Canadian Natural

The Premium Value,
Defined Growth,
Independent.

Q3/06 and 2007 Budget Highlights

November 1, 2006

Agenda

Canadian Natural

- Q3 Update Strategy
- 2007 Budget

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2

North America Natural Gas Q3/06 Update

- Production averaged 1,416 mmcf/d
  - Decrease of 2% from Q2/06 due to capital re-allocation away from natural gas to heavy oil
  - Increase of 1% from Q3/05, strong asset base despite drilling cut back
- Q3/06 drilled 111 natural gas wells versus 226 in Q3/05
- Q4/06 targeting 82 natural gas wells
- Target Q4 production to be 1,600 to 1,630 mmcf/d
  - Includes ACC volumes effective November 1, 2006

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Expected Results from Capital Allocation

3

North America Crude Oil Q3/06 Update

- Opportunistic switch from natural gas to heavy oil demonstrates Canadian Natural inventory strength
- Excellent heavy oil netbacks C$33.21/bbl
  (pre- risk mgmt hedges)
- Production averaged 233,440 bbl/d
  - Primrose North Expansion (Column A on recent pad) first cycle oil ramp below expectations due to non optimal well bore placement
  - Primary heavy oil slower ramp than anticipated
- Overall crude oil program very strong

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Strong Inventory Delivering

4

North Sea
Q3/06 Update

- Production averaged 53,988 bbl/d
- Major activities
  - Banff compressor upgrading (1 month shut-down)
  - Banff B2 recompletion (4,000 bbl/d uplift)
  - T Block turnaround / maintenance
  - Columba E - subsea water injection began drilling

CNQ North Sea Production as Expected 5

Offshore West Africa
Q3/06 Update

- Production averaged 34,237 bbl/d
- West Espoir production up to 3,700 bbl/d
- Baobab four out of ten producer wells remain shut-in for sand issues
  - Deferred 15,000 - 20,000 bbl/d (gross) of capacity
  - Baobab reservoir performance as expected
- East Espoir infill drilling water flood continues to perform at or above expectations
- Olowi, reviewing tender costs, optimizing development plan

CNQ High Return Projects 6

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Horizon Oil Sands Project Q3/06 Update

- Work progress 47%, ahead of 44% planned
- Construction capital 48%, better than 49% planned
- Currently on-time and on-budget

- Key developments during quarter
  - Detailed engineering 90% complete
  - Awarded >$400 million of contracts
    - Total awarded now at $4.8 billion
  - $200 million in various stages of tender

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Canadian Natural
Horizon Oil Sands Project Q3/06 Update

- 38% of modules, >640 have been transported to site
- Construction 33% complete
  - 295 pipe racks set
  - 7 of 14 inclined plate separators installed
  - Completed site preparation and underground facilities
  - Commenced tar river diversion and raw water pond
  - Mine overburden admin and maintenance facilities completed and occupied

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Canadian Natural Horizon Oil Sands Project Q3/06 Update

Canadian Natural

- 3,200 craftsman on site
- Fly in / fly out proving invaluable
  - Flights from Newfoundland and Labrador, Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba and British Columbia
    - Saskatchewan to commence in Q4/06
  - Approximately 40% of workers are from outside of Alberta
- Labor productivity higher than originally expected
  - Greenfield development
  - Extensive modularization
  - Contractors efficiencies under lump sum contracts
  - Creative shift rotation
  - High degree of engineering and definition

CNQ — High Return Projects — 9

Canadian Natural's Business Strategy

Canadian Natural

- Capital allocation to maximize value
- Defined growth / value enhancement plans by product / basin
- Balance
  - Product mix
  - Project time horizons
  - Drill bit and acquisitions
  - Strong balance sheet
- Opportunistic acquisitions
- Control costs through area knowledge and domination of core focus areas

CNQ — A Proven, Effective Strategy — 10

Anadarko Canada (“ACC”)
An Opportunistic Acquisition

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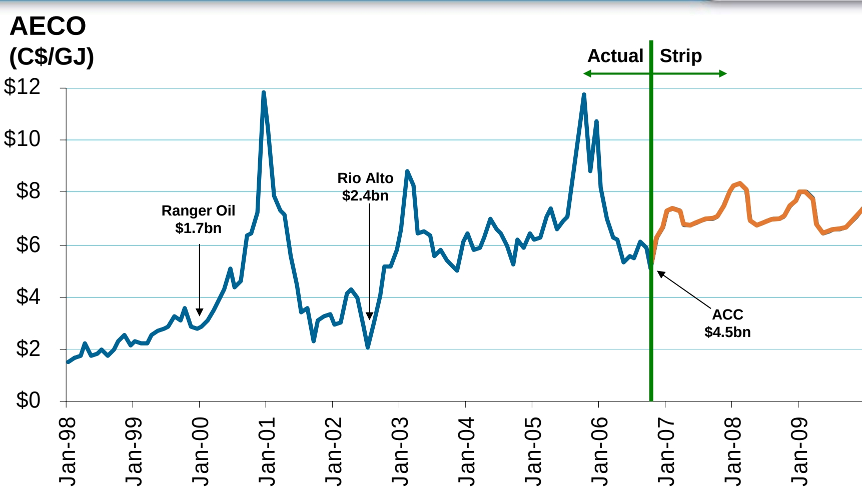

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Transaction Occurs at Low Point in Commodity Price Cycle

11

ACC Acquisition Metrics
Compared with Recent Transactions

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C$, Before Royalties	$/mcfe	$/boe	$/boe/d
CNQ/ACC Transaction			
Proved only	2.11	12.65	56,406
Average WCSB Transactions for Q2/2006(1)			
Proved and Probable	3.24	19.41	98,590
CNQ/RAX in 2002, Proved(2)	2.35	14.12	28,743

Reflects ACC long life assets

(1) Per Tristone Capital estimates
(2) Per BMONB estimates

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Favorable Comparison to Recent WCSB Deals

12

Considerations of Current Market

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- Exploration and development costs are overheated
  - Full capacity of service providers
  - “Economic rent” is being charged as a result
- Service resources constrained environment affects development
  - Manpower constraints
  - Equipment constraints
- Natural gas commodity price currently under pressure
  - Current market is presenting an opportunity

ACC expands Control of Core Gas Growth Areas
Adds High Quality Assets at a Reasonable Price
2007 Plan Reduces Exposure to Overheated Service Market

CNQ — Clearly, A Timely Acquisition, Cost Discipline Opportunities — 13

Defined Growth Plans

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2007 Budget

- Build significant natural gas drilling inventory
- Build and optimize North Sea subsea inventory
- Complete DBM for stand alone heavy oil upgrader
- Optimize Horizon Phase 2 / 3 plan
- Optimize Olowi development for current cost environment

CNQ — A Proven Effective Strategy to Create Value — 14

Cost Control

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2007 Budget

- High grading of projects
- Reduced activity enhances our ability to reduce costs
- Focus on pushing back service / suppliers
- Focus on Horizon Phase 1 cost control

CNQ    A Proven Effective Strategy to Create Value 15

Capital Allocation to Maximize Value

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- **2007 Budget**
  - Conventional capital reduced by 23%
    - 36% pro forma ACC
  - Allocate capital to higher return heavy oil projects
    - Natural gas capital down 43% (57% pro forma ACC)
  - Horizon Phase 1 Capital unchanged
  - Optimize development plan
  - Focus on balance sheet strength

CNQ    Focus on Oil Development 16

2007 Budget
Conventional Capital by Region

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($ millions)	2006F	2007B	Reduction
North America	3,210	2,461	23%
North Sea	651	521	20%
Offshore West Africa	146	114	22%
Sub-total	4,007	3,096	23%
ACC Acquisition	4,528	-	
A&D / Midstream / Upgrader	(25)	41	
Total	8,510	3,137	

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Reducing Operations Capital by 23% from 2006

17

2007 Budget
Conventional Capital by Product

Canadian Natural

($ millions)	2006F	2007B	Reduction
North America Natural Gas*	1,914	1,111	803
North America Oil	1,296	1,350	(54)
North Sea	651	521	130
Offshore West Africa	146	114	32
	4,007	3,096	911
Acquisition of ACC	4,528	-	4,528
A&D / Midstream / Upgrader	40	41	(1)
Total	8,575	3,137	5,438

** Excludes capital spent by ACC during 2006*

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Gas Capital Reducing by 42% - ~57% with ACC Spending

18

2007 Budget
North America Drilling Activity

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(net locations)	2006F	2007B	Variance
Natural Gas	740	423	(317)
Light Oil	121	107	(14)
Pelican Lake Oil	149	132	(17)
Heavy Oil	318	369	51
Thermal Oil	67	58	(9)
Service/Strats	209	147	(62)
Total	1,604	1,236	(368)

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Gas Drilling Reduced by 57% From 2005 Levels

19

Natural Gas Expenditures
2007 Budget Versus 2006 Pro forma

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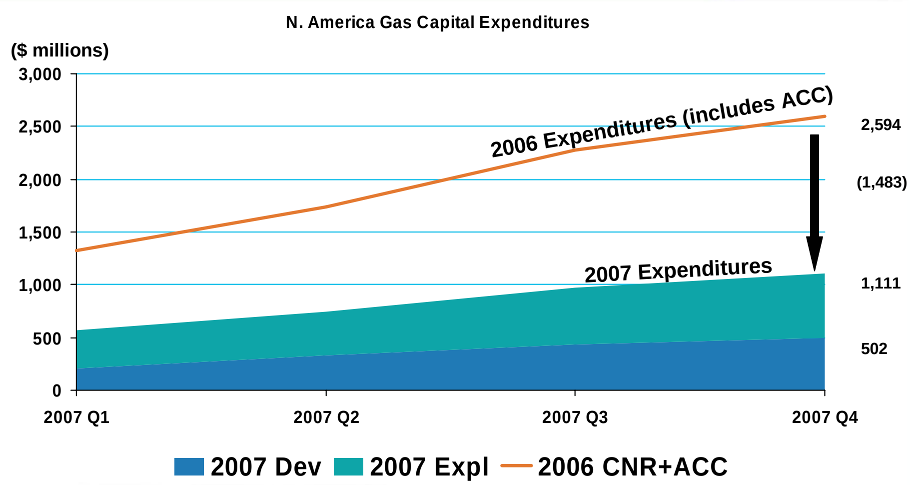

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Gas Assets are Strong

20

Natural Gas Volume
2007 Budget Versus Higher Capital Spend

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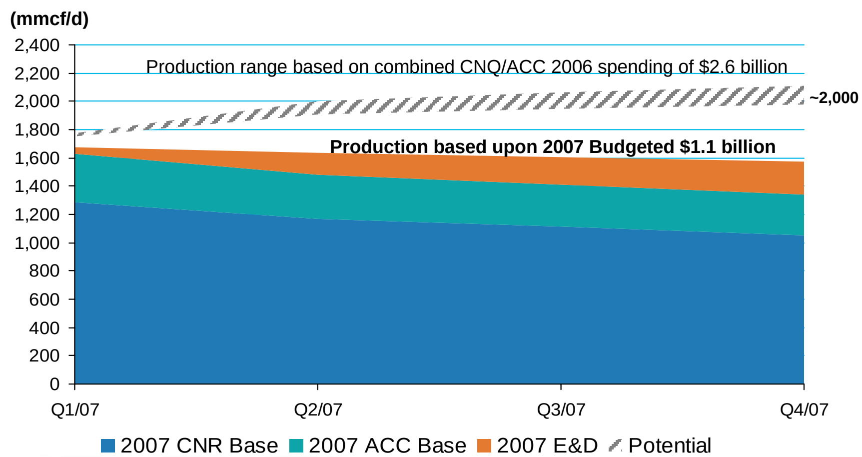

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Asset Base Is Capable of Substantial Growth

21

2007 Budget
International Drilling Activity

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(net locations)	2006F	2007B
North Sea Oil	9	7
OWA Oil	4	3
Service/Strats	3	9
Total	16	19

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Waterflood Enhancement Through Injector Drilling

22

Conventional Free Cash Flow

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(C$ millions)	2006F	2007B
Canada	3,500 - 3,700	4,400 - 4,600
North Sea	600 - 700	750 - 850
Offshore West Africa	600 - 700	450 - 550
Total	4,700 - 5,100	5,600 - 6,000
Conventional Capital	3,979	3,112
Conventional Free Cash Flow	721 - 1,121	2,488 - 2,888

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Conventional Operations Generate >$2.5 Billion of Free Cash Flow in 2007

23

2007 Budget Consolidated Capital Program

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(C$ millions)	2007B
North America Conventional	2,477
North America Upgrader	25
Horizon	
Phase 1*	2,610
Phase 2 / 3	109
Capital Items	397
Total	3,116
North Sea	521
Offshore West Africa	114
Corporate Total	6,253

**Forecast to be in the range of $2,410 million to $2,810 million, the final level of expenditure will be dependent upon the ability of certain contractors to advance portions of their efforts from 2008 into 2007 as well as the extent of any realized cost pressures on certain isolated portions of the project.*

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Delivering Strong Production Growth

24

2007 Budget
Horizon Oil Sands Project

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(C$ millions)	2007B
Phase 1 Capital*	2,610
Phase 2 / 3	109
Capitalized Items	397
Total	3,116

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Waterflood Enhancement
Through Injector Drilling

25

2007 Look Ahead - Phase 1

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- "Out of the ground and into the air"
  - Foundations substantially complete
- First 400 ton haul truck arrives on site
- Target 90% complete by end of 2007
- Mechanical completion of
  - Ore preparation plant
  - Extraction plant
  - Hydrogen plant
  - Sulphur recovery and gas treating
  - Utilities - main piperack, electrical distribution, main control room
  - Water systems
  - Site building and infrastructure - operational
- Focus on operations readiness

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26

Phase 2 / 3 EDS Status

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- EDS for all areas are well underway and on schedule

Mining	39%
Ore prep	100% (maintain ROPP)
Extraction	49%
Froth treatment	61%
U&O	42%
Primary upgrading (PUG)	88%
Secondary upgrading (SUG)	71%
Support units	51%

- Majority of areas will be complete by year end

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2007 Budget
Production Targets

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	Yearly Avg. Production Target		Midpoint Growth Yearly Avg.
Natural gas (world-wide)	1,594 - 1,664	mmcf/d	9%
North American liquids	235 - 260	mbbl/d	6%
North Sea liquids	55 - 65	mbbl/d	0%
Offshore West Africa liquids	25 - 35	mbbl/d	-16%
Corporate Total	581 - 637	mboe/d	5%

CNQ Optimizing Capital Allocation 28

2006/07 Operations Summary

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- Anadarko Canada - opportunistic, strategic acquisition
- Conventional assets are strong generating significant free cash flow
- Enhanced cost control focus with reduced activity
- Optimizing capital to maximize value
- 5% overall production growth for 2007

Assets, Plan, Balance Sheet Discipline and People to Execute

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2007 Budget
Pricing Assumption Summary

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	2005	2006F	2007B	Variance ‘07-’06
WTI (US$/bbl)	56.61	66.65	65.00	-1.65
LLB as (% WTI)	37%	33%	35%	2%
AECO ($/GJ)	8.05	6.62	7.35	0.73
Cdn/US exchange	1.21	1.13	1.12	-0.01

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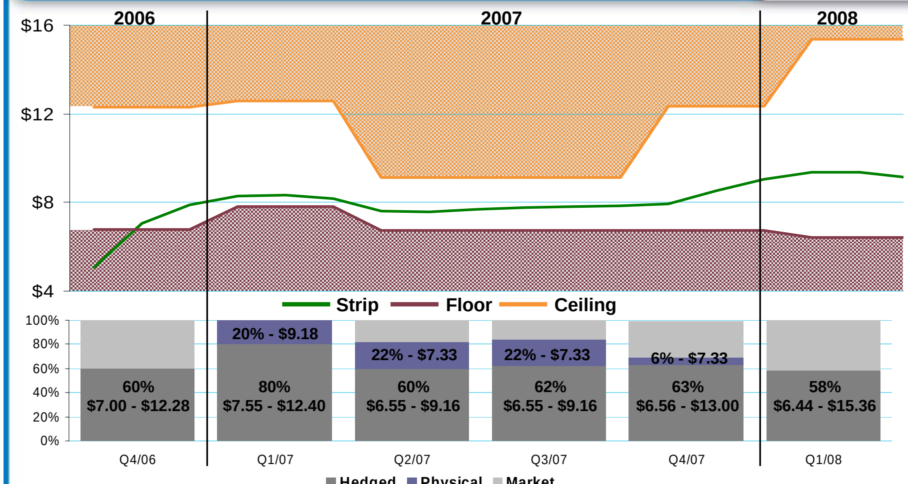
Natural Gas Hedging
AECO (C$/GJ)

Canadian Natural



Note: Values presented represent blended averages, please refer to quarterly reports for detailed hedging positions.

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Upside Opportunity, Downside Protection

31

Crude Oil Hedging
WTI (US$/bbl)

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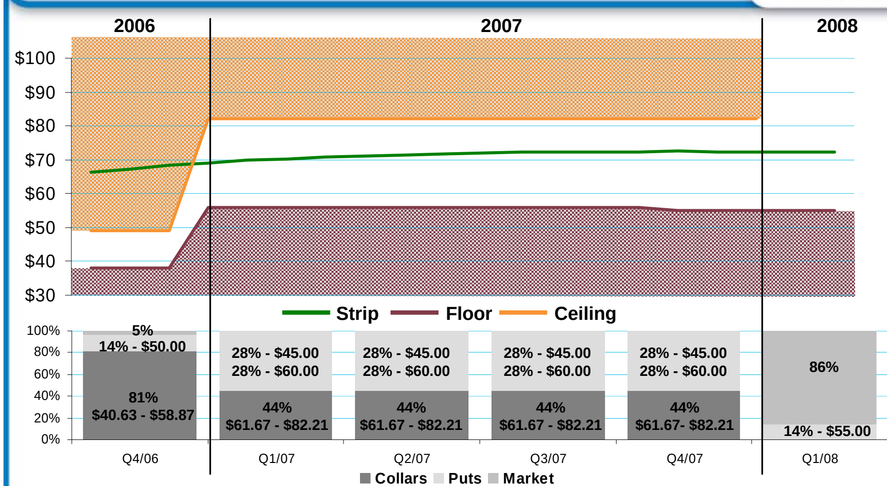

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Upside Opportunity, Downside Protection

32

2007
Budget Highlights

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Cash Flow* ($ millions)	5,600 - 6,000
Capital ($ millions)	6,253
Cash Flow Deficiency* ($ millions)	(43) - (843)
Debt to Equity* at 2007 year end	44% - 46%
Debt / Cash Flow*	1.7 - 1.9 times

** Based upon commodity prices and target production shown elsewhere in this document*

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Optimizing Capital Allocation to Manage the Balance Sheet

33

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**The Premium Value,
Defined Growth Independent.**