



**CANADIAN NATURAL RESOURCES LIMITED ANNOUNCES  
FOURTH QUARTER 2005 UPDATE ON THE PROGRESS OF THE  
HORIZON OIL SANDS PROJECT  
CALGARY, ALBERTA – JANUARY 31, 2006 – FOR IMMEDIATE RELEASE**

Canadian Natural Resources Limited (“Canadian Natural”) is pleased to provide its regular quarterly update on the Horizon Oil Sands Project (“Horizon Project”).

“The Horizon Project remains on track.” commented Réal Doucet, Senior Vice-President, Oil Sands “To date we have achieved our critical milestones and advanced other key activities, positioning the project to take advantage of identified market opportunities in 2006 to move the project forward. Unseasonably warmer and dryer weather during the fourth quarter allowed us to overcome the excessive rainfall experienced in the summer months allowing our overall construction progress to move ahead of schedule. Skilled tradespeople on site peaked at approximately 1,700 in late 2005, as we continue to meet our labour demands. Our critical equipment, separation cells, coke drums and reactors are being fabricated on site or are in transit as per plan. Our engineering deliverables are supporting the construction schedules and we are seeing the benefits of the emphasis on front end engineering. We awarded just over \$3.8 billion in contracts by the end of 2005, slightly below our \$4 billion target as we decided not to award some non-critical path contracts and repackage the work to capture new opportunities in the contractor workplace. This flexibility is one of the many benefits of our well thought out execution plan as our team continually works contingency plans to capitalize on opportunities and mitigate the challenges associated with a project of this size.”

**HORIZON PROJECT STATUS SUMMARY**

	<u>December 31, 2005</u>		<u>March 31, 2006</u>
	<u>Actual</u>	<u>Plan</u>	<u>Plan</u>
Phase 1 - Work progress (cumulative)	19%	16%	22%
Phase 1 - Construction capital spending (cumulative)	19%	20%	29%

**Accomplished During the Fourth Quarter**

Detailed Engineering

- All project areas met their staffing requirements and overall progress for detailed engineering is on schedule.
- 3-D engineering design models are well advanced in most areas with some plant areas at the 90% model review stage.
- Hazard and Operability reviews were completed and findings have been incorporated into the plant designs.

Procurement

- Total procurement progress is at C\$3.8 billion in awarded contracts and purchase orders, with a further C\$600 million in various stages of the tender process.
- Key purchase orders were awarded for various mechanical equipment (pumps and valves), fabricated pipe and steel.
- Several contracts were awarded for piling, foundations and miscellaneous earthworks.

Modularization

- Module fabrication and assembly maintained schedule.
- Module transportation remains on schedule, in an environment of key transportation restrictions. A total of 88 oversized loads were transported to site by year end.

### Construction

- As a direct result of Management's strong endorsement of safety awareness, on-site safety statistics and performance improved for the eleventh month in a row and are well below the Company's targets, benchmarked against other projects in the area.
- Mine overburden removal is 10% ahead of plan, with a total of 6.7 million bank cubic meters of material removed.
- Critical path underground piping was completed, prior to winter weather conditions.
- Completed expansion of Camp 1 to 2,000 people from 1,500.
- Progress on the second of three (2,000 person) camps is 72% complete.
- Coker foundations are complete and ready for Coke Drum installation by mid 2006.
- Earthwork for the raw water and recycle water pond systems commenced as scheduled.
- Naphtha Reactor, fabricated in India, arrived in the Ft McMurray staging area as scheduled.
- Extraction Separation Cell foundations were completed.
- Erection of the Separation Cells was started with over 80% of required materials on site.
- The Shop maintenance building was completed and ready for occupancy and the turnover of the Emergency Medical Services buildings to construction unit was completed. Turnover of the Fire Hall was deferred until February 1.

### **First Quarter 2006 Milestones**

- Detailed engineering targeted to have completed at least 60% model reviews in all areas.
- Target the total awarded contracts and purchase orders to achieve C\$4 billion.
- Complete transport of all four Coke Drums to plant site.
- Complete transport of Naphtha Reactor to site from staging area.
- Delivery of oversized loads to site targeted to reach 250.

A picture gallery providing visual updates on construction progress is available on the Company's website ([http://www.cnrl.com/horizon/about\\_horizon/photo\\_gallery.html](http://www.cnrl.com/horizon/about_horizon/photo_gallery.html)).

The Company's results for the fourth quarter of 2005 will be released on February 23, 2006. A conference call will be held on that day at 9:00 a.m. Mountain Standard Time, 11:00 a.m. Eastern Standard Time.

Canadian Natural is a senior oil and natural gas production company, with continuing operations in its core areas located in Western Canada, the U.K. portion of the North Sea and Offshore West Africa.

### **Forward-Looking Statements**

Certain statements in this document or documents incorporated herein by reference for Canadian Natural Resources Limited (the "Company") may constitute "forward-looking statements" within the meaning of the United States Private Litigation Reform Act of 1995. These forward-looking statements can generally be identified as such because of the context of the statements including words such as the Company "believes", "anticipates", "expects", "plans", "estimates", or words of a similar nature. The forward-looking statements are based on current expectations and are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others: the general economic and business conditions which will, among other things, impact demand for and market prices of the Company's products; the foreign currency exchange rates; the economic conditions in the countries and regions in which the Company conducts business; the political uncertainty, including actions of or against terrorists, insurgent groups or other conflict including conflict between states; the industry capacity; the ability of the Company to implement its business strategy, including exploration and development activities; the impact of competition, availability and cost of seismic, drilling and other equipment; the ability of the Company to complete its capital programs; the ability of the Company to transport its products to market; potential delays or changes in plans with respect to exploration or development projects or capital expenditures; the operating hazards and other difficulties inherent in the exploration for and production and sale of crude oil and natural gas; the availability and cost of financing; the success of exploration and development activities; the timing and success of integrating the business and operations of acquired companies; the production levels; the uncertainty of reserve estimates; the actions by governmental authorities; the government regulations and the expenditures required to comply with them (especially safety and environmental laws and regulations); the asset retirement obligations; and other circumstances affecting revenues and expenses. The impact of any one factor on a particular forward-looking statement is

not determinable with certainty as such factors are interdependent upon other factors, and Management's course of action would depend upon its assessment of the future considering all information then available. 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. Readers are cautioned that the foregoing list of important factors is not exhaustive. 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. The Company assumes no obligation to update forward-looking statements should circumstances or Management's estimates or opinions change.

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