Asset Acquisition

Premium Value. Defined Growth. Independent. Canadian Natural

DEVON CANADA CORPORATION
ASSET ACQUISITION

Conference Call
May 29, 2019

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," "stated," "tend," "will" or "will be," "will continue," "will have," "will have had," "will have had," "will have to" and similar expressions, or by reference to future dates. Disclosure related to expected future commodity pricing, forecast or anticipated production volumes, royalties, production expenses, capital expenditures, income tax expenses and other guidance provided throughout the Company's Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of the Company, constitute forward-looking statements. Disclosure of plans relating to expected results of existing and future developments, including but not limited to the Horizon Oil Sands ("Horizon"), the Athabasca Oil Sands Project ("AOSP"), the Pelican Lake water and polymer flood project, the Kirby Thermal Oil Sands Project, the timing and future operations of the North West Redwater bitumen upgrader and refinery, construction by third parties of new or expansion of existing pipeline capacity or other means of transportation of bitumen, crude oil, natural gas, natural gas liquids ("NGLs") or synthetic crude oil ("SCO") that the Company may be reliant upon to transport its products to market, and the development and deployment of technology and technological innovations also constitute forward-looking statements. These forward-looking statements are based on annual budgets and multi-year forecasts, and are reviewed and revised throughout the year as necessary in the context of targeted financial ratios, project returns, product pricing expectations and balance sheet considerations.

These statements are not guarantees of future performance and are subject to certain risks. 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, natural-gas and NGLs reserves and in projecting future rates of production and the timing of development expenditures. The total amount or timing of actual future production may vary significantly from reserves 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 seawater; 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 the thermal oil sands mining projects; operating hazards and other difficulties inherent in the exploration for and production 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 the ability to replace and expand crude oil and natural-gas reserves; timing and success of integrating the business and operations of acquired companies and assets; production levels; impairment of reserve estimates and estimate of recoverable quantities of crude oil, natural gas and NGLs not currently classified as proved; actions by governmental authorities; government regulations and the expenditures required to comply with them; safety and environmental laws and regulations and the impact of climate change initiatives on capital expenditures and production expenses; asset retirement obligations; the adequacy of the Company's provision for tax; and other circumstances affecting reserves and expenses.

The Company's operations have been, and in the future may be, affected by political developments and by national, 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.

Readers are cautioned that the foregoing list of factors is not exhaustive. Unpredictable or unknown factors not discussed in the Company's MD&A could also have adverse effects on forward-looking statements. Although the Company believes that the expectations conveyed by these 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 applicable 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 the Company's estimates or opinions change.
Asset Acquisition May 29, 2019

Reporting Disclosures

Special Note Regarding non-GAAP and other Financial Measures

The Company’s MD&A references to financial measures commonly used in the crude oil and natural gas industry, such as: adjusted net earnings (loss) from operations; adjusted funds flow (previously referred to as funds flow from operations); net capital expenditures; free cash flow; debt to adjusted EBITDA; available liquidity; adjusted operating costs; unadjusted operating costs; and enterprise value. These financial measures are not defined by International Financial Reporting Standards (“IFRS”) and therefore are referred to as non-GAAP measures and other financial 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 in conjunction with IFRS measures as determined in accordance with IFRS, as an indicator of the Company’s performance.

Adjusted net earnings (loss) from operations is a non-GAAP measure that represents net earnings (loss) as presented in the Company’s consolidated Statements of Earnings (Loss), adjusted for the after-tax effects of certain items of non-operational nature. The Company considers adjusted net earnings (loss) from operations a key measure in evaluating its performance, as it demonstrates the Company’s ability to generate after tax operating earnings from its core business areas.

Adjusted funds flow (previously referred to as funds flow from operations) is a non-GAAP measure that represents cash flows from operating activities as presented in the Company’s consolidated Statements of Cash Flows, adjusted for the net change in non-cash working capital, abandonment expenditures and movements in other long-term assets, including the unrealized cost of the share bonus program and prepaid cost of service tolls. The Company considers adjusted funds flow a key measure in evaluating the Company’s ability to generate cash flow to fund future growth.

Net capital expenditures is a non-GAAP measure that represents cash flows used in investing activities as presented in the Company’s consolidated Statements of Cash Flows, adjusted for the net change in non-cash working capital, investment in other long-term assets, where consideration is business acquisitions and abandonment expenditures. The Company considers net capital expenditures a key measure as it provides an understanding of the Company’s capital spending activities in comparison to the Company’s annual capital budget. The reconciliation “Net Capital Expenditures, as Reconciled to Cash Flows used in Investing Activities” is presented in the Net Capital Expenditures section of the Company’s MD&A.

Free cash flow is a non-GAAP measure that represents cash flows from operating activities as presented in the Company’s consolidated Statements of Cash Flows, adjusted for the net change in non-cash working capital from operating activities, abandonment, capital expenditures, reductions in non-current assets, non-cash working capital and movements in other long-term assets. The Company considers free cash flow a key measure in demonstrating the Company’s ability to generate cash flow to fuel future growth.

Debt to Adjusted EBITDA is a non-GAAP measure that represents net earnings (loss) as presented in the Company’s consolidated Statements of Earnings (Loss), adjusted for interest, taxes, depreciation, amortization and accretion of the Company’s asset retirement obligation. The Company considers adjusted EBITDA a key measure in evaluating its profitability by excluding non-cash items.

Available liquidity is a non-GAAP measure that is derived as cash and cash equivalents, total bank and term credit facilities, less amounts drawn on the bank and credit facilities including under the commercial paper program. The Company considers available liquidity a key measure in evaluating the sustainability of the Company’s operations and ability to fund future growth. See note 9 - Long-term Debt in the Company’s consolidated financial statements.

Special Note Regarding Reporting, Financial Information and Production

The Company’s MD&A should be read in conjunction with the unaudited interim consolidated financial statements for the three months ended March 31, 2019 and the MD&A and the audited consolidated financial statements of the Company for the year ended December 31, 2018. All dollar amounts are referenced in millions of Canadian dollars, except where noted otherwise. The Company’s unaudited interim consolidated financial statements for the three months ended March 31, 2019 and the Company’s MD&A have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”). Changes in the Company’s accounting policies in accordance with IFRS, including the adoption of IFRS 16 “Lease” on January 1, 2019, are discussed in the “Changes in Accounting Policies” section of the Company’s MD&A.

Available liquidity and the Company’s consolidated Statements of Cash Flows are presented in the Company’s MD&A. The Company’s unaudited interim consolidated financial statements for the three months ended March 31, 2019 and the Company’s MD&A have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”). Changes in the Company’s accounting policies in accordance with IFRS, including the adoption of IFRS 16 “Lease” on January 1, 2019, are discussed in the “Changes in Accounting Policies” section of the Company’s MD&A. The Company’s unaudited interim consolidated financial statements for the three months ended March 31, 2019 have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”). Changes in the Company’s accounting policies in accordance with IFRS, including the adoption of IFRS 16 “Lease” on January 1, 2019, are discussed in the “Changes in Accounting Policies” section of the Company’s MD&A. The Company’s unaudited interim consolidated financial statements for the three months ended March 31, 2019 and the Company’s MD&A have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”). Changes in the Company’s accounting policies in accordance with IFRS, including the adoption of IFRS 16 “Lease” on January 1, 2019, are discussed in the “Changes in Accounting Policies” section of the Company’s MD&A.

Additional information relating to the Company, including its Annual Information Form for the year ended December 31, 2018, is available on SEDAR at www.sedar.com, and on EDGAR at www.sec.gov. Detailed guidance on production levels, capital expenditures and production expenses can be found on the Company’s website at www.cnrl.com.

Canadian Natural

Transaction Overview
**Transaction Overview**

- Canadian Natural to acquire substantially all of the assets of Devon Canada
  - Significant producing assets include thermal in situ and conventional primary heavy crude oil
- Production capability
  - ~128,300 bbl/d of crude oil
    - ~122,800 bbl/d current allowable curtailed volumes
- Crude Oil Reserves
  - 730 million barrels Total Proved*
  - 879 million barrels Proved plus Probable*
- Total consideration
  - $3.775 billion
    - ~$3.25 billion net funds outflow, after operating adjustments from effective date
    - Funded with new $3.25 billion committed term loan
- 2019F EBITDA (annualized)
  - ~$1,265 million at strip

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**Effective date → January 1, 2019**
**Targeted closing → June 27, 2019**

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**Transaction Overview (cont’d)**

- Acquired assets are excellent fit with Canadian Natural
  - Lands and facilities proximal to Canadian Natural
- Significant operating cost and marketing synergies (~$135 million per year)*
- No incremental market access required
- Accretive to 2019F
  - Adjusted Funds Flow Per Share increase targeted at $0.48/share ($0.85/share annualized)
  - Earnings Per Share increase targeted at $0.25/share ($0.53/share annualized)
- Free cash flow strengthens
  - Share purchase plan remains and strengthens in the future
- Augmenting Canadian Natural’s technical expertise and operational strengths
  - Adding 380 head office and 356 field operations staff
- Adds to long life low decline assets
- Technology/synergies upside

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*Based on annualized production volumes.*
Canadian Natural's Advantage
Low Corporate Decline Rate

BOE Production Mix

- Pelican & Thermal ~13% Decline
- Conventional Assets ~19% Decline
- Oil Sands Mining & Upgrading ~0% Decline

Pro forma Maintenance Capital of ~$3.4 billion required in 2019

Long Life Low Decline Production ~60%
Low Capital Exposure Production ~40%

~10% Corporate Decline Rate

Note: Conventional Assets include North America crude oil and NGLs, International crude oil and natural gas.

LONG LIFE LOW DECLINE ASSETS REDUCE MAINTENANCE CAPITAL REQUIREMENTS

Summary
Transaction Metrics

- 2019F EBITDA of ~$1,265 million (annualized)

<table>
<thead>
<tr>
<th></th>
<th>Total Consideration</th>
<th>Net Funds Outflow</th>
</tr>
</thead>
<tbody>
<tr>
<td>($/BOEd)(^{(1)})</td>
<td>$3.775 billion</td>
<td>~$3.25 billion</td>
</tr>
<tr>
<td>($/bbl) Total Proved(^{(2)})</td>
<td>$29,425</td>
<td>$25,330</td>
</tr>
<tr>
<td>($/bbl) Total Proved plus Probable(^{(3)})</td>
<td>$5.17</td>
<td>$4.58</td>
</tr>
<tr>
<td></td>
<td>$4.29</td>
<td>$3.79</td>
</tr>
</tbody>
</table>

2019F EBITDA Multiple
At Strip (US$59.84 WTI / US$15.50 WCS Differential) | 3.0x | 2.6x

(1) Based on annual 2019F production capability.
(2) Company Gross Total Proved Reserves. Proved Reserves in net funds outflow calculation adjusted for estimated production to June 27, 2019.
(3) Company Gross Total Proved plus Probable Reserves. Proved plus Probable Reserves in net funds outflow calculation adjusted for estimated production to June 27, 2019.
Note: Metrics based on a full year adjusted EBITDA. Reserves are before Future Development Costs (FDC). See Advisory for pricing assumptions, cautionary statements and definitions.
## Summary
### Consolidated Metrics

<table>
<thead>
<tr>
<th></th>
<th>2019F (1)</th>
<th>2019 Pro forma</th>
<th>Full Year Pro forma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production (MBOE/d)</td>
<td>1,075</td>
<td>1,135</td>
<td>1,198</td>
</tr>
<tr>
<td>Proved Reserves (MMBOE)</td>
<td>9,893</td>
<td>10,623</td>
<td>10,623</td>
</tr>
<tr>
<td>Proved plus Probable Reserves (MMBOE) (2)</td>
<td>13,382</td>
<td>14,261</td>
<td>14,261</td>
</tr>
<tr>
<td>Adjusted Funds Flow</td>
<td>$10,235</td>
<td>$10,865</td>
<td>$11,300</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$11,795</td>
<td>$12,425</td>
<td>$13,060</td>
</tr>
<tr>
<td>Adjusted Earnings</td>
<td>$4,165</td>
<td>$4,490</td>
<td>$4,820</td>
</tr>
<tr>
<td>Debt/Adjusted EBITDA</td>
<td>1.5x</td>
<td>1.6x</td>
<td>1.5x</td>
</tr>
<tr>
<td>Debt/Book</td>
<td>35%</td>
<td>37%</td>
<td>36%</td>
</tr>
</tbody>
</table>

(1) 2019F reflects midpoint of production guidance.
(2) Company Gross reserves as at Jan 1, 2019.
Note: See Advisory for pricing assumptions, cautionary statements and definitions.
Pro forma Production Forecast

Note: See Advisory for pricing assumptions, cautionary statements and definitions.

Pro forma Production per Share Forecast

Note: See Advisory for pricing assumptions, cautionary statements and definitions.
Pro forma Adjusted Funds Flow Forecast

Note: See Advisory for pricing assumptions, cautionary statements and definitions.

Pro forma Adjusted Funds Flow per Share Forecast

Note: See Advisory for pricing assumptions, cautionary statements and definitions.
Pro forma Free Cash Flow Forecast

*2019F excludes Devon acquisition costs and reflects capital costs from targeted closing date.

Note: Free Cash Flow represents adjusted funds flow less net capital expenditures and dividends. See Advisory for pricing assumptions, cautionary statements and definitions.

Free Cash Flow 2019 Targeted Allocation

Pro forma Adjusted Funds Flow $10.9 billion
- Less: Budgeted Capital Expenditures $3.8 billion
- Less: Dividends $1.7 billion
- Less: Opportunistic Acquisition $3.25 billion

Free Cash Flow ~$2.2 billion
- Balance Sheet Strength ~$1.1 billion
- Share Purchases ~$1.1 billion

Share purchases of ~$0.5 billion year to date May 28, 2019

Note: See Advisory for pricing assumptions, cautionary statements and definitions.
2019 Debt Summary

<table>
<thead>
<tr>
<th></th>
<th>(Debt / Book)</th>
<th>(Debt / EBITDA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan 2019</td>
<td>39%</td>
<td>2.0x</td>
</tr>
<tr>
<td>Pro forma Dec 2019</td>
<td>37%</td>
<td>1.6x</td>
</tr>
</tbody>
</table>

Note: See Advisory for pricing assumptions, cautionary statements and definitions.

TARGETED DEBT REDUCTION IN EXCESS OF ACQUISITION COSTS
Acquired Assets Overview

<table>
<thead>
<tr>
<th>Production (bbl/d)</th>
<th>(% Operated)</th>
<th>2018</th>
<th>2019 Capability</th>
<th>Current Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thermal In Situ Oil Sands</td>
<td>100%</td>
<td>99,800</td>
<td>108,200</td>
<td>102,700</td>
</tr>
<tr>
<td>Jackfish 1,2 &amp; 3 SAGD</td>
<td>50%</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Pike SAGD undeveloped</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Conventional</td>
<td></td>
<td>~95% WI</td>
<td>19,150</td>
<td>20,100</td>
</tr>
<tr>
<td>Bonnyville – Primary Heavy Oil*(1)</td>
<td></td>
<td></td>
<td>20,100</td>
<td>20,100</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>118,950</td>
<td>128,300</td>
<td>122,800</td>
</tr>
</tbody>
</table>

Crude Oil Reserves*(2)

<table>
<thead>
<tr>
<th></th>
<th>Total Proved (MMbbl)</th>
<th>Proved plus Probable (MMbbl)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thermal Oil Sands</td>
<td>701</td>
<td>801</td>
</tr>
<tr>
<td>Conventional</td>
<td>29</td>
<td>78</td>
</tr>
<tr>
<td>Total</td>
<td>730</td>
<td>879</td>
</tr>
</tbody>
</table>

Land (net) (million acres)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Developed</td>
<td>0.5</td>
</tr>
<tr>
<td>Undeveloped</td>
<td>1.0</td>
</tr>
<tr>
<td>Total</td>
<td>1.5</td>
</tr>
</tbody>
</table>

*(1) Primary heavy oil production has not been curtailed.

*(2) Company Gross reserves.
Acquired Assets
Thermal SAGD Overview

• Current production capability ~108,200 bbl/d
• Three 100% owned Central Processing Facilities ~40,000 bbl/d each, with 120,000 bbl/d AER scheme approved
  – 300,000 bbl/d steam generation capacity
• Over 500,000 barrels of on site blend storage facilities
• Access Pipeline connected with ample capacity
• Current SOR of 2.4x
• 28 producing pads
• 214 well pairs

Acquired Assets
Jackfish Thermal In Situ
**Acquired Assets**

**Jackfish Thermal In Situ Synergies**

- Targeted operating cost savings and marketing efficiencies to be realized, driven by:
  - Leveraging economies of scale and Canadian Natural's existing lower cost structure
  - Reduce repairs and maintenance, labour, parts and logistics
- Leveraging operating and technical expertise
  - Knowledge sharing from both organizations \((2+2>4)\)
- Capital cost savings targeted to be \(~10\%\)

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**Acquired Assets**

**Pike In Situ**

- Well defined high quality SAGD resource
- 50% working interest, Canadian Natural will be operator
- Pike 1 regulatory scheme approval for 75,800 bbl/d
- Pike 2 regulatory approval application submitted for 70,000 bbl/d
- Significant synergies to combine Pike into Jackfish
- Possible optimization with Kirby facilities to reduce capital costs
Acquired Assets
Thermal In Situ Technology Upside

- Complementary to Canadian Natural’s technology initiatives
  - Non-compressible natural gas injection
  - Steam additives to increase recoveries at lower emissions levels
  - 9 technology pilots at various stages of development
Acquired Assets Overview

Conventional Primary Heavy Crude Oil

• Excellent fit with Canadian Natural operations
• Leverage Canadian Natural Primary Heavy Oil expertise and area synergies
  – Production optimization
  – Operating cost improvement
  – Capital cost improvement
• Increased economies of scale
• Consolidates existing 50/50 jointly owned assets
• Development drilling in up to 5 horizons
• Low capital cost recompletions

Acquired Assets Overview

Conventional Primary Heavy Crude Oil Upside

• 344,000 acres undeveloped land
• 658 net drilling locations
  – 15% traditional slant/vertical CHOPS and 85% horizontal multi-lateral
  – Multiple productive formations
    ▪ Colony, McLaren, Sparky (Upper and Lower distinct sands), Rex
• 897 net recompletion opportunities
Acquired Assets Overview
Conventional Primary Heavy Crude Oil Upside (cont’d)

- Reducing capital and operating costs by leveraging synergies

- Facility consolidations
  - Production dedication to third party pipeline in place through 2020
    - January 2021 consolidate oil processing to Canadian Natural facilities
    - Eliminate pipeline tariff by utilizing Canadian Natural’s Echo pipeline and reduce cleaning plant operating costs
  - Utilize acquired sand storage facility to defer construction of Canadian Natural facility by at least 5 years
  - Utilize acquired water disposal facilities for operating cost savings on existing Canadian Natural production

Acquired Assets Overview
Conventional Primary Heavy Crude Oil Synergies

- Targeted operating cost savings to be realized, driven by:
  - Facility consolidations
  - Fuel gas tie-ins (propane reduction)
  - Economies of scale
  - People and office resources
    - Optimize field staff utilization between assets
    - Reduced sand haul distance to storage facility
- Capital cost savings driven by Canadian Natural expertise and operating discipline
  - Drill and complete capital savings of ~8%
  - Well workover savings of ~12%
  - Reduced frequency and cost using in-house developed monitoring and decision tree tools

*2019 average rate.
Acquired Assets

Conventional Primary Heavy Crude Oil Technology Upside

- Complementary to Canadian Natural’s technology initiatives
  - Heavy Oil Enhanced Recovery / Reduced Emission Pilots
    - 2 solvent injection pilots for post-primary enhanced oil recovery
      - 1 operational, 1 planned with modified solvent blend supported by lab data and modelling
      - 1 vent gas reinjection pilot for reduction of vented GHG
      - 2 pilots at various stages of development

Acquired Assets

Market Access

- ~145 Mbbl/d of blend sales via Access Pipeline
  - Unutilized capacity available
- ~20 Mbbl/d of blend sales via third party pipeline
  - Opportunity to move volumes on Canadian Natural’s 100% owned Echo Pipeline starting January 2021
- Export Pipeline benefits
  - Enbridge to USGC (Flanagan South) – 15,000 bbl/d
  - Keystone XL – 25,000 bbl/d
  - Kinder Morgan TMX – 19,000 bbl/d
Transaction Benefits

- Accretive financial benefits
  - Adjusted Funds Flow Per Share increase targeted at $0.48/share ($0.85/share annualized)
  - Earnings Per Share increase targeted at $0.25/share ($0.53/share annualized)
- Increases long life low decline production 10%*
  - Production volumes increase outside of curtailment and reduced take away capacity
- Leveraging operations expertise and economies of scale to reduce operating costs
- Significant operating cost and marketing synergies (~$135 million per year)*
- Acquisition at a discount to SAGD green field development costs
- Under utilized infrastructure allows for economically advantaged future development of resources

*Based on annualized production volumes.
Note: See Advisory for pricing assumptions, cautionary statements and definitions.
**Conclusion**

- Acquired assets are excellent fit with Canadian Natural
  - Capital cost synergies
  - Operating synergies
  - Technology synergies
  - Increases Canadian Natural’s thermal in situ scale
- Strong metrics

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2019F EBITDA Multiple

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- Maintain Canadian Natural’s strong financial position
  - Pro forma 2019 year end forecasted debt/EBITDA → 1.6x

(1) Based on annual 2019F production capability.
(2) Company Gross Total Proved Reserves. Proved Reserves in net funds outflow calculation adjusted for estimated production to June 27, 2019.
(3) Company Gross Total Proved plus Probable Reserves. Proved plus Probable Reserves in net funds outflow calculation adjusted for estimated production to June 27, 2019.
(4) Based on annualized Adjusted EBITDA of $1,265 million for 2019F.

Note: Metrics based on a full year adjusted EBITDA. Reserves are before Future Development Costs (FDC). See Advisory for pricing assumptions, cautionary statements and definitions.
**Advisory**

**Cautionary Statement**

Project progress and financial results are dependent upon economic and regulatory conditions, commodity prices, global economic factors, project sanction and capital allocation.

**Definitions & non-GAAP Measures**

*Adjusted Funds Flow* - cash flows from operating activities as presented in the Company's consolidated Statements of Cash Flows, adjusted for the net change in non-cash working capital, abandonment and certain movements in other long-term assets.

*Adjusted EBITDA* – net earnings (loss) as presented in the Company's consolidated Statements of Earnings (Loss), adjusted for interest, taxes, depletion, depreciation and amortization, stock based compensation expense (recovery), unrealized risk management gains (losses), unrealized foreign exchange gains (losses), and accretion of the Company's asset retirement obligation.

*CAGR* – Compound Annual Growth Rate – the compounded growth rate for a specific value on an annual basis in a defined time range.

*Adjusted Funds Flow per Share* – adjusted funds flow (see the Company's MD&A for definition) divided by the weighted average common shares outstanding at the end of the period.

*Debt to EBITDA* – long-term debt plus the current portion of long-term debt divided by the 12 month trailing adjusted EBITDA

*Free Cash Flow* – adjusted funds flow less net capital expenditures and dividends.

*Production per Share* – average net production volumes divided by weighted average diluted common shares outstanding at the end of the period.

*Total Debt* – long-term debt and current portion of long-term debt.

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**Advisory (Cont’d)**

**Pricing Assumptions**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019F*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strip</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US$ WTI/bbl</td>
<td>$64.78</td>
<td>$59.84</td>
</tr>
<tr>
<td>C$ AECO/GJ</td>
<td>$1.45</td>
<td>$1.41</td>
</tr>
<tr>
<td>SCO Diff/(prem)US$/bbl</td>
<td>$6.16</td>
<td>$2.63</td>
</tr>
<tr>
<td>WCS Differential US$/bbl</td>
<td>$26.29</td>
<td>$15.50</td>
</tr>
<tr>
<td>FX 1.00 US$ = X C$</td>
<td>$1.2959</td>
<td>$1.3307</td>
</tr>
<tr>
<td>FX 1.00 GBP = X C$</td>
<td>$1.7299</td>
<td>$1.7620</td>
</tr>
</tbody>
</table>

*2019F reflects strip pricing as of May 7, 2019.*
Canadian Natural
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