

CANADIAN NATURAL RESOURCES LTD
Form SUPPL
January 10, 2008

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The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION DATED JANUARY 10, 2008

PRELIMINARY PROSPECTUS SUPPLEMENT
To Prospectus dated September 25, 2007

CANADIAN NATURAL RESOURCES LIMITED

US\$ % Notes due
US\$ % Notes due
US\$ % Notes due

The Notes, the Notes and the Notes, collectively referred to in this prospectus supplement as "the notes", will bear interest at the rate of % per year, % per year and % per year, respectively. Interest on the notes is payable on and of each year, beginning on , 2008. The Notes, the Notes and the Notes will mature on , and , respectively. We may redeem some or all of the notes at any time. The redemption prices are discussed under the caption "Description of the Notes Optional Redemption." We may also redeem all of the notes of any series at any time in the event that certain changes affecting Canadian withholding taxes occur.

We are permitted, under the multi-jurisdictional disclosure system adopted by the United States, to prepare this prospectus supplement and the accompanying prospectus in accordance with Canadian disclosure requirements, which are different from those of the United States. We prepare our financial statements in accordance with Canadian generally accepted accounting practices, and they may be subject to Canadian auditing and auditor independence standards. They may not be comparable to financial statements of United States companies.

Owning the notes may subject you to tax consequences both in the United States and Canada. This prospectus supplement and the accompanying prospectus may not describe these tax consequences fully. You should read the tax discussion under the caption "Certain Income Tax Information".

Your ability to enforce civil liabilities under the United States federal securities laws may be affected adversely because we are incorporated in Alberta, some of our officers and directors and some of the experts named in this prospectus supplement or the accompanying prospectus are Canadian residents, and most of our assets and all or most of the assets of such persons are located outside the United States.

Neither the United States Securities and Exchange Commission nor any state securities regulator has approved or disapproved these securities, or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any

representation to the contrary is a criminal offense.

	<u>Public Offering Price</u>		<u>Underwriting Commission</u>		<u>Proceeds to Canadian Natural</u>	
Per Note	%		%		%	
Total	US\$		US\$		US\$	
Per Note	%		%		%	
Total	US\$		US\$		US\$	
Per Note	%		%		%	
Total	US\$		US\$		US\$	

Interest on the notes will accrue from January , 2008.

There is no market through which the notes may be sold and purchasers may not be able to resell notes purchased under this prospectus supplement or the accompanying prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation.

Investing in the notes involves risks. See "Risk Factors" beginning on page 24 of the accompanying prospectus.

We expect that delivery of the notes will be made to investors on or about January , 2008.

Joint Book-Running Managers

Citi
(Global Coordinator)

Banc of America Securities LLC
Deutsche Bank Securities
JPMorgan

RBC Capital Markets

(Lead Manager)

The date of this prospectus supplement is January , 2008.

**IMPORTANT NOTICE ABOUT INFORMATION IN
THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS**

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of the notes being offered. The second part, the base shelf prospectus, dated September 25, 2007, gives more general information, some of which may not apply to the notes being offered. The accompanying base shelf prospectus is referred to as the "prospectus" in this prospectus supplement.

If the description of the notes varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

You should rely only on the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized anyone to provide you with different information. If anyone provides you with different information, you should not rely on it. We are not, and the underwriters are not, making an offer of these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information in this prospectus supplement and the accompanying prospectus, as well as information in any document incorporated by reference that we previously filed with the Alberta Securities Commission, is accurate only as of its date.

In this prospectus supplement, all capitalized terms and acronyms used and not otherwise defined herein have the meanings provided in the accompanying prospectus. In this prospectus supplement, the prospectus and any document incorporated by reference, unless otherwise specified, all dollar amounts are expressed in Canadian dollars, and all financial information is determined using Canadian generally accepted accounting principles which are in effect from time to time, referred to as "Canadian GAAP". "U.S. GAAP" means generally accepted accounting principles which are in effect from time to time in the United States. For a discussion of the principal differences between our financial results as calculated under Canadian GAAP and under U.S. GAAP, you should refer to Note 16 of our consolidated financial statements for the year ended December 31, 2006, incorporated by reference into this prospectus supplement and the accompanying prospectus. Unless otherwise specified or the context otherwise requires, all references in this prospectus supplement, the accompanying prospectus and any document incorporated by reference to "Canadian Natural", "we", "us", and "our" mean Canadian Natural Resources Limited and its subsidiaries, partnerships and, where applicable, interests in other entities. In the section entitled "Description of the Notes" in this prospectus supplement, "Canadian Natural", "we", "us" and "our" refers only to Canadian Natural Resources Limited, without its subsidiaries or interests in partnerships and other entities.

This prospectus supplement contains disclosure respecting oil and gas production expressed as "cubic feet of natural gas equivalent" and "barrels of oil equivalent" or "boe". All equivalency volumes have been derived using the ratio of six thousand cubic feet of natural gas to one barrel of oil. Equivalency measures may be misleading, particularly if used in isolation. A conversion ratio of six thousand cubic feet of natural gas to one barrel of oil is based on an energy equivalence conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

This prospectus supplement is deemed to be incorporated by reference into the accompanying prospectus solely for the purposes of the offering of the notes offered hereby. Other documents are also incorporated or deemed to be incorporated by reference into the accompanying prospectus. See "Where You Can Find More Information" in this prospectus supplement and the accompanying prospectus.

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EXCHANGE RATE DATA

We publish our consolidated financial statements in Canadian dollars. Unless otherwise specified, all dollar amounts contained herein are expressed in Canadian dollars, and references to "dollars," "Cdn\$" or "\$" are to Canadian dollars and references to "US\$" are to United States dollars.

The following table sets forth certain exchange rates based on the noon buying rate in The City of New York for cable transfers in Canadian dollars as certified for customs purposes by the Federal Reserve Bank of New York (the "noon buying rate"). These rates are set forth as United States dollars per Cdn\$1.00 and are the inverse of rates quoted by the Federal Reserve Bank of New York for Canadian dollars per US\$1.00.

	September 30		Year Ended December 31	
	2007	2006	2006	2005
High	1.0041	0.9100	0.9099	0.8690
Low	0.8437	0.8528	0.8528	0.7872
Average ⁽¹⁾	0.9128	0.8877	0.8846	0.8254
Period End	1.0041	0.8968	0.8581	0.8579

(1) The average of the inverse of the noon buying rate on the last day of each month during the applicable period.

On January 9, 2008, the inverse of the noon buying rate was US\$0.9918 equals Cdn\$1.00.

FORWARD LOOKING STATEMENTS

This prospectus supplement contains or incorporates by reference forward looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact included or incorporated by reference in this prospectus supplement that address activities, events or developments that we expect or anticipate may or will occur in the future are forward looking statements, and indicate such things as:

oil and natural gas reserve quantities and the discounted present value of future net cash flows from these reserves;

the amount and nature of our capital expenditures;

plans for drilling wells;

prices for oil and natural gas produced;

timing and amount of future production, forecasts of capital expenditures and the sources of financing thereof;

operating and other costs;

business strategies and plans of management; and

anticipated benefits and enhanced shareholder value resulting from prospect development and acquisitions.

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Such forward looking statements are subject to risks, uncertainties and other factors, many of which are beyond our control, including:

the impact of general economic and business conditions in Canada, the United States and internationally which will, among other things, impact demand for and market prices of our products;

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industry conditions, including fluctuations in the price of oil and natural gas, royalties payable in respect of our oil and natural gas production, and changes in governmental regulation of the oil and natural gas industry, including environmental regulation;

the need to obtain required approvals from regulatory authorities;

the marketability of oil and natural gas, including the proximity to and capacity of oil and natural gas pipelines and processing equipment;

the success of exploration and development activities;

the timing and success of integrating the business and operations of acquired companies;

uncertainty of estimates of oil and natural gas reserves;

impact of competition, availability and cost of seismic, drilling and other equipment;

operating hazards and other difficulties inherent in the exploration for and production and sale of oil and natural gas;

fluctuations in foreign exchange or interest rates and stock market volatility;

political instability and other risks of international operations;

uncertainties inherent in attracting capital;

risks of war, hostilities, civil insurrection and terrorist threats;

our ability to replace or expand reserves;

our ability to either generate sufficient cash flow to meet current future obligations or to obtain external debt or equity financing;

our ability to enter into or renew leases;

the timing and costs of pipeline and gas storage facility construction and expansion;

our ability to make capital investments and the amounts thereof;

imprecision in estimating future production capacity, and the timing, costs and levels of production and drilling;

risks associated with existing and potential future lawsuits and regulatory actions against us;

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uncertainty in amounts and timing of royalty payments; and

imprecision in estimating product sales.

Certain factors are described in more detail under "Special Note Regarding Forward Looking Statements" in our Annual Information Form dated March 28, 2007 for the year ended December 31, 2006, which is filed with the securities commissions or similar authorities in the provinces of Canada and incorporated by reference in the accompanying prospectus. Events or circumstances could cause our actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward looking statements. You should also carefully consider the matters discussed under "Risk Factors" in the accompanying prospectus.

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WHERE YOU CAN FIND MORE INFORMATION

The prospectus into which this prospectus supplement is deemed to be incorporated by reference also incorporates by reference certain other of our named disclosure documents.

The following documents which have been filed with the securities commission or similar authority in each of the provinces of Canada are also specifically incorporated by reference in and form an integral part of the accompanying prospectus and this prospectus supplement:

our Annual Information Form dated March 28, 2007 and management's discussion and analysis of financial condition and results of operations for the year ended December 31, 2006 incorporated by reference in the Annual Information Form;

our Information Circular dated March 14, 2007 relating to the Annual Meeting of our Shareholders held on May 3, 2007, excluding those portions thereof which appear under the headings "Performance Graph", "Report on Executive Compensation by the Compensation Committee" and "Statement of Corporate Governance Practices" (which portions shall be deemed not to be incorporated by reference in the accompanying prospectus or in this prospectus supplement);

our audited comparative consolidated financial statements as at and for the year ended December 31, 2006, together with the auditors' report thereon; and

our unaudited comparative consolidated financial statements for the nine month period ended September 30, 2007 and accompanying management's discussion and analysis.

Any statement contained in this prospectus supplement, the accompanying prospectus or any document incorporated or deemed to be incorporated by reference into this prospectus supplement and the accompanying prospectus for the purpose of the offering of the notes offered hereby shall be deemed to be modified or superseded to the extent that a statement contained in this prospectus supplement or in any subsequently filed document that also is or is deemed to be incorporated by reference in the accompanying prospectus modifies or supersedes that statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of this prospectus supplement and the accompanying prospectus. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes.

CANADIAN NATURAL RESOURCES LIMITED

We are a Canadian based senior independent energy company engaged in the acquisition, exploration, development, production, marketing and sale of crude oil and natural gas. Our core areas of operations are in the Western Canadian Sedimentary Basin, the United Kingdom sector of the North Sea and Offshore West Africa. Our head and principal office is located at 2500, 855 - 2 Street SW, Calgary, Alberta, T2P 4J8, Canada.

RECENT DEVELOPMENTS

On December 18, 2007 we issued \$400 million of 5.50% notes due December 17, 2010.

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SELECTED CONSOLIDATED FINANCIAL AND OPERATING INFORMATION

The following information should be read in conjunction with our audited comparative consolidated financial statements as at and for the year ended December 31, 2006, our management's discussion and analysis of financial condition and results of operations for the year ended December 31, 2006, our unaudited comparative consolidated financial statements as at and for the three and nine month periods ended September 30, 2007 and our management's discussion and analysis for the three and nine month periods ended September 30, 2007, incorporated by reference in this prospectus supplement.

Selected Consolidated Financial Information

The following table sets out certain of our consolidated financial and operating information as at and for the years ended December 31, 2006 and 2005 and as at and for the nine months ended September 30, 2007. The selected consolidated financial information for the years ended December 31, 2006 and 2005 has been derived from our annual consolidated financial statements, which statements have been audited by PricewaterhouseCoopers LLP, Chartered Accountants. The selected consolidated financial information for the nine months ended September 30, 2007 has been selected from our unaudited consolidated financial statements for the three and nine month periods ended September 30, 2007.

Our consolidated financial statements are presented in Canadian dollars and are prepared in accordance with Canadian GAAP. For a discussion of the principal differences between our financial results as calculated under Canadian GAAP and under U.S. GAAP, you should refer to Note 16 of our consolidated financial statements for the year ended December 31, 2006, incorporated by reference into this prospectus supplement and the accompanying prospectus.

	Nine Months Ended September 30, 2007 (unaudited)	Year Ended December 31	
		2006	2005
(millions of Canadian dollars)			
Income Statement Items			
Revenue	9,343	11,643	11,130
Net earnings (loss)	1,810	2,524	1,050
Balance Sheet Items (at period end)			
Total assets	35,282	33,160	21,852
Working capital deficit	824	832	1,774
Long-term debt	10,686	11,043	3,321
Shareholders' equity	12,572	10,690	8,237

Certain figures related to the presentation of gross revenues and gross transportation and blending provided for prior years have been reclassified to conform to the presentation adopted in 2006.

Selected Operational Information

The following table sets out certain operating information regarding our production for the years ended December 31, 2006 and 2005 and for the nine months ended September 30, 2007.

	Nine Months Ended September 30, 2007	Year Ended December 31	
		2006	2005
Production (before royalties)			
Oil and Liquids (Mbbl/d)			
North America	243	235	222
North Sea	57	60	68
Offshore West Africa	29	37	23
Total	329	332	313
Natural Gas (MMcf/d)			
North America	1,670	1,468	1,416
North Sea	13	15	19
Offshore West Africa	12	9	4
Total	1,695	1,492	1,439

The following table sets out certain information regarding our proved reserves as at December 31, 2006 and 2005.

	December 31	
	2006	2005
Proved Reserves (after royalties)		
Oil and Liquids (MMbbl) ⁽¹⁾		
North America	887	694
North Sea	299	290
Offshore West Africa	130	134
Total	1,316	1,118
Natural Gas (Bcf) ⁽¹⁾		
North America	3,705	2,741
North Sea	37	29
Offshore West Africa	56	72
Total	3,798	2,842

(1) Proved reserves are based on constant pricing.

Oil Sands Proved Mineable Reserves (after royalties)		
Bitumen (MMbbl)	1,853	1,848

Synthetic Crude Oil (MMbbl) ⁽¹⁾⁽²⁾	1,596	1,626
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- (1) Proved reserves are based on constant pricing.
- (2) Synthetic Crude Oil ("SCO") reserves are based upon upgrading of the bitumen reserves. The reserves shown for bitumen and SCO are not additive.

USE OF PROCEEDS

We estimate that the net proceeds from this offering will be approximately US\$ _____ million, after deducting the underwriting commissions and estimated expenses of the offering of approximately US\$ _____. The net proceeds received by us from the sale of the notes will be used to repay borrowings under our credit facilities. The net proceeds that are not utilized immediately will be invested in short-term marketable securities.

CONSOLIDATED CAPITALIZATION

The following table sets forth our consolidated capitalization as at September 30, 2007 on an actual basis and on an adjusted basis to give effect to the issuance and sale of the notes and the application of the net proceeds to be received from the offering as described above in "Use of Proceeds."

You should read this table together with our unaudited consolidated financial statements for the three and nine months ended September 30, 2007, which are incorporated by reference herein and which have been prepared in accordance with Canadian GAAP. All US\$ amounts have been converted to Canadian dollars using the exchange rate of US\$1.0037 equals \$1.00 at September 30, 2007.

	September 30, 2007	
	Actual	As Adjusted
	(millions of Canadian dollars)	
Cash and cash equivalents	21	
Long term debt (including current portion):		
Credit facilities	4,824	
Medium term notes:		
4.50% unsecured debentures due January 23, 2013	400	400
4.95% unsecured debentures due June 1, 2015	400	400
Senior unsecured notes:		
Adjustable rate notes due May 27, 2009	62	62
7.80% notes due July 2, 2008	8	8
6.70% notes due July 15, 2011	398	398
5.45% notes due October 1, 2012	349	349
4.90% notes due December 1, 2014	349	349
6.00% notes due August 15, 2016	249	249
5.70% notes due May 15, 2017	1,096	1,096
7.20% notes due January 15, 2032	398	398
6.45% notes due June 30, 2033	349	349
5.85% notes due February 1, 2035	349	349
6.50% notes due February 15, 2037	448	448
6.25% notes due March 15, 2038	1,096	1,096
Less: original issue discount, transaction costs and change in fair value	(89)	(89)
Notes offered hereby		
Total long-term debt ⁽¹⁾	10,686	
Shareholders' equity:		
Share Capital:		
Common shares, no par value: unlimited shares authorized:		
539.6 million shares issued and outstanding ⁽²⁾	2,663	2,663
Retained earnings	9,824	9,824
Accumulated other comprehensive income	85	85
Total shareholders' equity	12,572	12,572
Total capitalization	23,258	

(1)

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As adjusted, total long term debt does not include \$400 million aggregate principal amount of 5.50% notes due December 17, 2010, which were issued on December 18, 2007, the proceeds of which were used to repay borrowings under our credit facilities.

(2)

Share amount outstanding is at September 30, 2007 and does not include 26.1 million shares issuable upon the exercise of outstanding options as of September 30, 2007. We also have 200,000 Class 1 Preferred Shares, \$10 stated value per share, authorized, nil shares issued and outstanding.

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CREDIT RATINGS

Our senior unsecured long-term debt securities are rated "Baa2" by Moody's Investors Service, Inc. ("Moody's") with a stable outlook, "BBB" by Standard & Poor's Corporation ("S&P") and "BBB (high)" with a negative trend by DBRS Limited ("DBRS"). S&P assigns a rating outlook to the company and not to individual debt instruments. S&P has assigned a stable outlook to the company. Credit ratings are intended to provide investors with an independent measure of credit quality of any issue of securities.

Moody's credit ratings are on a long-term debt rating scale that ranges from Aaa to C, which represents the range from highest to lowest quality of such securities rated. According to the Moody's rating system, debt securities rated Baa1 are considered as medium-grade obligations, they are neither highly protected nor poorly secured. Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such securities lack outstanding investment characteristics and in fact have speculative characteristics as well. Moody's applies numerical modifiers 1, 2 and 3 in each generic rating classification from Aa through Caa in its corporate bond rating system. The modifier 1 indicates that the issue ranks in the higher end of its generic rating category, the modifier 2 indicates a mid-range ranking and the modifier 3 indicates that the issue ranks in the lower end of its generic rating category.

S&P's credit ratings are on a long-term debt rating scale that ranges from AAA to D, which represents the range from highest to lowest quality of such securities rated. According to the S&P rating system, debt securities rated BBB exhibit adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments on the notes. The ratings from AA to B may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

DBRS' credit ratings are on a long-term debt rating scale that ranges from AAA to D, which represents the range from highest to lowest quality of such securities rated. According to the DBRS rating system, debt securities rated BBB are of adequate credit quality. The assignment of a "(high)" or "(low)" modifier within each rating category indicates relative standing within such category. The "high" and "low" grades are not used for the AAA category.

The credit ratings accorded to our debt securities by the rating agencies are not recommendations to purchase, hold or sell the debt securities inasmuch as such ratings do not comment as to market price or suitability for a particular investor. Any rating may not remain in effect for any given period of time or may be revised or withdrawn entirely by a rating agency in the future if in its judgment circumstances so warrant, and if any such rating is so revised or withdrawn, we are under no obligation to update this prospectus supplement.

PRO FORMA INTEREST COVERAGE

The following pro forma coverage ratios have been prepared in accordance with Canadian securities law requirements and are included in this prospectus supplement in accordance with Canadian disclosure requirements.

The following pro forma coverage ratios are calculated on a consolidated basis for the 12 month period ended December 31, 2006 based on audited financial information and for the 12 month period ended September 30, 2007 based on unaudited financial information. The following pro forma ratios have been calculated to give effect to the issue of the notes pursuant to this prospectus supplement, and the application of the estimated net proceeds to repay debt as discussed under "Use of Proceeds" as if repayments had occurred at the beginning of the respective periods. The pro forma interest coverage ratios set forth below do not purport to be indicative of the actual interest coverage ratios that would have occurred if each of the foregoing events had actually occurred on the foregoing dates, nor to be indicative of interest coverage ratios for any future periods.

	<u>September 30, 2007</u>	<u>December 31, 2006</u>
Interest coverage on long-term debt ⁽¹⁾		

(1) Interest coverage on long-term debt is equal to net earnings plus income taxes and interest expense, divided by the sum of interest expense and capitalized interest.

DESCRIPTION OF THE NOTES

The following description of the particular terms of the notes supplements, and to the extent inconsistent with replaces, the description of the debt securities set forth under "Description of Debt Securities" in the accompanying prospectus and should be read in conjunction with that description.

General

The notes will be our direct unsecured obligations and will rank *pari passu* with all of our other unsubordinated and unsecured indebtedness.

The Notes will initially be issued in an aggregate principal amount of US\$ and will mature on .
 The Notes will bear interest at the rate of % per year from , 2008, or from the most recent date to which interest has been paid or provided for, payable semi-annually on and of each year, commencing , 2008, to the persons in whose names the Notes are registered at the close of business on the preceding or , respectively.

The Notes will initially be issued in an aggregate principal amount of US\$ and will mature on .
 The Notes will bear interest at the rate of % per year from , 2008, or from the most recent date to which interest has been paid or provided for, payable semi-annually on and of each year, commencing , 2008, to the persons in whose names the Notes are registered at the close of business on the preceding or , respectively.

The Notes will initially be issued in an aggregate principal amount of US\$ and will mature on .
 The Notes will bear interest at the rate of % per year from , 2008, or from the most recent date to which interest has been paid or provided for, payable semi-annually on and of each year, commencing , 2008, to the persons in whose names the Notes are registered at the close of business on the preceding or , respectively.

We may from time to time without notice to, or the consent of, the holders of the notes, create and issue additional Notes, Notes or Notes under the Indenture. Such additional Notes, Notes and Notes will have the same terms as the Notes, Notes or Notes, as the case may be, offered hereby in all respects (or in all respects except for the payment of interest accruing prior to the issue date of the additional Notes, Notes and Notes or except for the first payments of interest following the issue date of the additional Notes, Notes and Notes) so that the additional Notes, Notes or Notes may be consolidated and form a single series with the Notes, Notes or Notes, as the case may be. In the event that additional Notes, Notes or Notes are issued, we will prepare a new prospectus supplement.

For a discussion of the ranking of the notes and the indebtedness and other liabilities of our subsidiaries, see "Description of Debt Securities Ranking and Other Indebtedness" in the accompanying prospectus.

Payment on the principal, premium, if any, and interest will be made in United States dollars. The notes will not be entitled to the benefits of any sinking fund.

The provisions of the Indenture relating to the payment of Additional Amounts in respect of Canadian withholding taxes in certain circumstances (described under the caption "Description of Debt Securities Additional Amounts" in the accompanying prospectus) and the provisions of the Indenture relating to the redemption of notes in the event of specified changes in Canadian withholding tax law

on or after the date of this prospectus supplement (described under the caption "Description of Debt Securities Tax Redemption" in the accompanying prospectus) will apply to the notes.

The notes will be issued in minimum denominations of US\$2,000 and integral multiples of US\$1,000 in excess thereof.

Optional Redemption

The notes of each series will be redeemable in whole or in part at any time, at our option, at a redemption price equal to the greater of: (1) 100% of the principal amount of the notes of the applicable series, or (2) the sum of the present values of the remaining scheduled payments of principal and interest thereon (exclusive of any portion of the payments of interest accrued to the date of redemption) discounted to the redemption date on a semi-annual basis at the Treasury Yield plus _____ basis points, in the case of the _____ Notes, plus _____ basis points, in the case of the _____ Notes and plus _____ basis points, in the case of the _____ Notes, in each case, together with accrued interest to the date of redemption. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Holders of notes to be redeemed will receive notice of redemption by first-class mail at least 30 and not more than 60 days prior to the date fixed for redemption.

Unless we default in the payment of the redemption price, on or after the redemption date, interest will cease to accrue on the notes of the applicable series or the portions of such notes called for redemption.

"*Comparable Treasury Issue*" means the United States Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the notes.

"*Comparable Treasury Price*" means (A) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (B) if the Trustee obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such Quotations.

"*Independent Investment Banker*" means one of the Reference Treasury Dealers selected by the Trustee after consultation with us or, if such firm is unwilling or unable to select the Comparable Treasury Issue, an independent investment banking institution of national standing in the United States appointed by the Trustee after consultation with us.

"*Reference Treasury Dealer*" means (A) Citigroup Global Markets Inc., Banc of America Securities LLC, Deutsche Bank Securities Inc. and J.P. Morgan Securities Inc., or their respective successors; provided, however, that if any shall cease to be a primary U.S. Government securities dealer in The City of New York (a "Primary Treasury Dealer"), we will substitute another Primary Treasury Dealer, and (B) any other Primary Treasury Dealer selected by the Trustee after consultation with us.

"*Reference Treasury Dealer Quotations*" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer at 3:30 p.m. New York time on the third business day preceding such redemption date.

"*Treasury Yield*" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity or interpolated (on a day count basis) of the Comparable

Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for that redemption date.

Book-Entry System

The Depository Trust Company (the "Depository") will act as securities depository for the notes. The notes will be represented by one or more registered global notes (collectively, the "Registered Global Securities") registered in the name of Cede & Co. (the Depository's partnership nominee) or such other name as may be requested by an authorized representative of the Depository. The provisions set forth under "Description of Debt Securities Registered Global Securities" in the accompanying prospectus will be applicable to the notes. Accordingly, beneficial interests in the notes will be shown on, and transfers of the notes will be effected, only through, records maintained by the Depository and its Direct and Indirect Participants (defined below). Except as described under "Description of Debt Securities Registered Global Securities" in the accompanying prospectus, owners of beneficial interests in the Registered Global Securities representing the notes will not be entitled to receive notes in definitive form and will not be considered Holders of notes under the Indenture.

The following is based on information furnished by the Depository:

The Depository is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the U.S. Securities Exchange Act of 1934. The Depository holds securities that its participants ("Direct Participants") deposit with the Depository. The Depository also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include: securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations.

The Depository is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, LLC and the Financial Industry Regulatory Authority, Inc. Access to the Depository's system is also available to others, such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The rules applicable to the Depository and Direct and Indirect Participants are on file with the SEC. All interests in the Registered Global Securities, including those held through the Euroclear System ("Euroclear") or Clearstream Banking, S.A. ("Clearstream"), may be subject to the procedures and requirements of the DTC. Those interests held through Euroclear or Clearstream may also be subject to the procedures and requirements of such systems.

Purchases of notes under the Depository's system must be made by or through Direct Participants, which will receive a credit for such notes on the Depository's records. The ownership interest of each actual purchaser of notes represented by the Registered Global Securities ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from the Depository of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which such Beneficial Owners entered into the transaction. Transfers of ownership interests in the Registered Global Securities representing the notes are to be accomplished by entries made on the books of participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Registered Global Securities representing the notes, except in the event that use of the

book-entry system for the notes is discontinued or upon the occurrence of certain other events described in the accompanying prospectus.

To facilitate subsequent transfers, the Registered Global Securities, representing the notes that are deposited by Direct Participants with the Depository, are registered in the name of the Depository's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of the Depository. The deposit of the Registered Global Securities with the Depository and its registration in the name of Cede & Co. or such other nominee does not effect any change in beneficial ownership. The Depository has no knowledge of the actual Beneficial Owners of the Registered Global Securities representing the notes; the Depository's records reflect only the identity of the Direct Participants to whose accounts such notes are credited, which may or may not be the Beneficial Owners. The Direct or Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by the Depository to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither the Depository nor Cede & Co. (nor any other Depository nominee) will consent or vote with respect to the Registered Global Securities representing the notes. Under its usual procedures, the Depository mails an omnibus proxy (an "Omnibus Proxy") to us as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, if any, and interest payments on the Registered Global Securities representing the notes will be made to Cede & Co., or such nominee as may be requested by an authorized representative of the Depository. The Depository's practice is to credit Direct Participants' accounts on the applicable payment date in accordance with their respective holdings shown on the Depository's records, upon the Depository's receipt of funds and corresponding detail information from us or the Trustee on the payment date. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct and Indirect Participants and not of the Depository, the Trustee, or us, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of the Depository) is our responsibility or the responsibility of the Trustee. Disbursement of such payments to Direct Participants is the responsibility of the Depository, and disbursement of such payments to the Beneficial Owners is the responsibility of the Direct and Indirect Participants. Neither we nor the Trustee will have any responsibility or liability for the disbursements of payments in respect of ownership interests in the notes by the Depository or the Direct or Indirect Participants or for maintaining or reviewing any records of the Depository or the Direct or Indirect Participants relating to ownership interests in the notes or the disbursement of payments in respect of the notes.

The Depository may discontinue providing its services as securities depository with respect to the notes at any time by giving reasonable notice to us or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, notes in definitive form are required to be printed and delivered to each Holder.

We may decide to discontinue use of the system of book-entry transfers through the Depository (or a successor securities depository). In that event, notes in definitive form will be printed and delivered.

The information in this section concerning the Depository and the Depository's system has been obtained from sources that we believe to be reliable, but is subject to any changes to the arrangements between us and the Depository and any changes to these procedures that may be instituted unilaterally by the Depository.

Global Clearance and Settlement Procedures

Initial settlement for the notes will be made in immediately available funds. Secondary market trading between DTC Participants will occur in the ordinary way in accordance with DTC rules and will be settled in immediately available funds using DTC's Same-Day Funds Settlement System. Secondary market trading between Clearstream Participants and/or Euroclear Participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream, Luxembourg and the Euroclear System, as applicable.

Cross-market transfers between persons holding directly or indirectly through DTC on the one hand, and directly or indirectly through Clearstream Participants or Euroclear Participants, on the other, will be effected through DTC in accordance with DTC rules on behalf of the relevant European international clearing system by its U.S. Depository; however, such cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its U.S. Depository to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream Participants and Euroclear Participants may not deliver instructions directly to their respective U.S. Depositories.

Because of time-zone differences, credits of notes received in Clearstream, Luxembourg or the Euroclear System as a result of a transaction with a DTC Participant will be made during subsequent securities settlement processing and dated the business day following the DTC settlement date. The credits or any transactions in the notes settled during the processing will be reported to the relevant Euroclear Participant or Clearstream Participant on that business day. Cash received in Clearstream, Luxembourg or the Euroclear System as a result of sales of the notes by or through a Clearstream Participant or a Euroclear Participant to a DTC Participant will be received with value on the DTC settlement date but will be available in the relevant Clearstream, Luxembourg or the Euroclear System cash account only as of the business day following settlement in DTC.

Although DTC, Clearstream, Luxembourg and the Euroclear System have agreed to the foregoing procedures in order to facilitate transfers of notes among participants of DTC, Clearstream, Luxembourg and the Euroclear System, they are under no obligation to perform or continue to perform such procedures and such procedures may be discontinued or changed at any time.

CERTAIN INCOME TAX INFORMATION

The following summary is of a general nature only and is not intended to be, and should not be construed to be, legal or tax advice to any prospective investor and no representation with respect to the tax consequences to any particular investor is made. Accordingly, prospective investors should consult with their own tax advisors for advice with respect to the income tax consequences to them of purchasing, holding or disposing of the notes having regard to their own particular circumstances, including any consequences of an investment in the notes arising under state, provincial or local tax laws in the United States or Canada or tax laws of jurisdictions outside the United States or Canada.

Certain Canadian Federal Income Tax Considerations

In the opinion of Parlee McLaws LLP, our Canadian counsel, the following is, as of the date hereof, a fair and adequate summary of the principal Canadian federal income tax consequences generally applicable to a purchaser of the notes who, for purposes of the *Income Tax Act* (Canada) (the "Tax Act") and at all relevant times deals with Canadian Natural at arm's length, and is neither a resident of Canada nor deemed to be a resident of Canada (a "Non-Resident Holder"). This summary is based on the current provisions of the Tax Act and the regulations thereunder, counsel's understanding of the current published administrative practices of the Canada Revenue Agency (the "CRA"), and all specific proposals to amend the Tax Act and the regulations announced by the Minister of Finance (Canada) prior to the date hereof. This summary does not otherwise take into account or anticipate changes in the law or in the administrative practices of the CRA, whether by judicial, governmental or legislative decision or action, nor does it take into account tax legislation or considerations of any province or territory of Canada or any jurisdiction outside Canada.

The payment by Canadian Natural of interest, premium, if any, or principal on the notes to a Non-Resident Holder will be exempt from Canadian non-resident withholding tax under the Tax Act.

No other taxes on income (including capital gains) will be payable under the Tax Act in respect of the holding, redemption or disposition of the notes or the receipt of interest, premium, if any, or principal thereon by Non-Resident Holders who do not use or hold and are not deemed to use or hold the notes in carrying on business in Canada for the purposes of the Tax Act, except that in certain circumstances Non-Resident Holders who are non-resident insurers carrying on an insurance business in Canada and elsewhere may be subject to such taxes.

Certain U.S. Federal Income Tax Considerations

ANY DISCUSSION OF TAX ISSUES SET FORTH IN THIS PROSPECTUS SUPPLEMENT WAS WRITTEN IN CONNECTION WITH THE PROMOTION AND MARKETING OF THE