

July 05, 2002

Dear Stakeholder:

Re: Submission of our Regulatory Application

On June 28, 2002, Canadian Natural Resources Limited (CNRL) submitted to the Alberta Energy and Utilities Board and to Alberta Environment our application for the proposed Horizon Oil Sands Project.

Scope of our application

Our Horizon Project application covers the planning, construction and operation of a mine and extraction complex, an upgrader and associated infrastructure to be developed in three phases as shown in the table below. The capital cost of the Project is estimated to be \$8 billion. The attached map provides a snap-shot of the Project, that has an estimated life of about 42 years.

Phased Development

		Cumulative Production Rate (bbl/cd)		Capital Expenditure
	Date	Upgraded Product	Mined Bitumen	[\$ Billion]
Phase I	2007	114,000	135,000	4.9
Phase II	2009	155,000	180,000	1.7
Phase III	2011	233,000	270,000	1.4

In our early project plans, we had told you about the possible development of in-situ resources on our Horizon leases. At this time we have decided not to include this potential component in this application. Separate future applications will be filed for the proposed product pipeline and electric power.

Included with the Horizon Project Application were a comprehensive Socio-Economic Impact Assessment (SEIA) and Environmental Impact Assessment (EIA).

In the SEIA and EIA we have worked hard to address the issues that nearby communities and stakeholders have raised with us since we announced our proposed Project last year. Working together with communities and stakeholders is an important focus for CNRL through all phases of Horizon.

We invite you to review the application where we have detailed our commitments to stakeholders around key issues such as:

- potential impacts on individuals including trappers, hunters, Aboriginal land use;
- potential impacts/opportunities for communities in the area of the project such as Fort McKay and Fort Chipewyan;

- environmental impacts (e.g. air quality, land and wildlife loss, speed of reclamation, water quality and quantity, traditional land uses) and cumulative environmental impacts;
- incorporating Aboriginal traditional environmental knowledge into project development and reclamation;
- employment, contract and business opportunities;
- opportunities and policies related to working with First Nation and Métis Peoples;
- training and education initiatives that will allow people to take advantage of CNRL career opportunities;
- construction—phasing to reduce labor peaks, busing, camp facilities;
- area infrastructure needs—roads, pipeline and transmission corridor, power generating; and
- impacts on the region from growth and economic development and quality of life issues such as low-cost housing, traffic and highway safety.

We will continue to work with stakeholders to meet our commitments, track our progress in fulfilling them, and to address any new issues or opportunities.

How to obtain copies of our application

If you would like to obtain a copy of our application in CD format, please contact Adele Thomson as indicated below. Full sets of the application are also available for viewing at our Fort McMurray office, the Fort McMurray Public Library and the Oil Sands Discovery Centre.

Public notices will be published by regulators related to public review of the application. We are expecting a regulatory decision in the fall of 2003. With approvals, construction of the project will begin in 2003/04 with first oil production in 2007. For information on employment opportunities on this project please check our web page at www.cnrl.com (look under Careers). You can also contact us through our project e-mail: horizonproject@cnrl.com.

We will continue to advise you of any new information related to the Project through our newsletter.

We look forward to your input on our application—or on any aspect of our plans. Please call us if you would like to meet with us to discuss the application or the Project.

Yours sincerely,

CANADIAN NATURAL RESOURCES LIMITED

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Attachment: Horizon Project Map