

News Release

CNRL Primrose incident caused by excessive steaming; AER releases final investigation report

For immediate release.

Calgary, Alberta (March 21, 2016)...Following a thorough investigation, the Alberta Energy Regulator (AER) is implementing additional requirements at Canadian Natural Resource Limited's (CNRL's) Primrose operations on the Cold Lake Air Weapons Range.

“This is one of the most complex investigations the AER has undertaken, and although we would normally just release the results on our compliance dashboard, we felt it important that Albertans were fully informed about the work that went into this unique investigation as well as its outcome,” says Jim Ellis, AER President and CEO.

The new requirements are as a result of four flow-to-surface events, which started in May 2013 at CNRL's Primrose South and East locations, which resulted in the release of 1057 m³ of bitumen emulsion. CNRL also reported a flow-to-surface event in 2009.

In its investigation report, the AER concludes that the flow-to-surface events were caused by excessive steam volumes, along with open conduits such as well bores, natural fractures and faults, and hydraulically induced fractures.

The investigation report considered the information and findings provided by CNRL in its final report, as well as the results of an independent technical review panel. The report also describes all possible contributing factors, including the unique geology of the area, which may have contributed to the flow-to-surface events.

CNRL did not contravene any rules in their use of their specific steaming strategy, however the AER has since imposed regulatory requirements designed to prevent a further incident and permanently reduce steaming volumes. Should the company fail to meet these requirements, they could face enforcement action.

The Alberta Energy Regulator ensures the safe, efficient, orderly, and environmentally responsible development of hydrocarbon resources over their entire life cycle. This includes allocating and conserving water resources, managing public lands, and protecting the environment while providing economic benefits for all Albertans.

FOR BROADCAST USE:

The Alberta Energy Regulator has released its final investigation report in the 2013 CNRL incident that caused four flow-to-surface events near Cold Lake. The AER believes that the incidents were caused by excessive steaming by CNRL and, as a result, has put additional restrictions on operations in the area.

- 30 -

Backgrounder: Timeline of events

For more information, please contact:

Bob Curran, AER Public Affairs

Phone: 403-297-3392

E-mail: bob.curran@aer.ca

Media line: 1-855-474-6356

NR-2016-02