Canadian Natural

ENERGY & CLIMATE CHANGE

A CANADIAN LEADERSHIP OPPORTUNITY

2019

PREMIUM VALUE. DEFINED GROWTH. INDEPENDENT.

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", "proposed" 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, 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 and expected results of existing and future developments, including but not limited to the Horizon Oil Sands ("Horizon") operations and future expansions, the Athabasca Oil Sands Project ("AOSP"), Primrose thermal projects, the Pelican Lake water and polymer flood project, the Kirby Thermal Oil Sands Project, the cost and timing of construction 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 or synthetic crude oil ("SCO") that the Company may be reliant upon to transport its products to market, development and deployment of technology and technological innovations and the assumption of operations at processing facilities 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. 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 natural gas liquids ("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 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 its 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; imprecision of reserve estimates and estimates 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 (especially 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 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 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 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 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.

Reporting Disclosures

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, natural gas and NGLs in common units called barrel of oil equivalent ("BOE") or thousand cubic feet of gas equivalent ("McfGE"). A BOE is derived by converting six thousand cubic feet of natural gas to one barrel of crude oil or NGLs (6Mcf:1bbl). An McfGE is derived by converting one barrel of crude oil or NGLs to six thousand cubic feet of natural gas (1bbl:6Mcf). These conversions may be misleading, particularly if used in isolation, since the 6Mcf:1bbl ratio or the 1bbl:6Mcf 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 or NGL prices relative to natural gas prices, the 6Mcf:1bbl or 1bbl:6Mcf conversion ratios may be misleading as an indication of value.

This document, herein incorporated by reference, have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board.

For the year ended December 31, 2017 the Company retained Independent Qualified Reserves Evaluators ("IQREs"), 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, 2017 and a preparation date of February 7, 2018. Sproule evaluated the North America and International light and medium crude oil, primary heavy crude oil, Pelican Lake heavy crude oil, bitumen (thermal oil), natural gas and NGLs reserves. GLJ evaluated the Horizon SCO reserves and reviewed the AOSP 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. Reserves disclosure is presented in accordance with Canadian reporting requirements using forecast prices and escalated costs.

The Company annually discloses net proved reserves and the standardized measure of discounted future net cash flows using 12-month average prices and current costs in accordance with United States Financial Accounting Standards Board Topic 932 "Extractive Activities - Oil and Gas" in the Company's Form 40-F filed with the SEC in the "Supplementary Oil and Gas Information" section of the Company's Annual Report.

Special Note Regarding non-GAAP Financial Measures

The Company's MD&A should be read in conjunction with the unaudited interim consolidated financial statements for the three and nine months ended September 30, 2018 and the MD&A and the audited consolidated financial statements for the year ended December 31, 2017.

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 and nine months ended September 30, 2018 and the Company's MD&A have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Company's MD&A includes references to financial measures commonly used in the crude oil and natural gas industry, such as: adjusted net earnings from operations; adjusted funds flow (previously referred to as funds flow from operations); net capital expenditures; adjusted cash production costs and adjusted depreciation, depletion and amortization. These financial measures are not defined by 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, cash flows from operating activities, and cash flows from investing activities as determined in accordance with IFRS, as an indication of the Company's performance. The non-GAAP measure adjusted net earnings from operations is reconciled to net earnings, as determined in accordance with IFRS, in the "Financial Highlights" section of the Company's MD&A. The non-GAAP measure adjusted funds flow is reconciled to cash flows from operating activities, as determined in accordance with IFRS, in the "Financial Highlights" section of the Company's MD&A. The non-GAAP measure net capital expenditures is reconciled to cash flows from investing activities, as determined in accordance with IFRS, in the "Net capital expenditures" section of the Company's MD&A. The derivation of adjusted cash production costs and adjusted depreciation, depletion and amortization are included in the "Operating Highlights - Oil Sands Mining and Upgrading" section of the Company's MD&A. The Company also presents certain non-GAAP financial ratios and their derivation in the "Liquidity and Capital Resources" section of the Company's MD&A.

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 the Company's MD&A, crude oil is defined to include the following commodities: light and medium crude oil, primary heavy crude oil, Pelican Lake heavy crude oil, bitumen (thermal oil), and SCO.

Production volumes and per unit statistics are presented throughout the Company's MD&A on a "before royalty" or "gross" basis, and realized prices are net of blending and feedstock costs and exclude the effect of risk management activities. Production on an "after royalty" or "net" basis is also presented for information purposes only.

Adjusted net earnings from operations is a non-GAAP measure that represents net earnings as presented in the Company's consolidated Statements of Earnings, adjusted for certain items of a non-operational nature. The Company considers adjusted net earnings from operations a key measure in evaluating the Company's performance. The reconciliation "Adjusted Net Earnings from Operations" presented in this MD&A, presents the after-tax effects of certain items of a non-operational nature that are included in the Company's financial results. Adjusted net earnings from operations may not be comparable to similar measures presented by other companies.

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, and abandonment and other expenditures. The Company evaluates its performance based on adjusted funds flow. The Company considers adjusted funds flow a key measure as it demonstrates the Company's ability to generate the cash flow necessary to fund future growth through capital investment and to repay debt. The reconciliation "Adjusted Funds Flow, as Reconciled to Cash Flows from Operating Activities" is presented below in this MD&A. Adjusted funds flow may not be comparable to similar measures presented by other companies.

Net capital expenditures is a non-GAAP measure that represents cash flows from 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, share consideration in 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 from Investing Activities" is presented in the Net Capital Expenditures section of this MD&A on page 25. Net capital expenditures may not be comparable to similar measures presented by other companies.

Additional information relating to the Company, including its Annual Information Form for the year ended December 31, 2017, is available on SEDAR at www.sedar.com, and on EDGAR at www.sec.gov.

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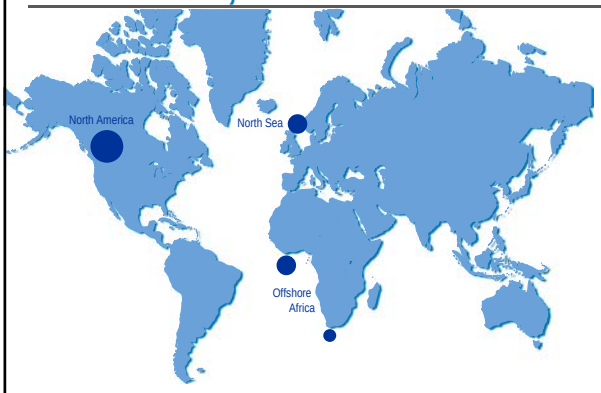
Canadian Natural's Balanced, Diverse Portfolio



- Canada's largest producer (1.1 million BOE/d)
  - Largest crude oil producer (880,000 bbl/d)
  - Largest natural gas producer (1.5 Bcf/d)
- Massive Canadian undeveloped reserves
  - Potential to add 2 Bcf/d, 1.3 million bbl/d
  - Alberta, British Columbia, Saskatchewan and Manitoba
- 3rd largest R&D investor in Canada
- Headquartered in Canada
  - Built by Canadians
  - Run by Canadians

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Canada's Unique Leadership Opportunity

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THE POWER OF A GLOBAL PERSPECTIVE

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The Opportunity & Power of a Global Perspective

- Makes a significant reduction in Global greenhouse gas emissions
- Reduces global poverty
- Unleashes Canadian ingenuity
- Supports economic/environmental balance
- Creates jobs
- Supports investments in a low carbon energy mix
- Nation builds
- Makes Canada and the world a better place
- Canada becomes a world leader

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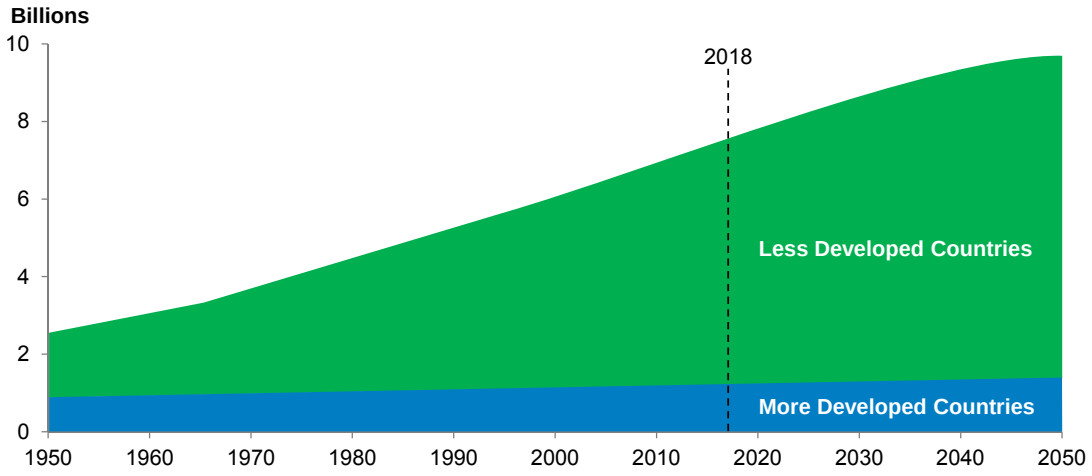
The World Needs Canadian Energy

Population Growth Drives Increased Energy Demand



Source: United Nations Population Division, World Population Prospects, the 2012 Revision (Medium Variant).

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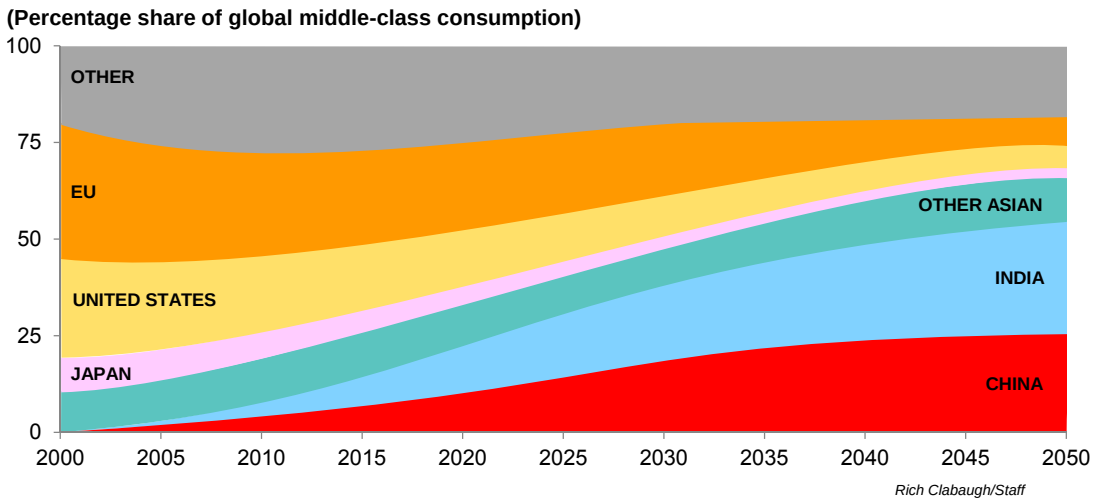
Growing Middle-Class Drives Increased Demand



Source: H. Kharas (2010), The Emerging Middle-Class in Developing Countries: OECD Development Centre Working Paper No. 285.

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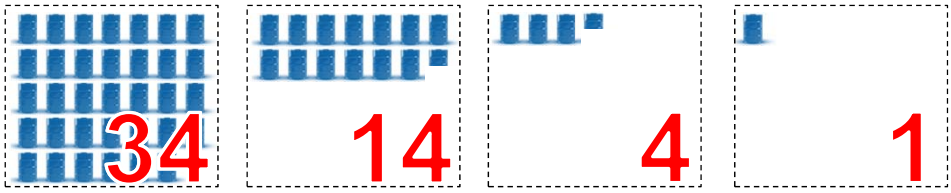
Human Development Fueled by Energy

Example Countries	Canada, USA, Europe, Hong Kong, Singapore, Russia, Australia, etc.	China, Turkey, Brazil, Mexico, Iran, etc.	India, Indonesia, Philippines, Pakistan, Ghana, Egypt, etc.	Congo, Nigeria, Mozambique, Uganda, Sudan, etc.
Group population	1.4 Billion	2.4 Billion	2.6 Billion	0.9 Billion
Life Expectancy	79 Years	76 Years	69 Years	59 Years
Expected Years of Schooling for children	16 Years	14 Years	11 Years	9 Years
Air Pollution related deaths/100,000	22	85	156	198

Total Energy Use
Oil, Natural Gas, Coal Nuclear, Renewables, Biomass, etc.
(BOE/person/year)



Source: United Nations Human Development Index, World Heath Organization, EIA and Modern Resources.

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ENERGY AND/OR EFFICIENCY IS REQUIRED TO IMPROVE GLOBAL LIVING CONDITIONS

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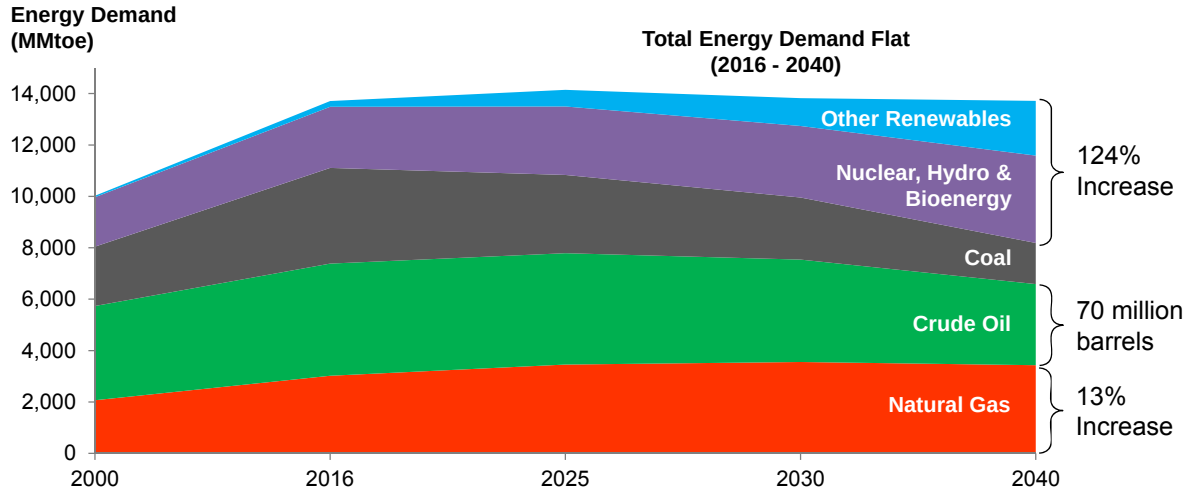
IEA – World Energy Outlook 2018 "Well Below 2°C Scenario" Fully Aligned with Paris Agreement Goal



Source: IEA World Energy Outlook 2018.

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Crude Oil: Not Just a Fuel

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CRUDE OIL & NATURAL GAS NOT JUST USED FOR FUEL

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Canadian Ingenuity &
Leveraging Technology
A Canadian Success Story

Canada's Crude Oil & Natural Gas Sector Has Delivered

- Recognized a need to reduce GHG emissions
- Leverage technology and Canadian ingenuity
  - Canadian Natural invested $3.1 billion in R&D since 2009
  - 3rd largest in Canada
- Opportunities to reduce emissions further

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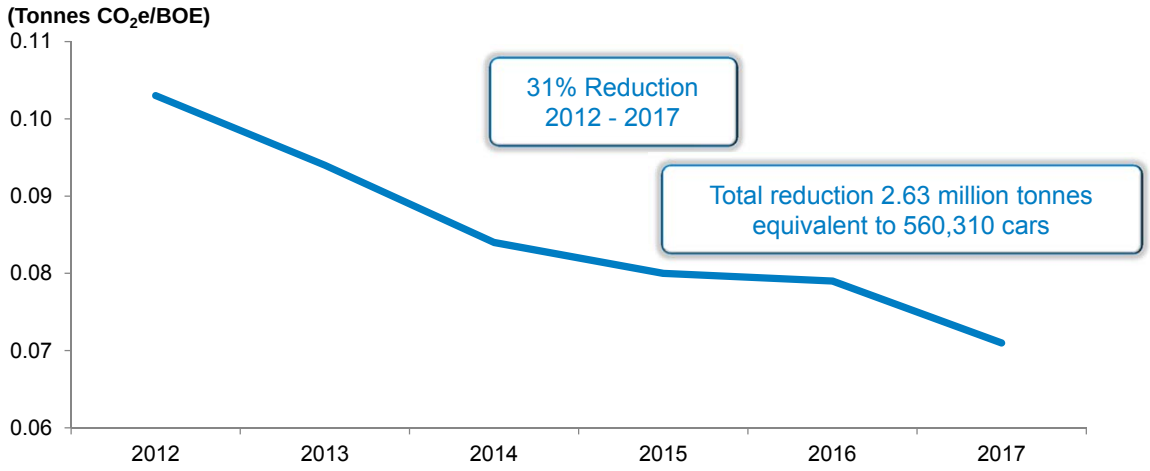
Delivering Climate Leadership in Oil Sands Mining & Upgrading



Note: Represents GHG emissions intensity at Horizon oil sands and upgrading.

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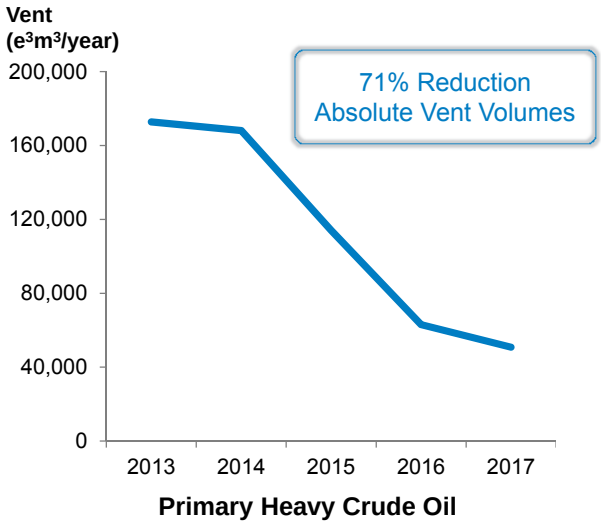
Continuous Improvement in GHG Emissions



- Continuous improvement initiatives have reduced environmental emissions
- Heavy Oil Casing Gas vent reduction
  - Solution Gas Conservation has reduced GHG emissions

Total reduction of over 17.9 million CO_2e tonnes over the last 5 years, equivalent to 760,000 cars off the road annually

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STRENGTHENING ENVIRONMENTAL INITIATIVES

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Carbon Capture & Sequestration / Storage Technology

- 3rd largest CO_2 capturer and sequesterer for oil and gas sector in the world(1)
- Reduced CO_2 footprint
- Reduced CO_2 charges

	Tonnes per Year
Horizon	0.4 million
Quest(2)	1.1 million
NWR(3)	1.2 million
	2.7 million

Equivalent to ~576,000 cars off the road per year

(1) Per the Global CCS Institute.
(2) Canadian Natural is a 70% working interest owner in Quest.
(3) On stream in 2019.

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LEADING CANADA IN CARBON CAPTURE & STORAGE

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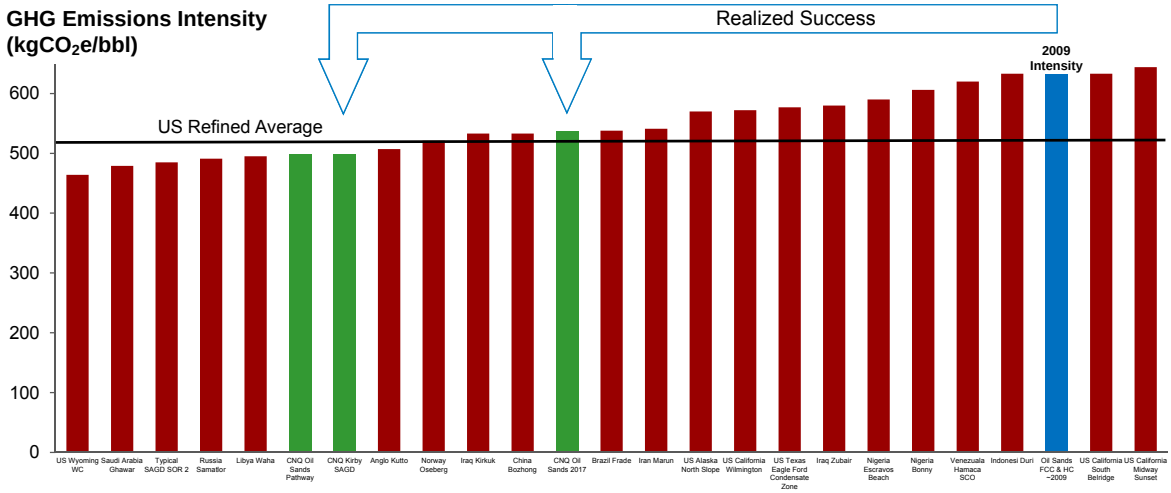
Oil Sands Well-to-Combustion



Note: Total emissions intensity includes: production and upgrading, transportation, refining, transportation of refined product and combustion. CNQ Oil Sands includes: Oil Sands Mining and Upgrading and Thermal Crude Oil.
Source: Internal company reports and ARC Energy Research Institute 2017 Report.

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CLEAR DEFINED GOAL TO REDUCE GHG EMISSIONS

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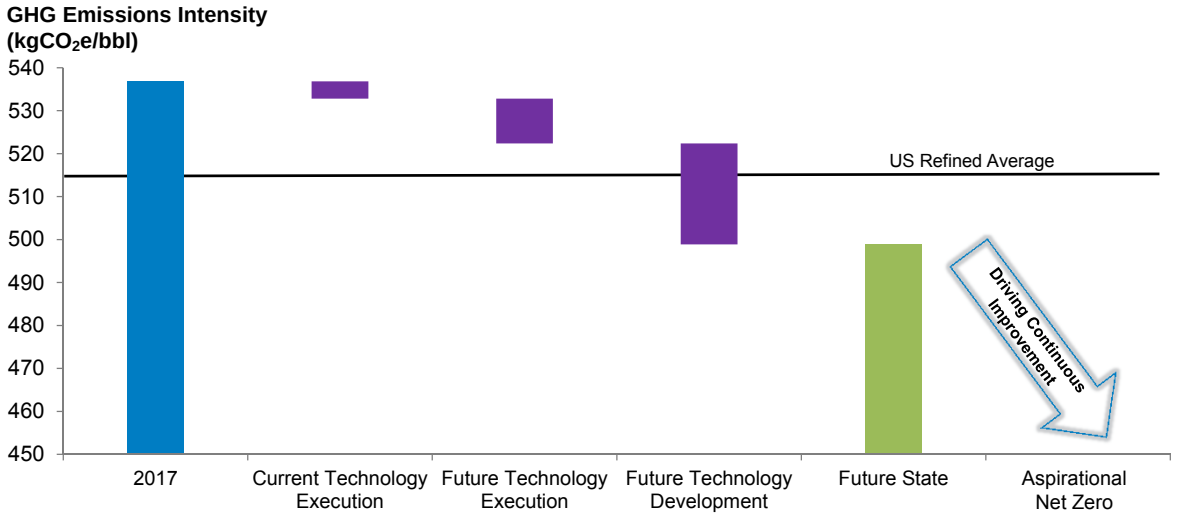
Capturing Technological Improvements in Oil Sands
Oil Sands Operations Pathway to the Future



Note: Total emissions intensity includes: production and upgrading, transportation, refining, transportation of refined product and combustion. CNQ Oil Sands operations includes: Oil Sands Mining and Upgrading and Thermal Crude Oil.
Source: Internal company reports and ARC Energy Research Institute 2017 Report.

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PATHWAY TO CONTINUE TO REDUCE GHG EMISSIONS

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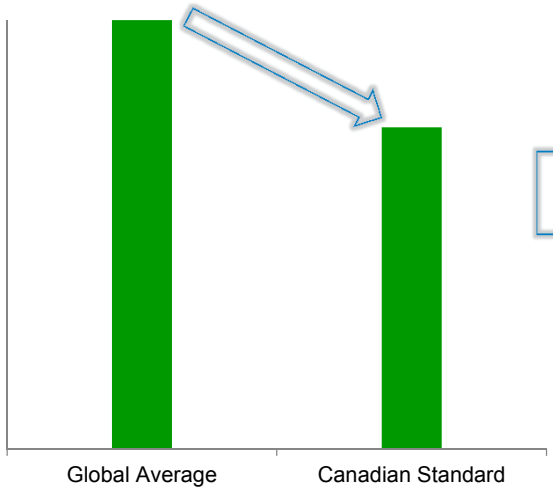
Canada Can Make a Significant Positive Impact on Global GHG Emissions

Canadian Oil Reduces GHG Emissions



Canada's high standards make a difference

23% reduction is equivalent to removing 110 million cars from the road

Note: Recognition and application of Canadian flaring standards to the world.

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110 MILLION CARS (MORE THAN 3X CARS IN CANADA)

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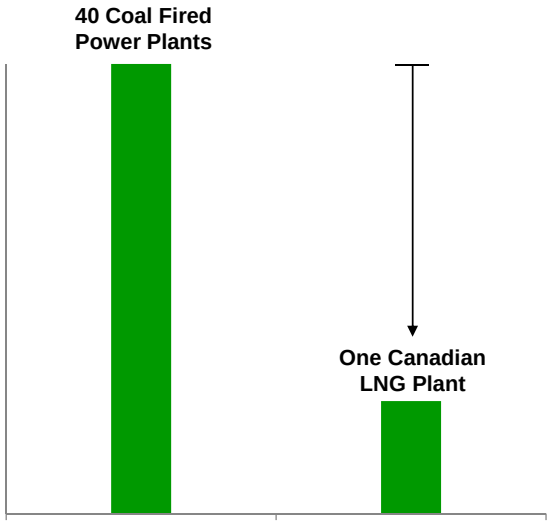
Canadian Natural Gas Reduces GHG Emissions



- 60 - 90 million tonnes/year
- 10% of Canada's GHG emissions
- Greater than BC's total emissions

Note: Based on LNG Canada. EIA.

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BUILDING 5 LNG PLANTS EQUIVALENT TO REDUCING CANADA'S GHG EMISSIONS BY 50%

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Canada's Opportunity to Lead

Delivering Canada's Crude Oil & Natural Gas to Global Markets Should be a

Climate Change & Economic Priority for Canada

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Generating Jobs for Canadians

Delivering Canada's Oil & Natural Gas to Global Markets Generates Massive Jobs for Canadians

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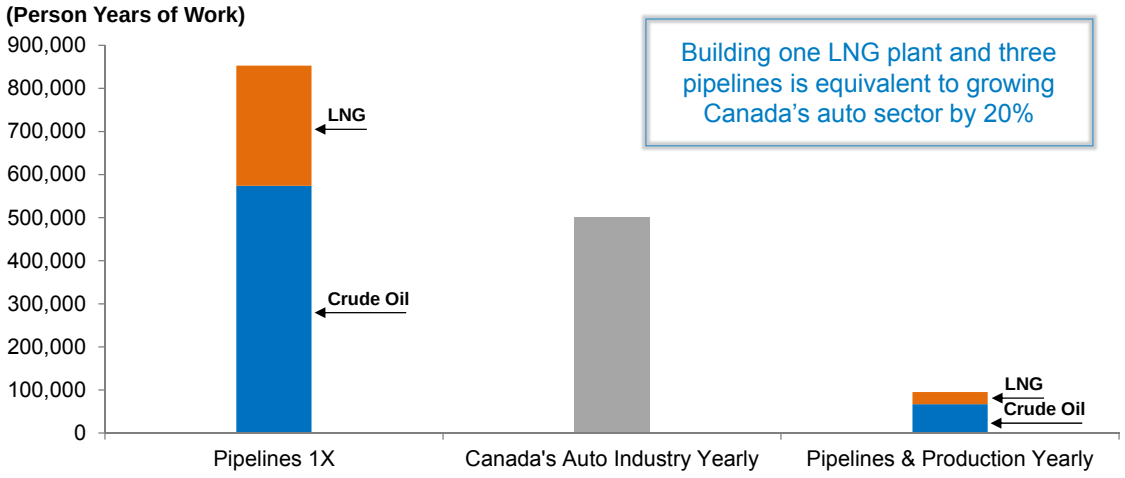
Job Creation Perspective



Building one LNG plant and three pipelines is equivalent to growing Canada's auto sector by 20%

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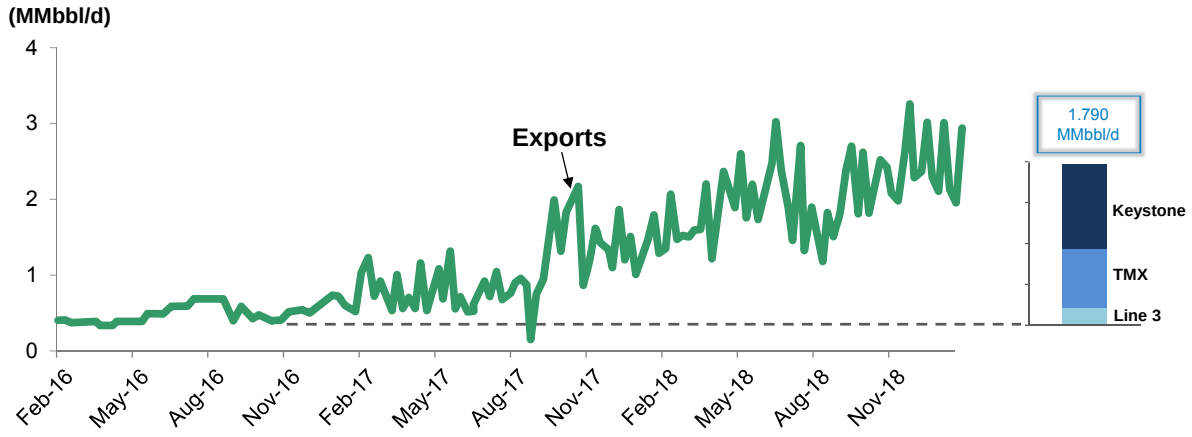
Canada Falling Behind Competitors Out Pacing Canada by a Wide Margin

US Shale Oil Market Access

- Exports increased from 0.5 MMbbl/d to 2.5 MMbbl/d in ~18 months → 5 fold increase



Source: Desjardins Capital Markets, Bloomberg, EIA.

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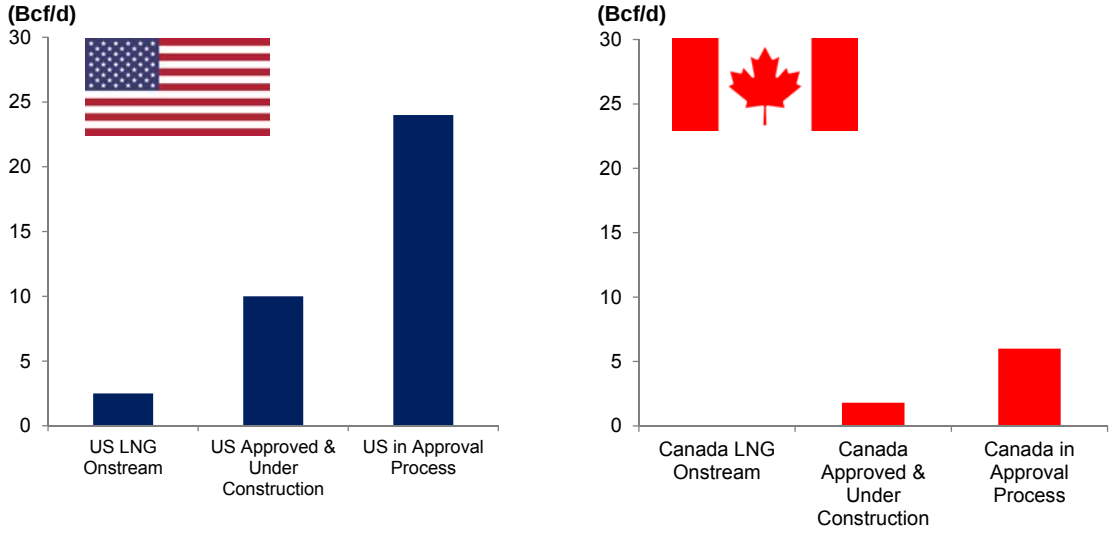
LNG Projects Since 2009 US vs. Canada



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Why is Canada Falling Behind

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Canada's Crude Oil & Natural Gas Sector

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FUTURE DEVELOPMENT & GLOBAL GHG REDUCTIONS,
CONTINGENT ON TAMING THE 4 HEADED MONSTER

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Fiscal Competitive Advantages

- Accelerated capital cost deduction (100%/year), Canada's latest adjustment helpful
- No clean fuel standard
- No carbon levies
- Strong support for crude oil and natural gas Industry
- Strong support for renewable energy

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Regulatory Effectiveness & Efficiency

- Significant erosion
  - Effectiveness and efficiency
  - Certainty
  - Predictability
  - Timeliness
  - Duplication
- Additional Burdens
- Decision making, inefficient and not effective

Impossible to predict whether an approval can be obtained, timelines are too long
Capital flows to jurisdictions with certainty

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Bill C-69 *Impact Assessment Act*

- As currently written, the regulatory process will be unworkable
  - No new projects will be approved in Canada
- Oil and natural gas industry wants to see amendments to Bill C-69
  - Not "Kill the Bill"
- A small number of common sense amendments would make Bill C-69 workable and allow Canada to attract investment and develop new projects
  - Clarify the Indigenous Consultation process (Section 18)
  - Scope participation in the review process based on impact, value of input (Section 18)
  - Move broader policy items into a Strategic Assessment (Section 22)
  - Increase timeline certainty (Section 62)
  - Protect the integrity of the Project List (Section 9)
  - Ensure a high level of deference from the courts to statutory decision makers (Privative Clause)

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Bill C-69 *Impact Assessment Act*

- Next Steps
  - Industry aligned on the need for amendments
    - Mining Association of Canada
    - Indian Resource Council
    - Canadian Chamber of Commerce
    - Canadian Association of Petroleum Producers
    - Canadian Energy Pipelines Association
    - Canadian Port Association
    - Canadian Electricity Association
    - Canadian Gas Association
  - Provincial governments aligned on need for amendments
    - Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, New Brunswick, Prince Edward Island, and Newfoundland
  - Federal government has signaled willingness to accept amendments
- **Ask: Amend Bill C-69 to ensure Canada has a workable environmental assessment process that enables major projects to be built**

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Canada's Unique Leadership Opportunity

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THE POWER OF A GLOBAL PERSPECTIVE

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Canadian Success Story

- Canadian ingenuity has leveraged
  - Technology
  - Continuous improvement
- Delivered game changing environmental performance
  - If Canadian oil were used globally
    - Equivalent to taking 110 million cars off the road
    - One LNG plant is equivalent to reducing Canada's GHG emissions by 10%
- With new projects new technology can be developed and deployed
  - Improving environmental performance
  - Creating jobs
  - Growing the economy
- Social Performance

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The Next Canadian Success Story

- Power of a global perspective
  - Makes a significant impact on global GHG emissions
  - Reduces global poverty
  - Unleashes Canadian ingenuity
  - Drives both environmental and economic performance
  - Creates jobs
  - Supports investment in a low carbon energy mix
  - Nation builds
- Canada becomes a world leader
- Makes Canada and the world a better place

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PROVEN • EFFECTIVE • STRATEGY