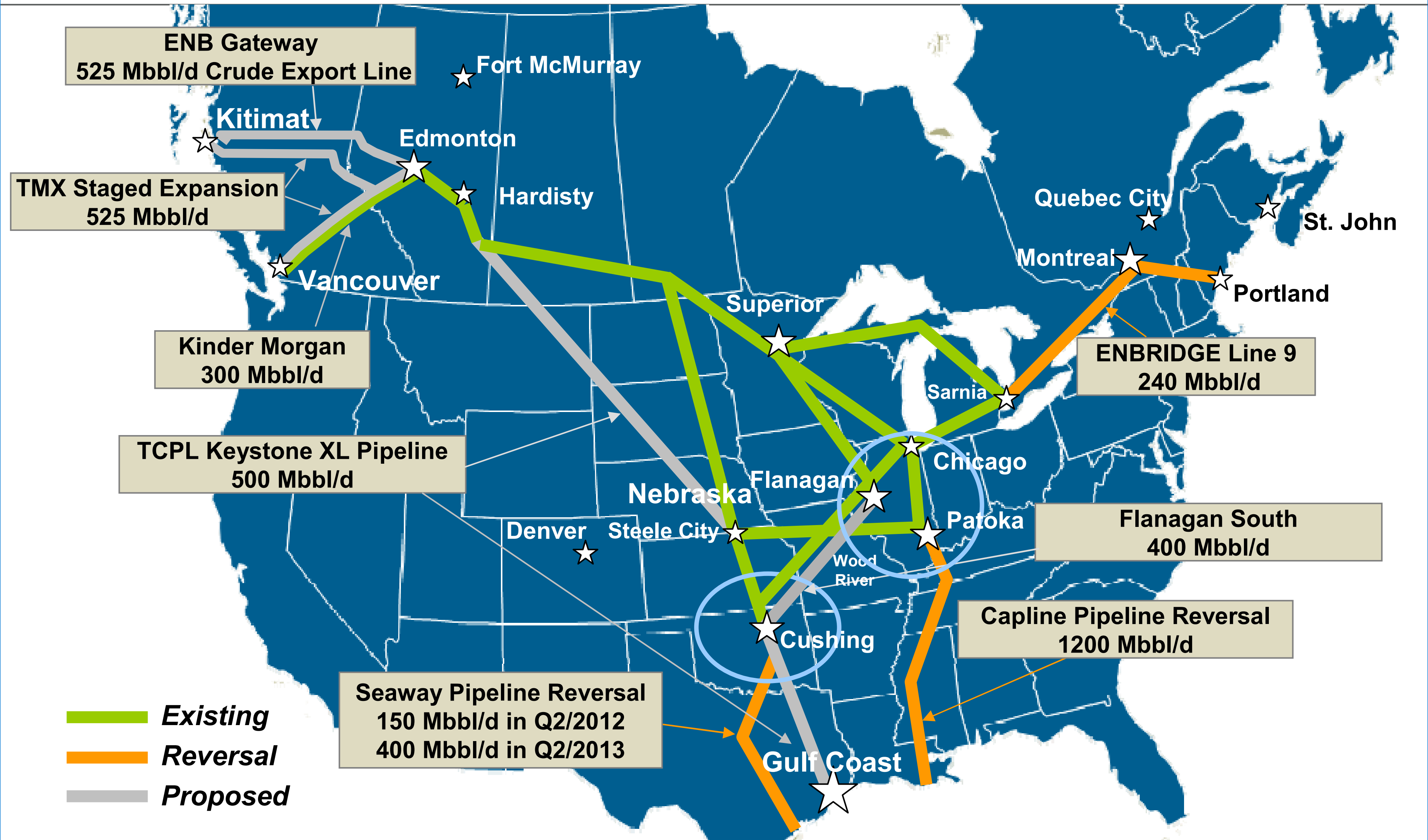


Source: Bloomberg, Platts.

Differential Very Sensitive to Logistical Constraints and Refining Margins

Expanding Pipeline Options

Canadian Natural



Capacity to Access Markets

Heavy Oil
Keystone XL Pipeline

- **Transportation**
  - CNQ committed 120,000 bbl/d to the Keystone XL Pipeline to US Gulf Coast for 20 years
- **Mitigates logistical constraints**
  - Narrows heavy oil differential
- **Significantly reduces market risk for incremental production**
- **Alternative routing in the event of pipeline apportionment**
- **Supply**
  - CNQ committed 100,000 bbl/d to a major US Gulf Coast refiner for 20 years
  - Keystone XL received NEB approval March 2010; awaiting US Presidential Permit
- **Expandable to 1.5 MMbbl/d**

Pipeline Access to New Markets is Available

The Primary Heavy Oil Advantage

- **Shallow formations, low risk, multi-zone**
  - Vertical, slant or horizontal wells from single or multi-well pads
  - 350-650m depth, 1-3 zones per well
  - Low geological risk
- **Flexible and repeatable**
  - Year round access
  - Consistent rig fleet over multiple years
  - Deep inventory of drilling locations
    - 8,500 locations in 10-year plan
  - Long land tenure
- **Operating cost control crucial**
  - Produced oil / water / sand trucked to owned and operated central batteries

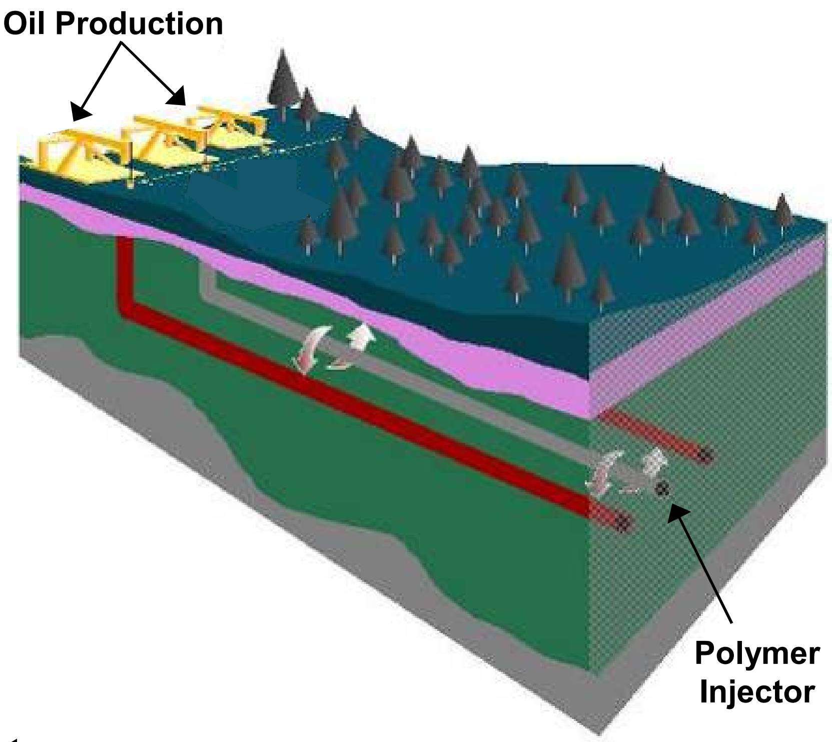
Simple, Repeatable, Efficient

Primary Heavy Oil Technology Applications

1. **Increase recovery from lower quality reservoirs**
   - Horizontal well applications, >100 wells in 2012
     - Oil over water
     - Less permeable pools
2. **Increase recovery from existing assets**
   - Secondary or tertiary recovery processes being tested/developed
     - Oil recovered to date ~786 Million barrels (gross operated production)
     - Current recovery factor ~10% of oil in place

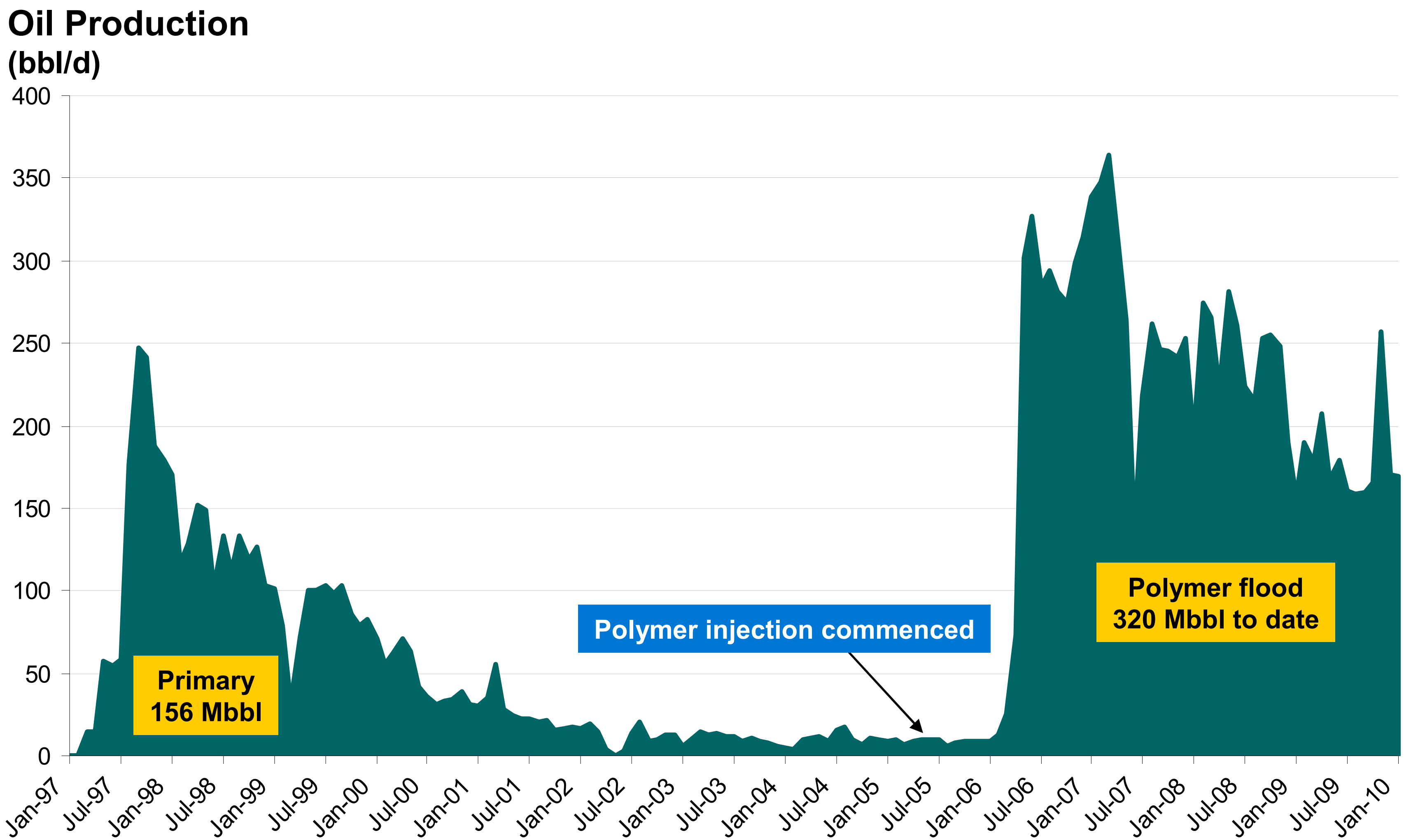
Pelican Lake Polymer Flood

- **What is a polymer?**
  - It is a non-toxic polyacrylamide powder mixed with water
- **Why does it help recovery?**
  - It increases the viscosity of water and improves vertical and aerial sweep efficiencies by reducing fingering
- **What additional facilities are required?**
  - Water handling facilities
  - Polymer hydration skids
  - Water source wells
- **What is the incremental capital cost (over primary recovery)?**
  - $10.00-$13.00/bbl
- **What is the incremental operating cost (over primary recover)?**
  - $3.00-$4.00/bbl



Pelican Lake Polymer Flood Response
Initial Pilot Well

Canadian Natural



Strong Visible Response

Pelican Lake
Polymer Flood Expansion

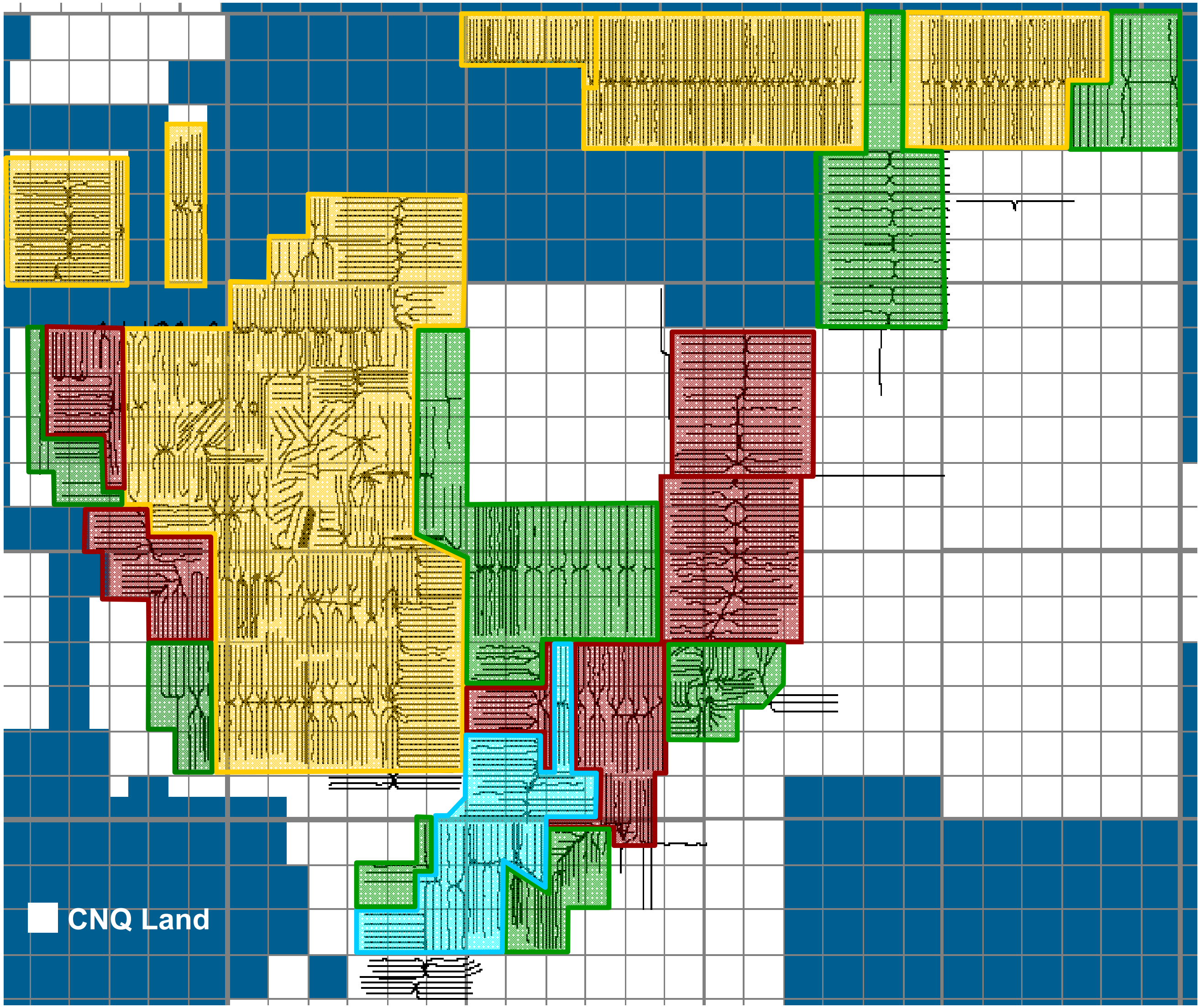
Canadian Natural

Polymer flood at end of 2011 49%

2012 Polymer Plan 55%

5 Year Polymer Plan 73%

Contingent 97%



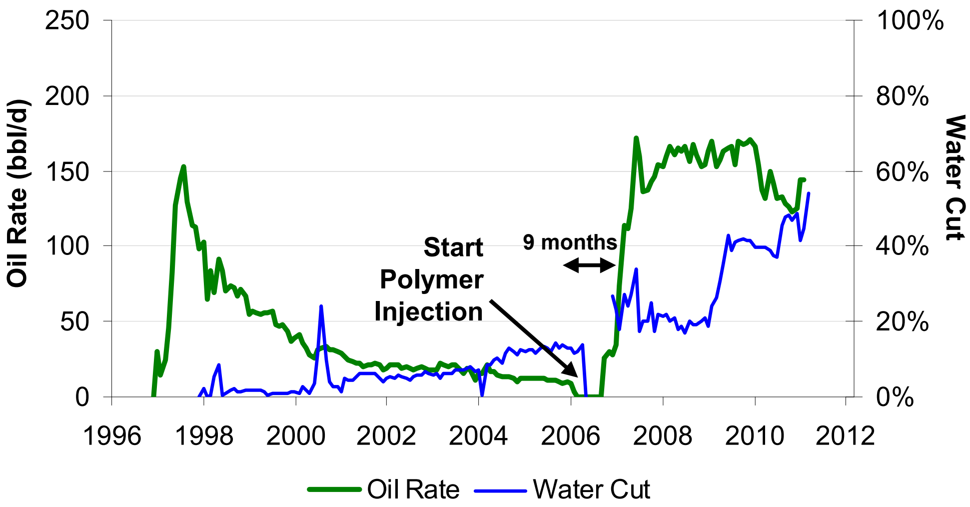
Polymer Success Leads to Expansion

Pelican Lake
Polymer Flood Technology Development

Canadian Natural

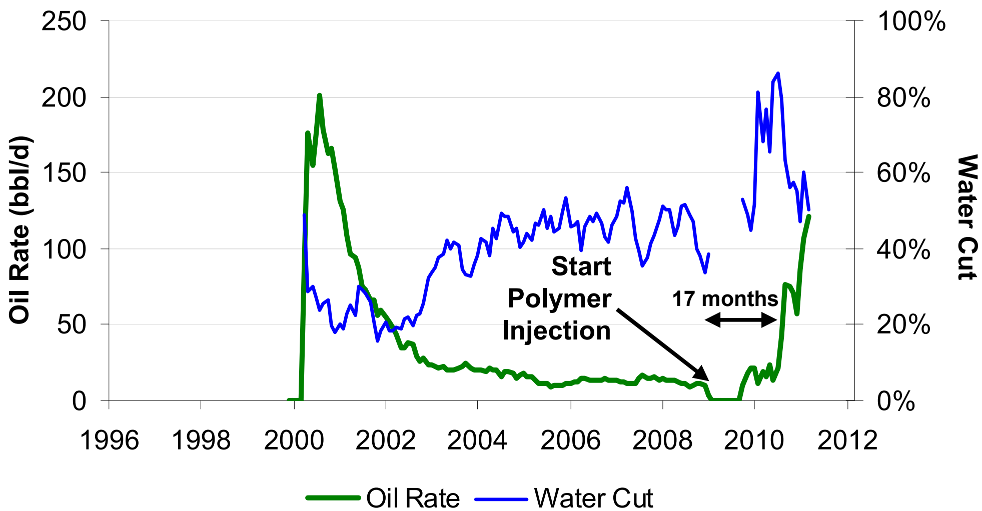
Horsetail

- First patterns flooded in 2006
- Low water production on primary, 0%-10%
- Response to polymer in 9 months
- Oil production peaked quickly and maintained at plateau



South Brintnell

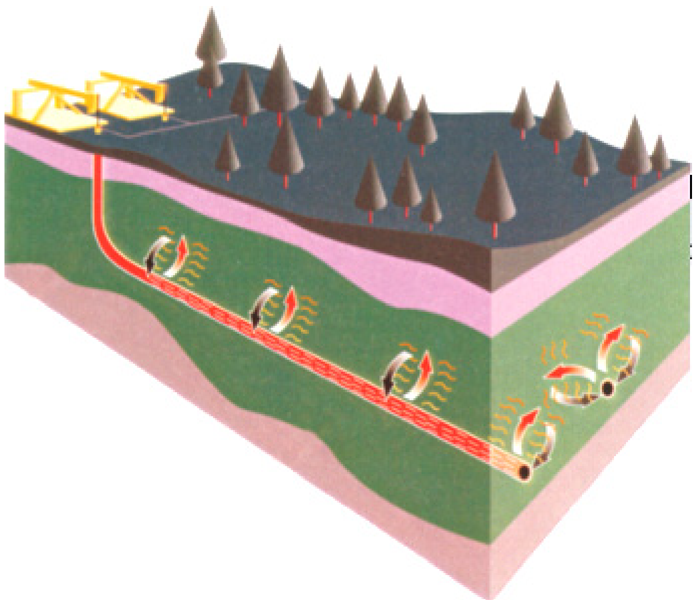
- Polymer flood started in 2009
- Higher water production on primary, 20%-50%
- Response to polymer in 17 months
- Response more gradual but still increasing

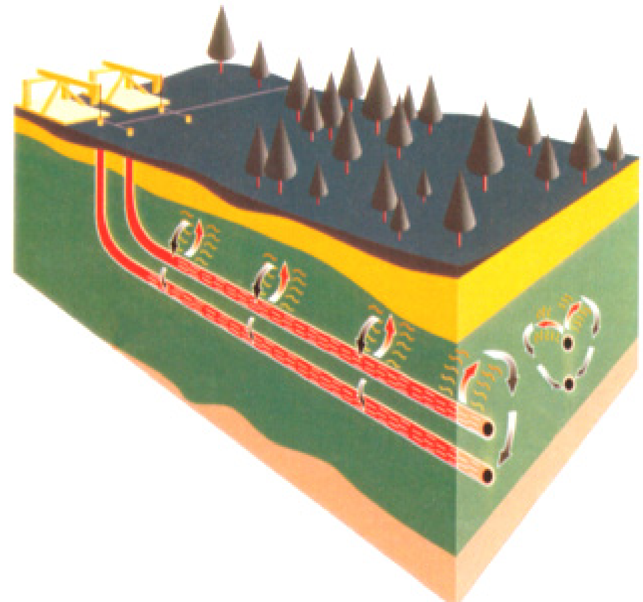


Positive Response to Polymer Injection

Thermal In Situ Oil Sands Bitumen Recovery Schemes

Canadian Natural





Cyclic Steam Stimulation (CSS)

- Inject / produce from single well
- High pressure
- Wet steam (~1.25x dry steam SOR)
- Only process for Clearwater

Steam Assisted Gravity Drainage (SAGD)

- Dedicated injector / producer (2 wells)
- Low pressure continuous process
- Requires dry steam
- Only process for McMurray

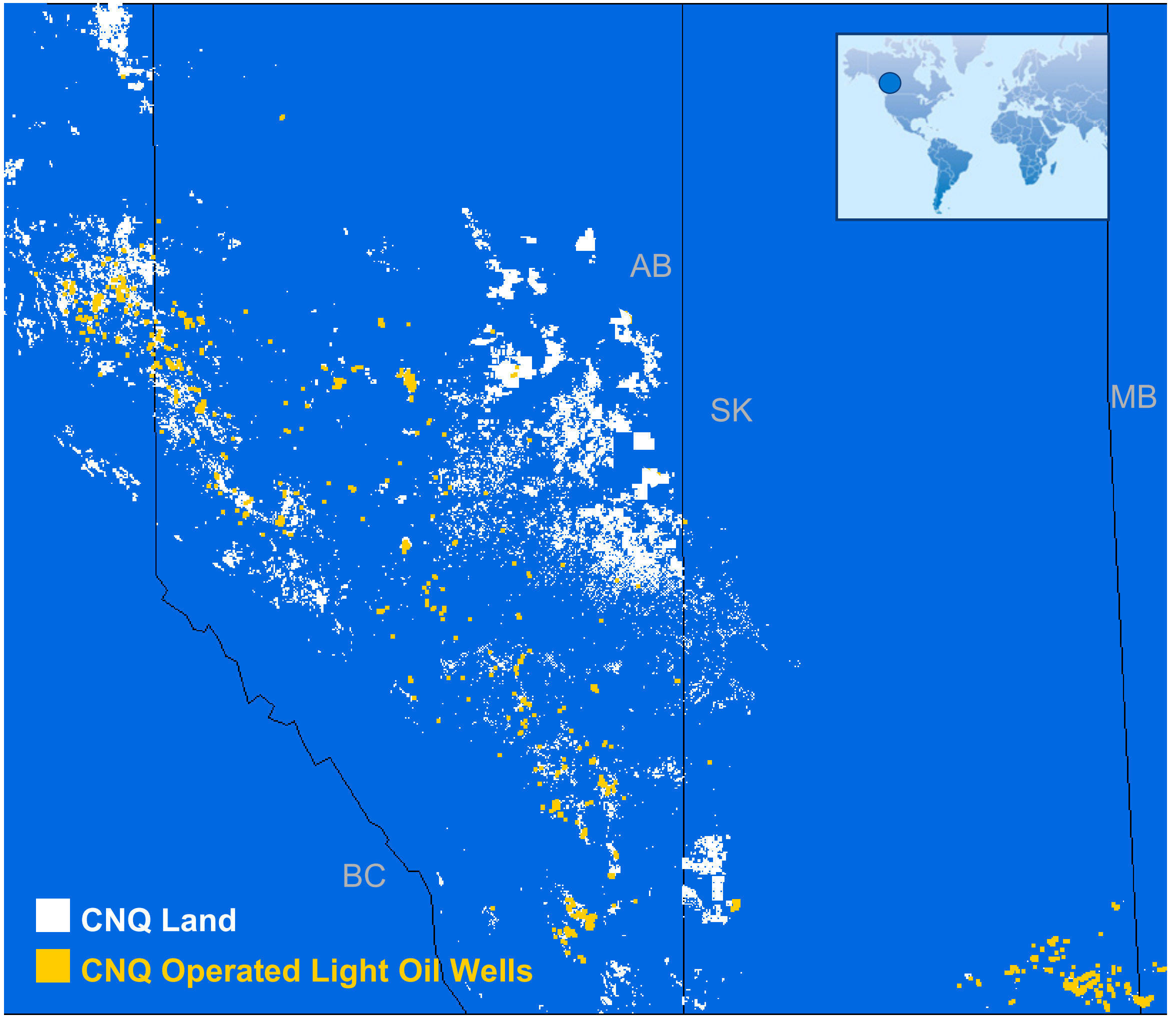
Match Scheme to Reservoir

Kirby – Project Area

- Two main plants
  - 140,000 bbl/d potential
  - 100% working interest and operatorship
  - Kirby South target facility capacities
    - Phase 1 - 45,000 bbl/d
    - Phase 2 - 15,000 bbl/d
  - Kirby North target facility capacities
    - Phase 1 - 40,000 bbl/d
    - Phase 2 - 40,000 bbl/d
- Three play types
  - McMurray, SAGD proven
  - Wabiskaw “D”, SAGD unproven
  - Wabiskaw “B”, CSS potential
- Strong reserve base with significant upside

North America Light Oil and NGL

- **Q4/11 production**
  - 62 Mbbl/d
- **2012 production growth**
  - 17%
- **100 operated waterfloods**
- **Enhanced Oil Recovery (EOR)**
  - 1 active, 2 planned
- **Forecast activity**
  - 2011 drill 142 wells – record drilling program
  - 2012 drill 134 wells
- **2P reserves**
  - Light oil 155 Million barrels*
  - NGLs 134 Million barrels*
- **Reserve life**
  - >12 years



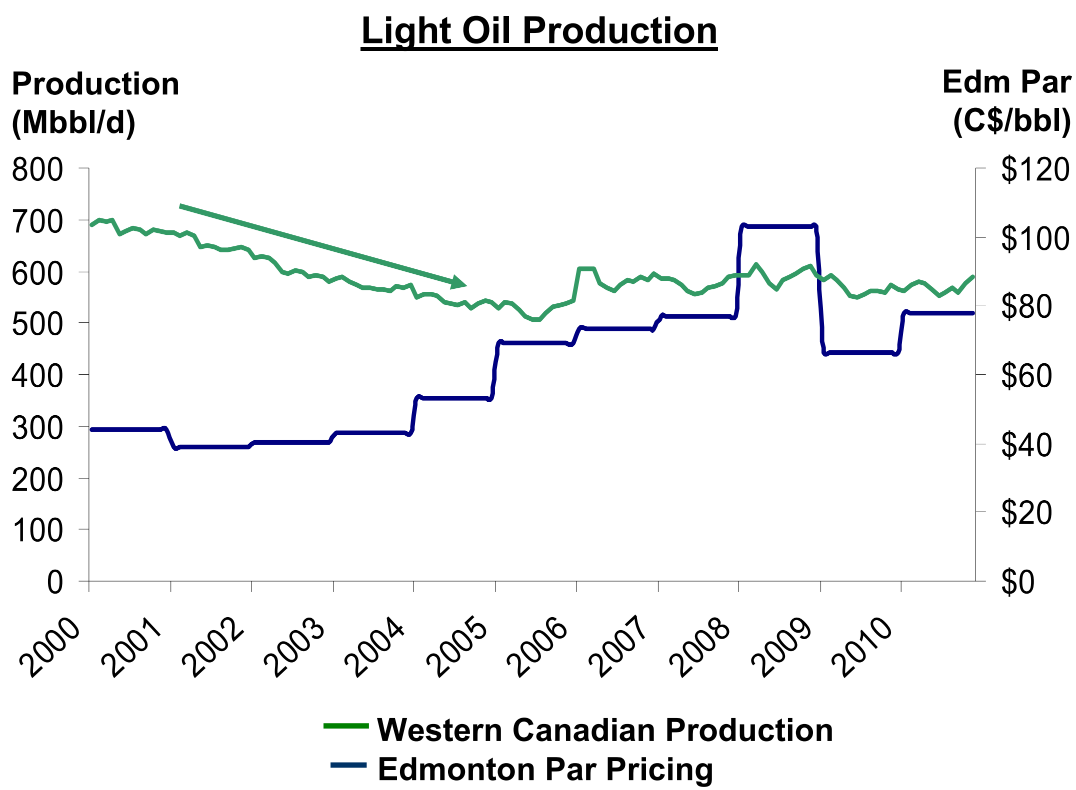
Company gross proved plus probable reserves as at December 31, 2011.

2011 Record Light Oil Drilling Program

North America Light Oil Strategy

Canadian Natural

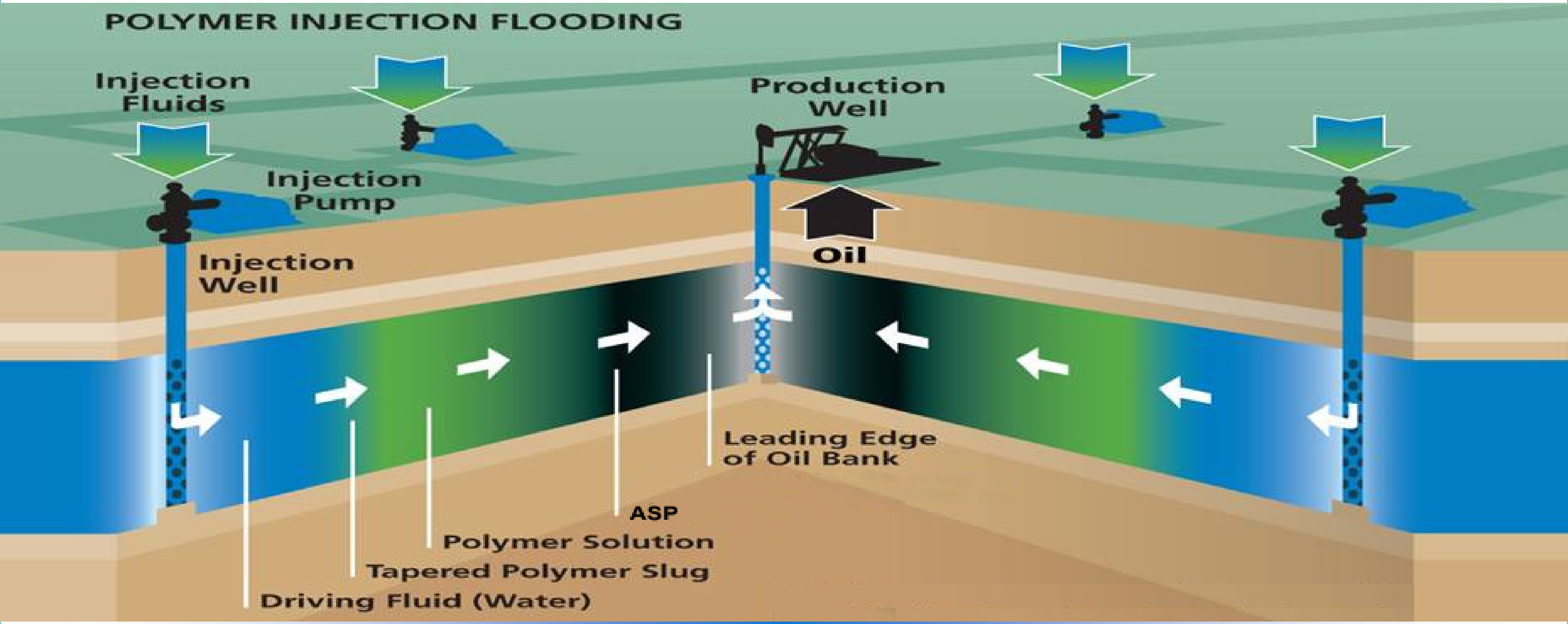
- **Maximize waterflood recovery**
  - Optimize pressure maintenance and sweep efficiency
- **EOR incremental recovery**
  - Inject gas or chemicals to improve sweep efficiency
- **Exploitation of existing pools**
  - Horizontal drilling to increase recovery
- **Exploration for new pools**
  - Horizontal multi-frac completions to produce oil from unconventional reservoirs
  - Leverage CNQ land and infrastructure
- **Effective and efficient field operations**
  - Control capital and operating costs



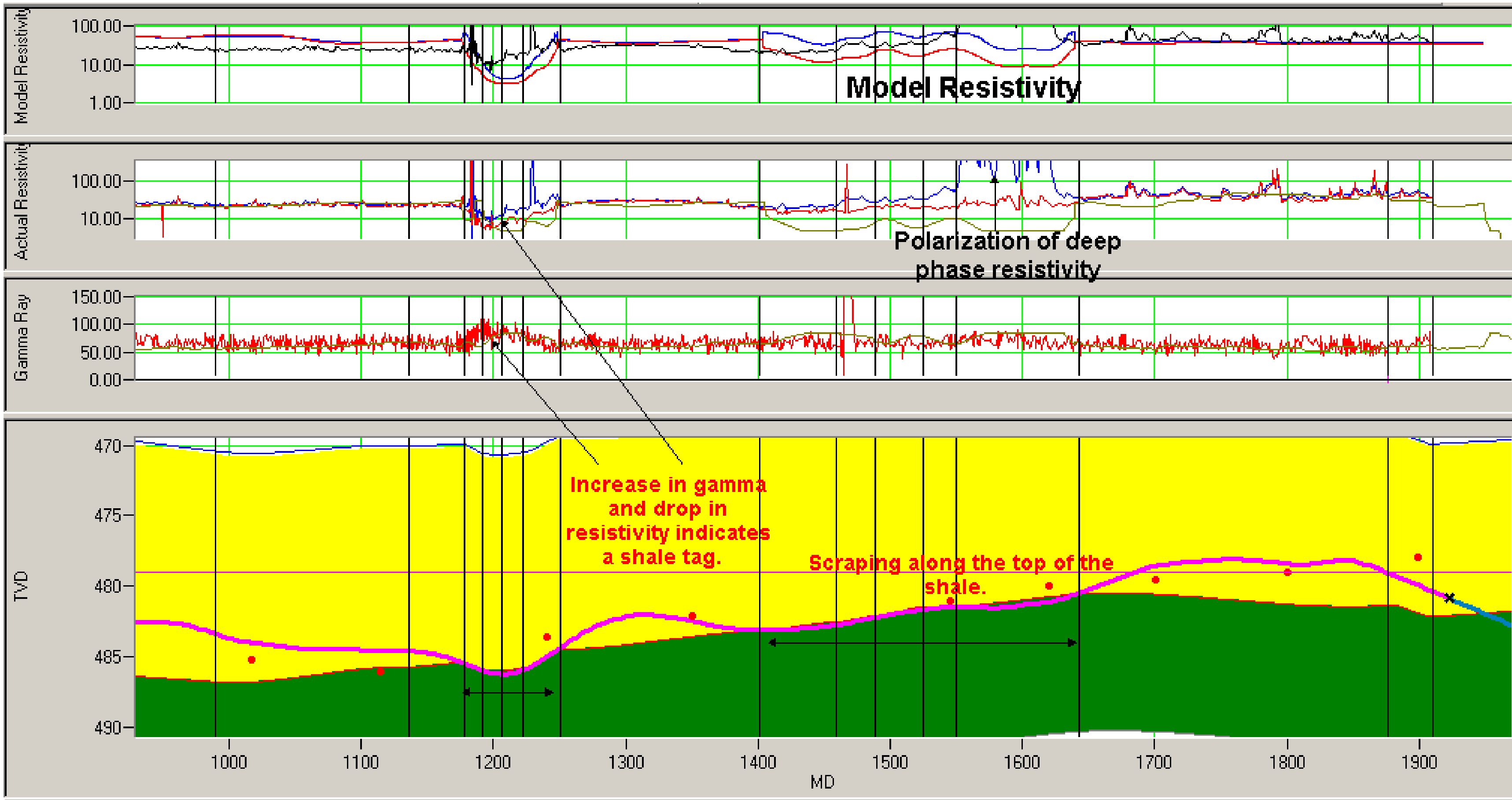
High Prices / Better Science / New Technology

Grand Forks ASP Flooding

- **Alkaline Surfactant Polymer (ASP) flooding**
  - Surfactants reduce the oil left behind by the waterflood at Grand Forks
    - Works like soap
  - Polymer improves the sweep of the injected fluid, reaching reservoir bypassed by the waterflood
  - Potential to expand - 60 pools currently waterflooded in area



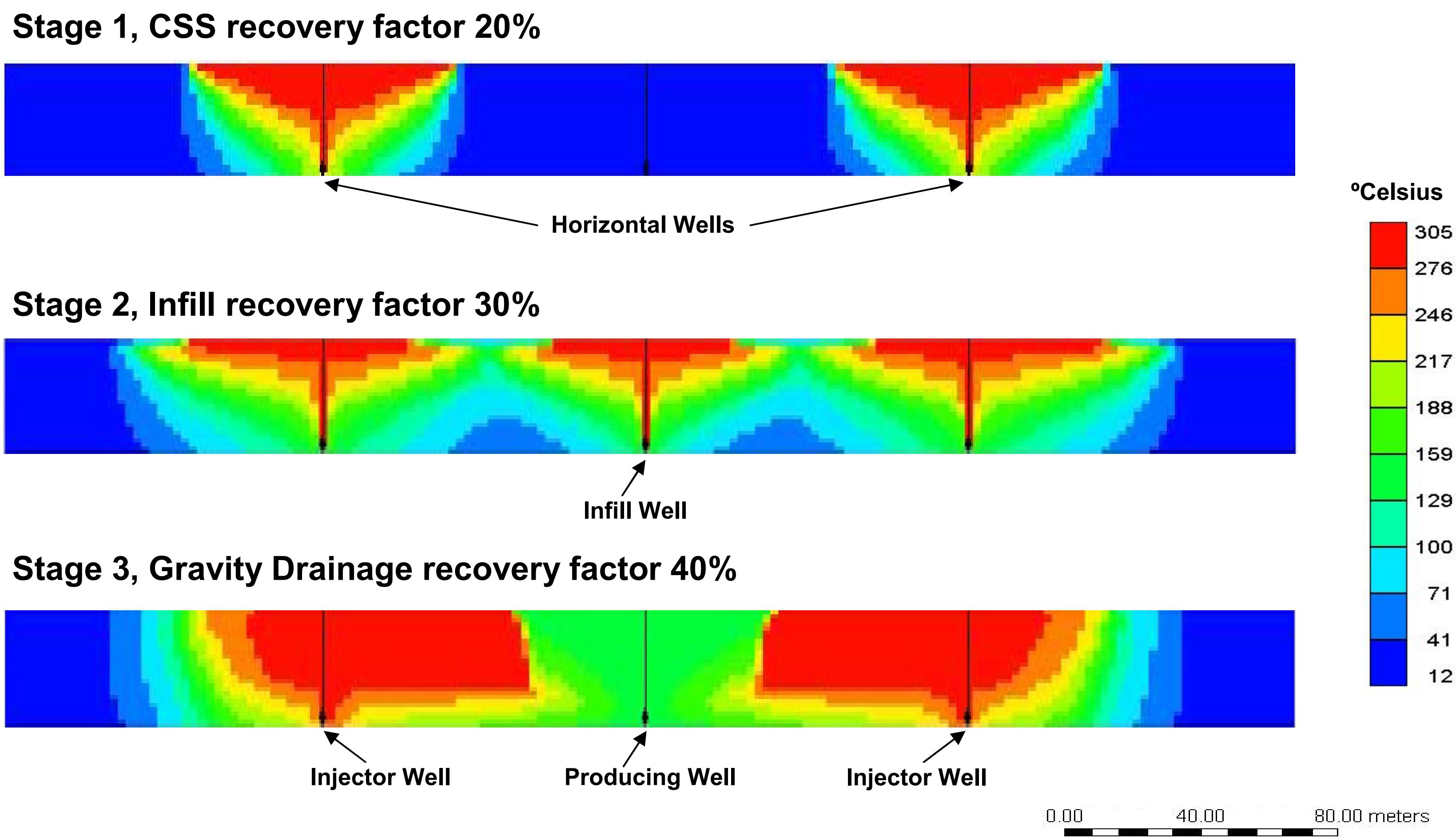
Technology Option
Thermal Geo-steering Well Placement



	Path	Selected	Color	Mode	Description	Type	Northing	Easting	TVD	Dip	Azimuth
1	ResTop	☒		Top	ResTop	Grid					
2	ResBasenew	☒		Proportional	ResBasenew	Grid					

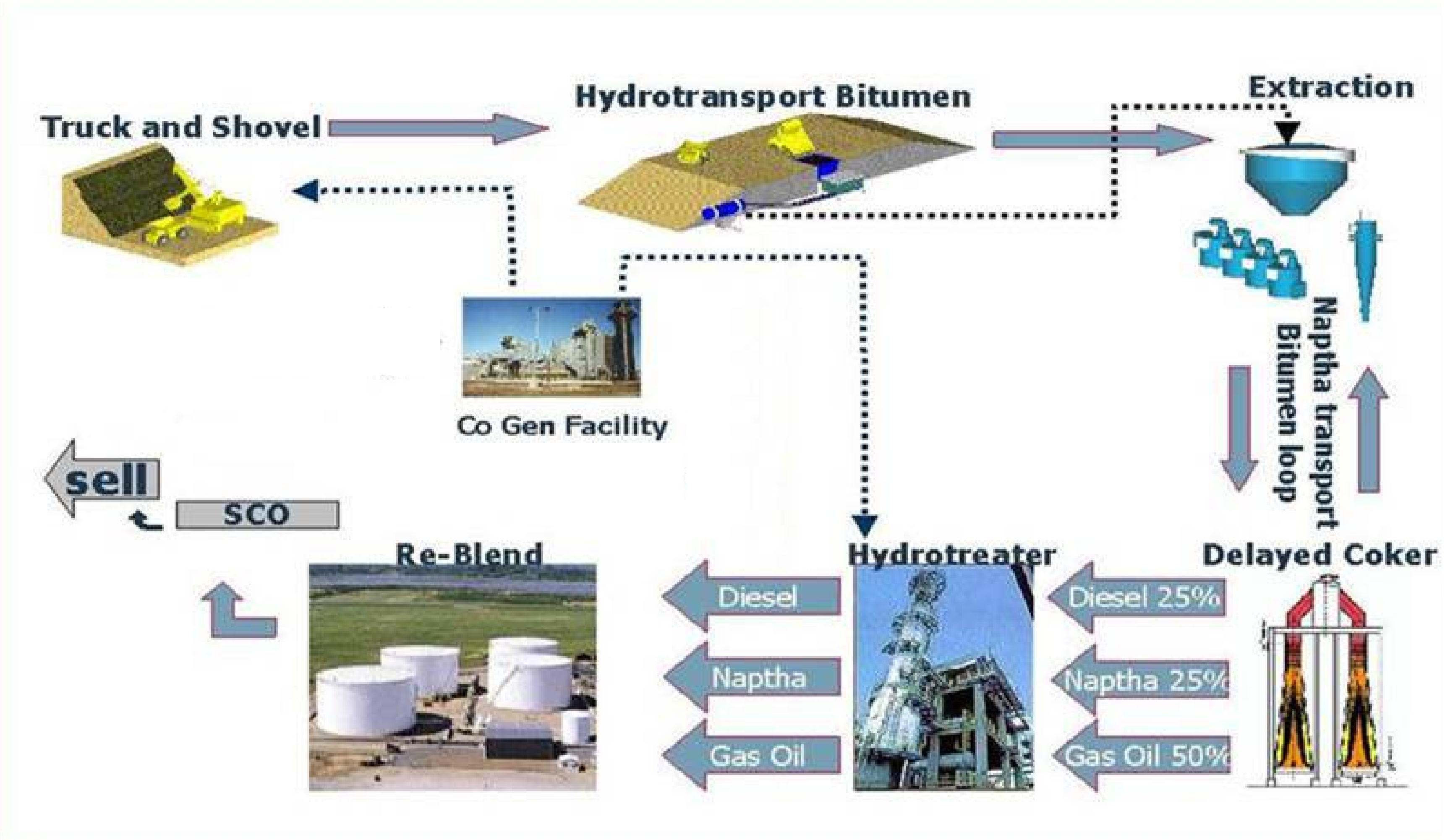
Capturing More of the Reservoir With Technology Advancement

Thermal Heavy Oil Technology Advancement



Technology Maximizes Recovery and Value

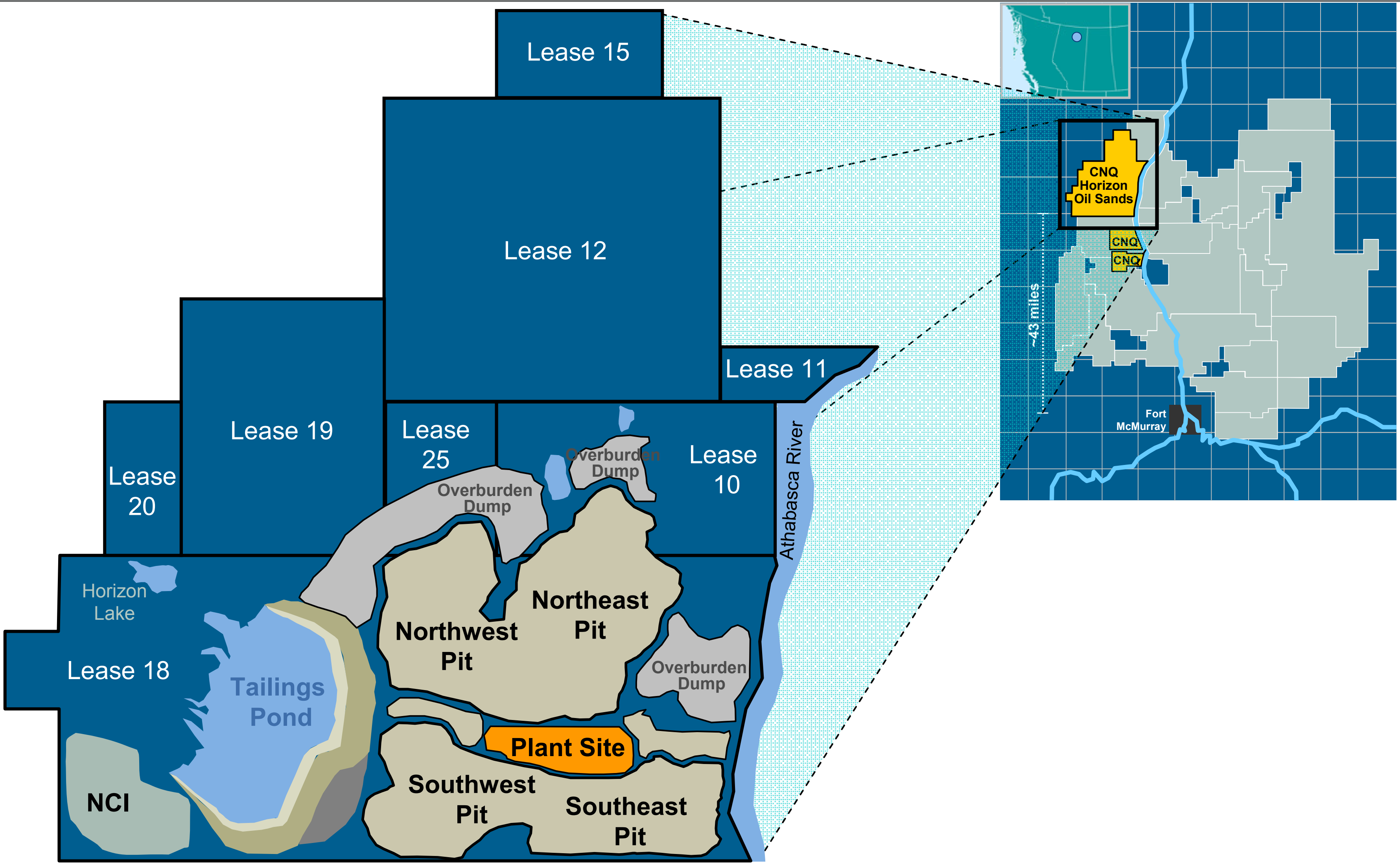
Horizon Oil Sands
Process and Technology



Only Proven Technologies Will be Utilized Reducing Technology Risks

Horizon Oil Sands Site Layout

Canadian Natural



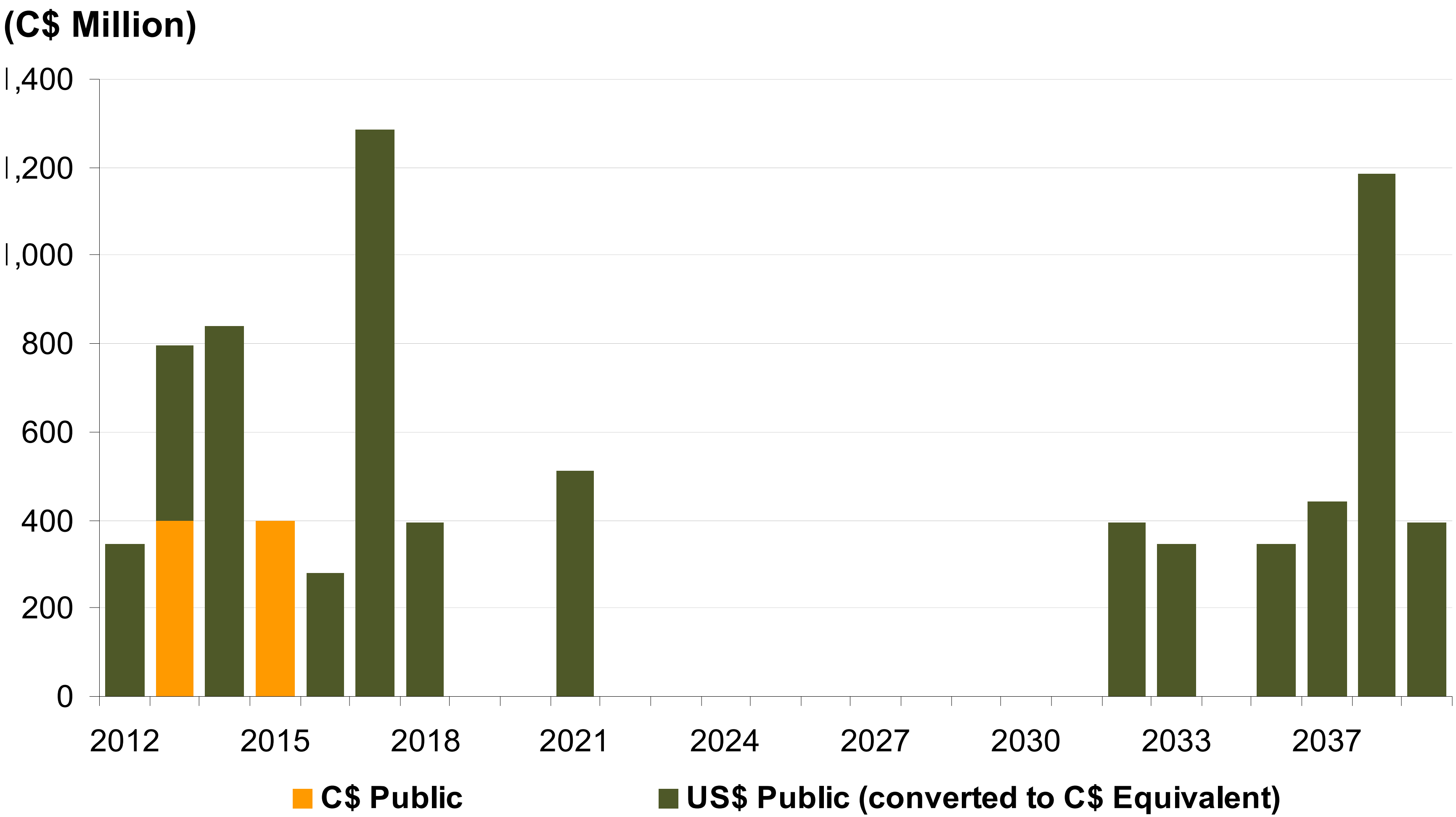
Site Layout Maximizes Resource Recovery and Optimizes Economic Returns

Revolving Bank Credit Facilities

Canadian Natural

	(C$ Million)	Maturity
Revolving bank line - Conventional	$ 3,000	June 2015
Revolving bank line - Horizon	$ 1,500	June 2012
Operating demand loan	$ 200	Demand
North Sea operating line (£15 Million)	$ 23	Demand
Total bank lines	$ 4,723	
Available – Dec 31, 2011	$ 3,800	

Maturity Schedule
Public Debt

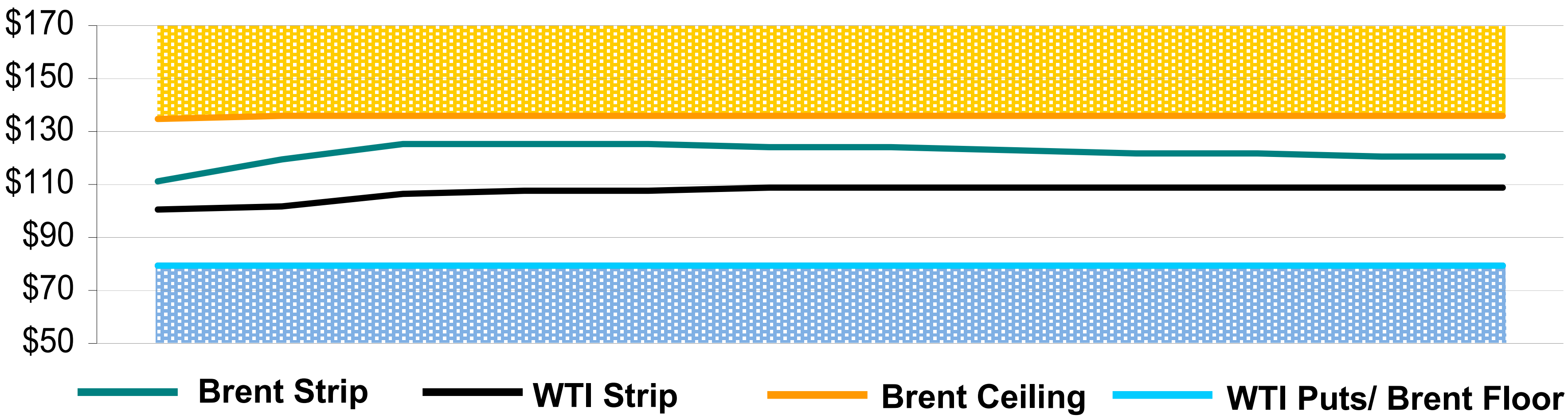


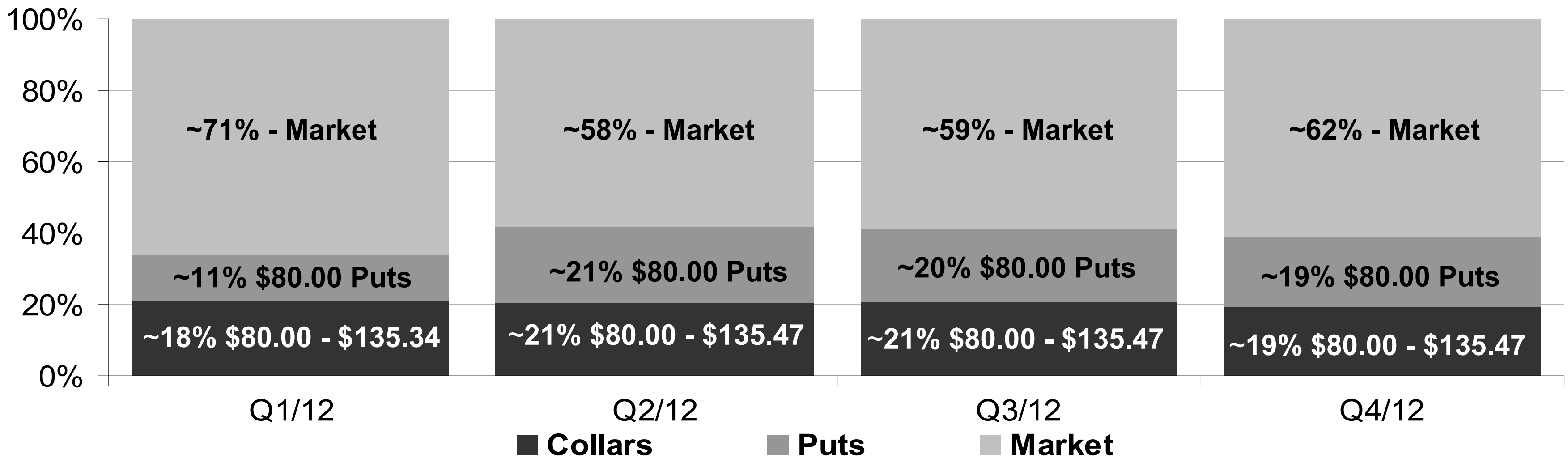
Note: Represents principal repayments only and does not reflect fair value adjustments, original issue discounts or transaction costs.

Manageable Refinancing

2012 Crude Oil Hedging (US$/bbl)
Brent Collars / WTI Puts

Canadian Natural





Note: Refer to quarterly reports for detailed hedging positions. Strip pricing as at March 2012.

Resource Disclosure (1)

1. Bitumen (Thermal Oil)

Discovered Bitumen Initially-in-place	78.0	billion barrels
Proved Company Gross Reserves	1.0	billion barrels of Bitumen
Probable Company Gross Reserves	0.7	billion barrels of Bitumen
Best Estimate Contingent Resources other than Reserves	6.8	billion barrels of Bitumen
Bitumen Produced to Date	0.3	billion barrels
Unrecoverable portion of Discovered Bitumen Initially-in-place (2)	69.2	billion barrels

2. Pelican Lake Heavy Crude Oil Pool

Discovered Heavy Crude Oil Initially-in-place	4,100	million barrels
Proved Company Gross Reserves	261	million barrels of heavy crude oil
Probable Company Gross Reserves	102	million barrels of heavy crude oil
Best Estimate Contingent Resources other than Reserves	198	million barrels of heavy crude oil
Heavy Crude Oil Produced to Date	163	million barrels
Unrecoverable portion of Discovered Heavy Crude Oil Initially-in-place (2)	3,373	million barrels

3. Horizon Oil Sands

Discovered Bitumen Initially-in-place	14.4	billion barrels
Proved Company Gross Reserves – 2.1 billion barrels of SCO		
Bitumen volume associated with Proved SCO reserves	2.5	billion barrels of Bitumen
Probable Company Gross Reserves – 1.3 billion barrels of SCO		
Bitumen volume associated with Probable SCO reserves	1.3	billion barrels of Bitumen
Best Estimate Contingent Resources other than Reserves	2.6	billion barrels of Bitumen
Bitumen Produced to Date	0.1	billion barrels of Bitumen
Unrecoverable portion of Discovered Bitumen Initially-in-place (2)	7.9	billion barrels

(1) All volumes are company gross.
(2) A portion may be recoverable with the development of new technology.

SPECIAL NOTES

Special Note Regarding Currency, Production and Reserves

In this document, all references to dollars refer to Canadian dollars unless otherwise stated. Reserves and production data are presented on a before royalties basis unless otherwise stated. In addition, reference is made to crude oil and natural gas in common units called barrel of oil equivalent (“boe”). A barrel of oil equivalent (“BOE”) is derived by converting six thousand cubic feet (“Mcf”) of natural gas to one barrel (“bbl”) of crude oil (6 Mcf:1 bbl). This conversion may be misleading, particularly if used in isolation, since the 6 Mcf:1 bbl ratio is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In comparing the value ratio using current crude oil prices relative to natural gas prices, the 6 Mcf:1 bbl conversion ratio may be misleading as an indication of value. In addition, for the purposes of this MD&A, crude oil is defined to include the following commodities: light & medium crude oil, primary heavy crude oil, Pelican Lake heavy crude oil, bitumen (thermal oil), and synthetic crude oil.

For the year ended December 31, 2011 the Company retained Independent Qualified Reserves Evaluators (”Evaluators”), Sproule Associates Limited and Sproule International Limited (together as “Sproule”) and GLJ Petroleum Consultants Ltd. (“GLJ”), to evaluate and review all of the Company’s proved and proved plus probable reserves with an effective date of December 31, 2011 and a preparation date of February 13, 2012. Sproule evaluated the North America and International crude oil, NGL and natural gas reserves. GLJ evaluated the Horizon SCO reserves. The evaluation and review was conducted in accordance with the standards contained in the Canadian Oil and Gas Evaluation Handbook (“COGE Handbook”) and disclosed in accordance with National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities (“NI 51-101”) requirements. The 2011 reserves disclosure is presented in accordance with Canadian reporting requirements using forecast prices and escalated costs. The recovery and reserves estimates of crude oil, NGL and natural gas reserves provided in this presentation are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, NGL and natural gas reserves may be greater than or less than the estimates provided.

Reserves estimates provided in this presentation are company gross, before royalties.

Resources Other Than Reserves

The contingent resources other than reserves (“resources”) estimates provided in this presentation are internally evaluated by qualified reserves evaluators in accordance with the COGE Handbook as directed by NI 51-101. No independent third party evaluation or audit was completed. Resources provided are best estimates as of December 31, 2011. The resources are evaluated using deterministic methods which represent the expected outcome with no optimism or conservatism.

Resources, as per the COGE Handbook definition, are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from know accumulations using established technology or technology under development, but are not currently considered commercially viable due to one or more contingencies. There is no certainty that it will be commercially viable to produce any portion of these resources.

Due to the inherent differences in standards and requirements employed in the evaluation of reserves and contingent resources, the total volumes of reserves or resources are not to be considered indicative of total volumes that may actually be recovered and are provided for illustrative purposes only.

Petroleum, bitumen or natural gas initially-in-place volumes provided are discovered resources which include: production, reserves, contingent resources and unrecoverable volumes.

Special Note Regarding non-GAAP Financial Measures

This MD&A includes references to financial measures commonly used in the crude oil and natural gas industry, such as adjusted net earnings from operations, cash flow from operations, cash production costs and net asset value. These financial measures are not defined by International Financial Reporting Standards (“IFRS”) and therefore are referred to as non-GAAP measures. The non-GAAP measures used by the Company may not be comparable to similar measures presented by other companies. The Company uses these non-GAAP measures to evaluate its performance. The non-GAAP measures should not be considered an alternative to or more meaningful than net earnings, as determined in accordance with IFRS, as an indication of the Company’s performance. The non-GAAP measures adjusted net earnings from operations and cash flow from operations are reconciled to net earnings, as determined in accordance with IFRS, in the “Financial Highlights” section of this MD&A. The derivation of cash production costs is included in the “Operating Highlights – Oil Sands Mining and Upgrading” section of this MD&A. The Company also presents certain non-GAAP financial ratios and their derivation in the “Liquidity and Capital Resources” section of this MD&A.

Volumes shown are Company share before royalties unless otherwise stated.

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”, “target”, “continue”, “could”, “intend”, “may”, “potential”, “predict”, “should”, “will”, “objective”, “project”, “forecast”, “goal”, “guidance”, “outlook”, “effort”, “seeks”, “schedule” 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 Management’s Discussion and Analysis (“MD&A”) including the information in the “Outlook” section and the sensitivity analysis 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, ability to recover insurance proceeds, Primrose, Pelican Lake, the Kirby Thermal Oil Sands Project, the Keystone XL Pipeline US Gulf Coast expansion, 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 should not place undue reliance on these forward-looking statements as there can be no assurances that the plans, initiatives or expectations upon which they are based will occur.

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 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 or 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 natural gas liquids (“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 and Uncertainties” section of this MD&A.

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.

At March 8, 2012, the Company had the following net derivative financial instruments outstanding:

	Remaining term	Volume	Weighted average price	Index
Crude oil				
Crude oil price collars	Mar 2012 – Dec 2012	50,000 bbl/d	US$80.00 – US$134.87	Brent
Crude oil price collars	Mar 2012 – Dec 2012	50,000 bbl/d	US$80.00 – US$136.06	Brent
Crude oil puts [1]	Mar 2012 – Dec 2012	100,000 bbl/d	US$80.00	WTI

[1] *Put options for the period Mar 2012 – Dec 2012 at a total cost of US$62 million.*

KEY HISTORIC DATA

	2006	2007	2008	2009	2010	2011
Operational Information						
Daily production, before royalties						
Crude oil and NGLs (Mbbl/d)	332	331	316	355	425	389
Natural gas (MMcf/d)	1,492	1,668	1,495	1,315	1,243	1,257
Barrels of oil equivalent (MBOE/d)	581	609	565	575	632	599
Daily production, after royalties						
Crude oil and NGLs (mbbl/d)	301	293	276	318	369	329
Natural gas (MMcf/d)	1,209	1,402	1,246	1,214	1,193	1,209
Barrels of oil equivalent (MBOE/d)	502	526	484	525	568	531
Proved reserves, after royalties(1)						
Crude oil and NGLs (MMbbl)	1,316	1,358	1,346	1,377	1,519	1,572
Natural gas (bcf)	3,798	3,666	3,684	3,179	3,792	3,930
Barrels of oil equivalent (MMBOE)	1,949	1,969	1,960	1,907	2,151	2,227
Mining reserves, SCO (MMbbl)		1,761	1,946	1,650	1,597	1,750
Drilling activity, net wells						
Crude oil and NGLs	603	592	682	644	934	1,103
Natural gas	890	383	269	109	92	83
Dry	119	93	39	46	33	48
Strats and service	375	254	131	329	491	657
Realized product pricing, before hedging activities & after transportation costs						
Crude oil and NGLs (C$/bbl)	53.65	55.45	82.41	57.68	65.81	77.46
Natural gas (C$/Mcf)	6.72	6.85	8.39	4.53	4.08	3.73
Results of operations (C$ millions, except per share)						
Cash flow from operations	4,932	6,198	6,969	6,090	6,333	6,547
per share – Basic	*4.59*	*5.75*	*6.45*	*5.62*	*5.82*	*5.98*
Net earnings	2,524	2,608	4,985	1,580	1,673	2,643
per share – Basic	*0.98*	*2.42*	*4.61*	*1.46*	*1.54*	*2.41*
Capital expenditures (net, including combinations)	12,025	6,425	7,451	2,997	5,514	6,414
Balance Sheet Info (C$ millions)						
Property, plant and equipment	30,767	33,902	38,966	39,115	38,429	41,631
Total assets	33,160	36,114	42,650	41,024	42,954	47,278
Long-term debt	3,321	10,940	12,596	9,658	8,485	8,571
Shareholders' equity	8,237	13,321	18,374	19,426	20,368	22,898
Ratios						
Debt to cash flow, trailing 12 months	2.2x	1.8x	1.9x	1.6x	1.3x	1.3x
Debt to book capitalization	51%	45%	41%	33%	29%	27%
Return to common equity, trailing 12 months	27%	22%	33%	8.4%	8%	12%
Daily production before royalties per 10,000 common shares	5.4	5.6	5.2	5.3	5.8	5.5
Proved and probable reserves before royalties per common share*	3.2	3.2	3.1	5.8	6.3	6.9

*2009, 2010 and 2011 Horizon SCO included in Crude Oil and NGLs reserves

Share information

	2006	2007	2008	2009	2010	2011
Common shares outstanding	1,075,806	1,079,458	1,081,982	1,084,654	1,090,848	1,096,460
Weighted average common shares – Basic	1,074,678	1,078,672	1,081,294	1,083,850	1,088,096	1,095,582
Dividend per share (C$)	0.15	0.17	0.20	0.21	0.30	0.36
TSX trading info						
High (C$)	*31.00*	*40.01*	*55.65*	*39.50*	*45.00*	*50.50*
Low (C$)	*12.14*	*26.23*	*17.10*	*17.93*	*31.97*	*27.25*
Close (C$)	*28.82*	*31.08*	*24.38*	*38.00*	*44.35*	*38.15*

(1) Reserves prior to 2010 were calculated using constant prices and 2010 forward were calculated based on escalating prices due to a change in disclosure requirements.

Note: All per share data adjusted for 2004, 2005 and 2010 stock splits.

CORPORATE GUIDANCE

March 8, 2012

	First Quarter 2012	2012 Guidance
<u>Daily Production Volumes</u> (before royalties)		
Natural gas (MMcf/d)	1,300 - 1,320	1,247 - 1,297
Crude oil and NGLs (Mbbl/d)		
North America	297 - 309	320 - 340
North America – Oil Sands Mining	30 - 45	85 – 95
International	40 - 46	35 - 45
	367 - 400	440 - 480

	2012 Guidance
<u>Capital Expenditures</u> (C$ Millions)	
North America natural gas	$ 645
North America crude oil and NGLs	2,010
North America thermal crude oil	
Primrose and Future	940
Kirby South Phase 1	480
International crude oil	480
Property acquisitions, dispositions and midstream	135
	4,690
Horizon Oil Sands Project	
Project capital	
Reliability - Tranche 2	145
Directive 74 and Technology	190
Phase 2A	300
Phase 2B	625
Phase 3	420
Phase 4	30
Owner's Costs and Other	240
Total Capital Projects	1,950
Sustaining capital	225
Turnarounds and reclamation	45
Capitalized interest and other	135
Total Horizon Project	2,355
Total Capital Expenditures	$ 7,045

<u>Average Annual Cost Data</u>

	Royalty Rate	Operating Cost
Natural Gas - North America (Mcf)	1 - 3%	$1.10 - 1.20
Crude oil and NGLs (bbl)		
North America (excluding Oil Sands Mining)	18 - 21%	$11.00 - 13.00
North Sea	-	$43.00 - 48.00
Offshore Africa	13 - 15%	$27.00 - 29.00

<u>Other Information</u>

Cash income and other taxes (C$ Millions)	
Sask. Resources Surcharge / Capital Tax	$30 - 40
Current income taxes – North America	$700 - 800
Current income taxes – International and Petroleum Revenue Tax (PRT)	$200 - 300
Effective income tax rate on adjusted earnings	26% - 30%
Midstream cash flow (C$ Millions)	$50 - 60
Average corporate interest rate	4.50% - 5.00%

Note: Interest rates are subject to change depending upon short term rate changes. Cash income taxes are subject to variation with commodity prices and the level and classification of capital expenditures. Cash PRT is subject to variation due to commodity price and capital spending. 2012 guidance based on an average annual WTI of US$108.77/bbl, NYMEX of US$2.97/MMBtu and an exchange rate of US$1.00 to C$1.00.

Canadian Natural

Allan P. Markin
Chairman

John G. Langille
Vice-Chairman

Steve W. Laut
President

Tim S. McKay
Chief Operating Officer

Douglas A. Proll
Chief Financial Officer &
Senior Vice-President, Finance

Corey B. Bieber
Vice-President, Finance &
Investor Relations
(403) 517-6878

Mark Stainthorpe
Manager, Investor Relations
(403) 514-7845

Leanne Cressman
Analyst, Investor Relations
(403) 716-6314

CANADIAN NATURAL RESOURCES LIMITED
2500, 855 - 2nd Street S.W.,
Calgary, Alberta,
T2P 4J8

Telephone: (403) 514-7777
Facsimile: (403) 514-7888
Email: ir@cnrl.com

WWW.CNRL.COM

THE PREMIUM VALUE • DEFINED GROWTH • INDEPENDENT