CANADIAN NATURAL RESOURCES LIMITED

For the Nine Months Ended September 30, 2000

MESSAGE TO SHAREHOLDERS

Canadian Natural Resources Limited ("Canadian Natural") continued to achieve record financial and operating results for the third quarter and nine months ended September 30, 2000. These results reflect higher levels of production and realized netbacks together with the operations of Ranger Oil Limited ("Ranger") which was acquired in the third quarter of the year. The Company's capital expenditures, excluding the acquisition cost of Ranger, remain as budgeted and with the higher levels of cash flow a total of $366 million of debt payments were completed in the third quarter.

Canadian Natural's cash flow from operations for the third quarter of the year increased 150% from the prior year's third quarter to a total of $587 million ($4.97 per share). The ability of Canadian Natural to convert its cash flow into earnings results in net earnings for the quarter of $241 million ($2.04 per share), a 242% increase over the comparable year.

For the nine months ended September 30, 2000, Canadian Natural achieved cash flow of $1,331 million ($11.58 per share) and net earnings of $559 million ($4.86 per share). These amounts represent increases of 189% and 436% respectively over the comparable period in the prior year.

Commodity prices continued to show sustained strength throughout the third quarter and Canadian Natural received a net average sales price of $35.23 per barrel of oil and $4.30 per mcf of natural gas in the third quarter. For the nine months ended September 30, 2000, the Company's price received for the sale of its products amounted to $31.91 per barrel of oil and $3.55 per mcf of natural gas. On a barrel of oil equivalent basis (using a ratio of 6 million cubic feet of natural gas to 1 barrel of oil) Canadian Natural's net average price for the nine months ended September 30, 2000 amounted to $27.20 per boe, a 74% increase over the prior year. These realized prices include a reduction of $1.80 per barrel of oil and $0.31 per mcf of natural gas to reflect arrangements made from time to time to fix the price received for a portion of the Company's oil and natural gas sales.

Overall operating costs incurred by Canadian Natural on its oil producing properties increased over the periods. The higher cost of natural gas required for steam generation used in the oil production process at Primrose and higher costs on properties owned by Ranger have contributed to higher costs in North American operations. The other operating areas were acquired with Ranger and historically have had a higher operating cost component. Canadian Natural will be focussing on lowering the operating costs incurred on these newly acquired properties. Operating costs incurred on natural gas producing properties, principally located in Canada, have increased period over period reflecting the larger concentration of natural gas producing properties in the longer life, higher cost areas of Northeast British Columbia.

HIGHLIGHTS

	Three months ended September 30			Nine months ended September 30		
(thousands of Canadian dollars, except per share amounts)	**2000**	1999	% Change	**2000**	1999	% Change
FINANCIAL						
Gross revenue	**$ 1,003,818**	$ 399,161	+151	**$ 2,191,627**	$ 833,342	+163
Cash flow attributable to						
common shareholders [1]	**$ 587,392**	$ 234,995	+150	**$ 1,330,953**	$ 461,026	+189
Per share	**$ 4.97**	$ 2.29	+117	**$ 11.58**	$ 4.55	+155
Net earnings attributable to						
common shareholders	**$ 241,241**	$ 70,499	+242	**$ 558,998**	$ 104,348	+436
Per share	**$ 2.04**	$ 0.69	+196	**$ 4.86**	$ 1.03	+372
Corporate acquisition cost	**$ 1,687,260**	$ –	–	**$ 1,687,260**	$ –	–
Exploration and						
development expenditures	**$ 220,819**	$ 1,499,359	-85	**$ 935,024**	$ 1,747,269	-46
Net indebtedness				**$ 2,904,929**	$ 2,239,179	+30
Shareholders' equity				**$ 2,982,101**	$ 1,792,514	+66
COMMON SHARE DATA (thousands of shares)						
Weighted average				**114,905**	101,398	+13
Outstanding				**121,572**	111,253	+9
OPERATING						
Oil and natural gas liquids						
Daily production (barrels)	**206,696**	98,252	+110	**163,807**	77,006	+113
Netback per barrel						
Sales price	**$ 35.23**	$ 24.91	+41	**$ 31.91**	$ 19.19	+66
Royalties	**3.36**	2.53	+33	**3.14**	2.09	+50
Operating costs	**6.97**	5.08	+37	**5.87**	4.78	+23
	$ 24.90	$ 17.30	+44	**$ 22.90**	$ 12.32	+86
Natural gas						
Daily production (million cubic feet)	**844.5**	774.0	+9	**781.8**	709.0	+10
Netback per thousand cubic feet						
Sales price	**$ 4.30**	$ 2.44	+76	**$ 3.55**	$ 2.22	+60
Royalties	**1.05**	0.55	+91	**0.81**	0.41	+98
Operating costs	**0.45**	0.38	+18	**0.43**	0.35	+23
	$ 2.80	$ 1.51	+85	**$ 2.31**	$ 1.46	+58

[1] after charge on preferred securities

In the third quarter of this year, Canadian Natural achieved overall cash flow per barrel of oil equivalent (at a 6:1 conversion ratio) of $18.45 per boe. This represents a 64% increase over the comparable 1999 period and a 15% increase over the second quarter of this year. For the nine months ended September 30, 2000, cash flow per boe amounted to $16.55 per boe, a 91% increase over the prior year. The cash flow per boe results contribute to Canadian Natural's ability to achieve a recycle ratio of greater than its targeted level of two.

In July 2000, Canadian Natural completed the acquisition of Ranger for cash and the issuance of 7.6 million common shares. Subsequent to completion of the acquisition of Ranger, Canadian Natural reviewed the claims made by Ranger in certain legal actions against Petrobank Energy and Resources and its management. Based upon such reviews, and due to completion of the acquisition, Canadian Natural has determined such claims are without merit and has withdrawn all such claims. Accordingly, Canadian Natural on behalf of Ranger, considers this matter closed.

OPERATIONS

Production volumes have increased as projected at the beginning of the year and are on target to meet Canadian Natural's projected yearly average. These production volumes have been augmented by production acquired with Ranger. Oil production in the third quarter of 2000 increased 110% over the comparable prior year period to 206,696 barrels per day. Approximately 12% of the production is derived from properties located outside North America. Natural gas production in the third quarter, which is principally derived from properties in North America, amounted to 844.5 mcf per day, a 9% increase over the quarter ended September 30, 1999. For the nine months ended September 30, 2000, overall production on a barrel of oil equivalent basis (using a conversion factor of 6 thousand cubic feet of natural gas to 1 barrel of oil) increased 51% to 294,107 barrels of oil equivalent per day.

Canadian Natural continued its focused drilling program during the third quarter with the drilling of 211 net wells. This program brought the total number of wells drilled in 2000 to 714 net wells with an overall success rate of 96%. Over 95% of these wells are operated by Canadian Natural and are located in its core operating regions. Canadian Natural's capital expenditure program, excluding the costs allocated to the acquisition of Ranger, was focused on projects previously contemplated by the Company and all expenditures are within budgeted parameters.

At the Primrose property in Alberta, Canadian Natural completed its planned examination of a high pressure steam process to better access the heavy oil in place. This optimization included the drilling of two additional high pressure steam well pads and the conversion of two previously drilled well pads. Results of this work indicate oil production increases of approximately three times using high pressure steam versus low pressure steam. Canadian Natural has finalized its regulatory application for approval to use a high pressure steam process over a major portion of the area comprising the Primrose property. Once regulatory approval is obtained, production from the 39 existing well pads will increase significantly.

Ranger's operations were integrated with Canadian Natural's ongoing organizational structure immediately after the completion of the acquisition. Canadian properties owned by Ranger have been assimilated into Canadian Natural's core areas. The non-North American assets owned by Ranger continue to be managed from an office in the United Kingdom with direct management participation from Canadian Natural's head office. This integration will result in cost savings to the combined operations of approximately $50 million per year. The Company has made further advancements towards the future development of its tar sands leases in the Fort McMurray area of Alberta with the hiring of a vice-president solely responsible for the ongoing management of this development.

During the third quarter, extended well testing of the first development well in the Kyle field in the North Sea, which the Company operates with a 40% working interest, continued and a second well was spud in July 2000. The second well has now been drilled and production tested. The results of these two wells have confirmed the economic viability of the field. Further development of this field, including additional drilling and tie-in to production facilities, will be ongoing with initial production of approximately 7,000 barrels per day net to the Company by mid 2001.

As expected, the Floating Production, Storage, and Offtake vessel ("FPSO") connected to the Banff field in the North Sea has been removed for refitting at no capital cost to Canadian Natural. Accordingly, production of approximately 5,000 barrels per day net to the Company from this field was curtailed in September. It is expected the FPSO repairs will be completed this winter and production from the Banff field will re-commence in the second quarter of 2001.

OUTLOOK

Canadian Natural is positioned with an inventory of properties and projects which will result in increases to shareholder value. The addition of Ranger augments this position with its portfolio of light oil prospects. This base of properties will enhance balanced production growth in both the short term and long term as well as in varying product types and geographical locations.

Throughout 2000, Canadian Natural has maintained its capital expenditure levels at budgeted amounts with all cash flow in excess of those levels being earmarked for repayment of long term debt. This program is net of planned dispositions of properties outside Canadian Natural's traditional core operating areas. The sale of the largest of these disposition packages is waiting on closing with proceeds equal to the amount contemplated by Canadian Natural. This disciplined expenditure program will result in the Company's debt to cash flow ratio being reduced to below 1.2 times.

On behalf of the Board of Directors,

John G. Langille
President
November 9, 2000

Allan P. Markin
Chairman

CONSOLIDATED BALANCE SHEET

(thousands of Canadian dollars)	September 30 (unaudited) 2000	December 31 1999
ASSETS		
Current assets	$ 714,578	$ 297,010
Capital assets (note 1)	7,285,649	4,553,541
Deferred unrealized foreign exchange loss	17,845	299
	$ 8,018,072	$ 4,850,850
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities	$ 710,681	$ 260,568
Long-term debt	2,908,826	2,156,850
Deferred credits (note 1)	1,416,464	541,415
Shareholders' equity (note 2)	2,982,101	1,892,017
	$ 8,018,072	$ 4,850,850

CONSOLIDATED STATEMENT OF EARNINGS

(thousands of Canadian dollars) (unaudited)	Nine months ended September 30 2000	1999
INCOME		
Oil and natural gas	$ 2,191,627	$ 833,342
Less: royalties	313,573	122,511
	1,878,054	710,831
EXPENSES		
Production	355,162	168,635
Administration	16,863	12,874
Interest	115,809	58,687
Unrealized foreign exchange loss	703	1,783
Depreciation, depletion and amortization	442,421	271,993
	930,958	513,972
EARNINGS BEFORE TAXES	947,096	196,859
Petroleum revenue tax (North Sea)	12,186	–
Current income tax (North Sea and Other International)	21,071	–
Capital tax	19,600	9,609
Future income tax (note 1)	333,882	82,902
NET EARNINGS	$ 560,357	$ 104,348
Charge on preferred securities (net of tax)	1,359	–
NET EARNINGS ATTRIBUTABLE TO COMMON SHAREHOLDERS	$ 558,998	$ 104,348

CAPITAL EXPENDITURES

(thousands of Canadian dollars)	Three months ended September 30 2000	1999	% Change	Nine months ended September 30 2000	1999	% Change
Corporate acquisition	$ 1,687,260	$ –	–	$ 1,687,260	$ –	–
Exploration and development expenditures						
Net property acquisitions (dispositions)	$ (11,343)	$ 1,341,943	-101	$ 242,937	$ 1,390,426	-83
Land acquisition and retention	13,766	13,365	+3	34,006	29,547	+15
Seismic evaluations	10,181	4,542	+124	22,370	14,185	+58
Well drilling, completion and equipping	131,504	92,967	+41	398,191	212,055	+88
Pipeline and production facilities	76,711	46,542	+65	237,520	101,056	+135
Total exploration and development expenditures	$ 220,819	$ 1,499,359	-85	$ 935,024	$ 1,747,269	-46

CONSOLIDATED STATEMENT OF CASH FLOWS

(thousands of Canadian dollars) (unaudited)	Nine months ended September 30 2000	1999
OPERATING ACTIVITIES		
Net earnings	**$ 560,357**	$ 104,348
Non-cash items		
Depreciation, depletion and amortization	**442,421**	271,993
Deferred petroleum revenue tax	**(3,950)**	–
Future income tax	**333,882**	82,902
Unrealized foreign exchange loss	**703**	1,783
Cash flow provided from operating activities	**1,333,413**	461,026
Net change in non-cash working capital balances related to operating activities	**(66,433)**	36,186
	1,266,980	497,212
FINANCING ACTIVITIES		
Increase (decrease) in long-term debt	**373,687**	(93,359)
Issue of capital stock	**54,134**	400,680
Charge on preferred securities	**(2,460)**	–
Net change in non-cash working capital balances related to financing activities	**(32,358)**	–
	393,003	307,321
INVESTING ACTIVITIES		
Expenditures on property, plant and equipment	**(963,823)**	(1,767,453)
Corporate acquisition (note 2)	**(722,751)**	–
Expenditures on abandonments	**(3,125)**	(4,117)
Net proceeds on sale of property, plant and equipment	**26,326**	25,887
Net change in non-cash working capital balances related to investing activities	**23,830**	941,439
	(1,639,543)	(804,244)
INCREASE IN CASH	**20,440**	**289**
CASH – Beginning of Period	**66**	92
CASH – End of Period*	**$ 20,506**	$ 381

* Cash consists of demand deposits at Canadian chartered banks and foreign banks and short term deposits.

NOTES TO FINANCIAL STATEMENTS

1. Change in accounting policy

   Effective January 1, 2000, the Company adopted the liability method of accounting for income taxes as recommended by the Canadian Institute of Chartered Accountants ("CICA"). Under the liability method, the Company will record future income taxes for the effect of any difference between the accounting and income tax basis of an asset or liability. The Company has adopted the CICA recommendations retroactively without prior period restatement by recording additional capital assets of $204.1 million and increasing the future income tax liability by $204.1 million. The additions to capital assets and future income taxes will be amortized over future periods.

2. Corporate acquisition

   In July 2000, the Company acquired all of the shares of Ranger Oil Limited for consideration of 7.6 million common shares and cash. The acquisition has been accounted for using the purchase method with the results included in the consolidated financial statements from the date of acquisition.

EXPLORATION AND DEVELOPMENT EXPENDITURES

(thousands of Canadian dollars)	Three months ended September 30 2000	1999	% Change	Nine months ended September 30 2000	1999	% Change
North America	**$ 177,582**	$ 1,499,359	-88	**$ 891,787**	$ 1,747,269	-49
North Sea	**25,190**	–	–	**25,190**	–	–
Other International	**18,047**	–	–	**18,047**	–	–
	$ 220,819	$ 1,499,359	-85	**$ 935,024**	$ 1,747,269	-46

NET INDEBTEDNESS

(thousands of Canadian dollars)	September 30 2000	1999
Current assets	**$ 714,578**	$ 256,780
Current liabilities	**710,681**	1,176,229
Working capital (surplus) deficit	**(3,897)**	919,449
Long-term debt	**2,908,826**	1,319,730
Net indebtedness	**$ 2,904,929**	$ 2,239,179

NETBACK ANALYSIS

COMBINED (6 mcf of natural gas = 1 barrel oil)	Three months ended September 30			Nine months ended September 30		
	2000	1999	% Change	**2000**	1999	% Change
Daily production (boe)	**347,447**	227,258	+53	**294,107**	195,177	+51
Sales price	**$ 31.40**	$ 19.09	+64	**$ 27.20**	$ 15.64	+74
Royalties	**4.54**	2.95	+54	**3.89**	2.30	+69
Operating costs	**5.25**	3.50	+50	**4.41**	3.16	+40
Netback per boe	**21.61**	12.64	+71	**18.90**	10.18	+86
Administration	**0.18**	0.22	-18	**0.21**	0.24	-13
Interest	**1.56**	0.96	+63	**1.44**	1.10	+31
Petroleum revenue tax (North Sea)	**0.50**	–	–	**0.20**	–	–
Current income tax (North Sea and Other International)	**0.66**	–	–	**0.26**	–	–
Capital tax	**0.26**	0.21	+24	**0.24**	0.18	+33
Cash flow per boe	**$ 18.45**	$ 11.25	+64	**$ 16.55**	$ 8.66	+91

	Three months ended September 30, 2000			
	North America	North Sea	Other International	Total
Daily production (boe)	305,147	38,632	3,668	347,447
Sales price	$ 29.45	$ 44.65	$ 54.05	$ 31.40
Royalties	4.92	1.95	–	4.54
Operating costs	4.56	9.03	22.75	5.25
Netback per boe	$ 19.97	$ 33.67	$ 31.30	$ 21.61

	Nine months ended September 30, 2000			
	North America	North Sea	Other International	Total
Daily production (boe)	279,904	12,971	1,232	294,107
Sales price	$ 26.27	$ 44.65	$ 54.05	$ 27.20
Royalties	4.00	1.95	–	3.89
Operating costs	4.11	9.03	22.75	4.41
Netback per boe	$ 18.16	$ 33.67	$ 31.30	$ 18.90

COMBINED (10 mcf of natural gas = 1 barrel oil)	Three months ended September 30			Nine months ended September 30		
	2000	1999	% Change	**2000**	1999	% Change
Daily production (boe)	**291,146**	175,655	+66	**241,987**	147,909	+64
Sales price	**$ 37.48**	$ 24.70	+52	**$ 33.05**	$ 20.64	+60
Royalties	**5.42**	3.82	+42	**4.73**	3.03	+56
Operating costs	**6.26**	4.53	+38	**5.35**	4.18	+28
Netback per boe	**25.80**	16.35	+58	**22.97**	13.43	+71
Administration	**0.21**	0.29	-28	**0.26**	0.32	-19
Interest	**1.86**	1.25	+49	**1.75**	1.45	+21
Petroleum revenue tax (North Sea)	**0.60**	–	–	**0.24**	–	–
Current income tax (North Sea and Other International)	**0.79**	–	–	**0.32**	–	–
Capital tax	**0.32**	0.27	+19	**0.30**	0.24	+25
Cash flow per boe	**$ 22.02**	$ 14.54	+51	**$ 20.10**	$ 11.42	+76

	Three months ended September 30, 2000			
	North America	North Sea	Other International	Total
Daily production (boe)	249,225	38,253	3,668	291,146
Sales price	$ 36.06	$ 45.09	$ 54.05	$ 37.48
Royalties	6.03	1.97	–	5.42
Operating costs	5.58	9.12	22.75	6.26
Netback per boe	$ 24.45	$ 34.00	$ 31.30	$ 25.80

	Nine months ended September 30, 2000			
	North America	North Sea	Other International	Total
Daily production (boe)	227,911	12,844	1,232	241,987
Sales price	$ 32.26	$ 45.09	$ 54.05	$ 33.05
Royalties	4.91	1.97	–	4.73
Operating costs	5.05	9.12	22.75	5.35
Netback per boe	$ 22.30	$ 34.00	$ 31.30	$ 22.97

DRILLING PROGRAM

(number of wells)	2000 Gross	2000 Net	1999 Gross	1999 Net
	Nine months ended September 30			
Oil	**316**	**282.4**	187	178.9
Natural gas	**425**	**381.0**	430	417.0
Injection/strat tests	**30**	**25.6**	11	11.0
Dry	**27**	**25.3**	45	43.0
Total	**798**	**714.3**	673	649.9
Success rate		**96%**		93%

ACTIVITY BY CORE REGION

	Undeveloped Land (thousands of net acres)	2000 Drilling Activity (net wells) Nine Months	Remaining
NE British Columbia/NW Alberta	1,376	91.0	12
North Central Alberta	2,399	187.1	21
Alberta Tar Sands	183	–	–
Eastern Alberta/Western Saskatchewan	1,158	183.9	22
South Central Alberta	531	238.1	10
Williston Basin	438	12.5	-
United States Gulf Coast	96	1.0	1
United Kingdom North Sea	215	0.5	1
West Africa Offshore	1,528	–	–

SEGMENTED INFORMATION

(thousands of Canadian dollars)	Nine months ended September 30 2000	1999
REVENUE		
North America	**$ 2,015,673**	$ 833,342
North Sea	**157,713**	–
Other International	**18,241**	–
Total Revenue	**$ 2,191,627**	$ 833,342
NET EARNINGS		
North America	**$ 974,562**	$ 268,420
North Sea	**95,317**	–
Other International	**9,889**	–
Administration	**(16,863)**	(12,874)
Interest	**(115,809)**	(58,687)
Tax	**(386,739)**	(92,511)
Total Net Earnings	**$ 560,357**	$ 104,348

CONSOLIDATED FINANCIAL RATIOS

The following financial ratios are provided in connection with the Company's continuous offering of medium term notes pursuant to the short form prospectus dated February 22, 1999 as supplemented and amended. These ratios are based on the Company's consolidated financial statements that are prepared in accordance with accounting principles generally accepted in Canada.

Interest coverage ratios for the 12 month period ended September 30, 2000.

Interest coverage (times)	
Net earnings	8.5
Cash flow	12.2

Asset coverage ratios as at September 30, 2000.

Asset coverage (times)	
Before deduction of future income taxes and deferred credits	2.5
After deduction of future income taxes and deferred credits	2.0

(1) Net earnings plus income taxes and interest expense; divided by interest expense.

(2) Cash flow plus current income taxes and interest expense; divided by interest expense.

(3) Total current and capital assets minus current liabilities; divided by long-term debt.

(4) Total current and capital assets minus current liabilities and long-term liabilities excluding long-term debt; divided by long-term debt.

CORPORATE INFORMATION

Officers

Allan P. Markin
Chairman

John G. Langille
President

Brian L. Illing
Senior Vice-President, Exploration

Steve W. Laut
Senior Vice-President, Operations

Allen M. Knight
Senior Vice-President, Corporate Development & International

Gregory G. Adams
Vice-President, Finance

Réal M. Cusson
Vice-President, Marketing

Réal J.H. Doucet
Vice-President, Oil Sands

Tim S. McKay
Vice-President, Production

Lyle G. Stevens
Vice-President, Exploitation

Philip A. Dimmock*
Malcolm H. Pattinson*
**Vice-President of Ranger Oil (U.K.) Limited*

Board of Directors

N. Murray Edwards

James T. Grenon

John G. Langille

Keith A.J. MacPhail

Allan P. Markin

James S. Palmer, Q.C.

Eldon R. Smith, M.D.

Registrar and Transfer Agent

Computershare Investor Services, Inc.
(formerly Montreal Trust Company)

Stock Listing

The Toronto Stock Exchange
Symbol: CNQ

New York Stock Exchange
Symbol: CED

Corporate Office

Canadian Natural Resources Limited
2500, 855 – 2nd Street S.W.
Calgary, Alberta T2P 4J8
Telephone: (403) 517-6700
Facsimile: (403) 517-7350
Email: investor.relations@cnrl.com
Website: www.cnrl.com