



Canadian Natural

July 28, 2017

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Financial and Consumer Services Commission (New Brunswick)
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland and Labrador
Superintendent of Securities, Northwest Territories
Superintendent of Securities, Yukon
Superintendent of Securities, Nunavut

RE: CSA Consultation Paper 51-404 “Considerations for Reducing Regulatory Burden for Non-Investment Fund Reporting Issuers”

Dear Commissions:

Canadian Natural Resources Limited (“Canadian Natural”) is pleased to respond to the Canadian Securities Administrators (“CSA”) invitation to comment on CSA Consultation Paper 51-404 “Considerations for Reducing Regulatory Burden for Non-Investment Fund Reporting Issuers”.

Canadian Natural is a senior independent oil and gas exploration and production company headquartered in Calgary, Alberta, Canada, with operations in Western Canada, the North Sea, and offshore West Africa. Our shares are publicly traded on the Toronto Stock Exchange and the New York Stock Exchange.

As a general comment, Canadian Natural is supportive of the CSA’s efforts to reduce the regulatory burden on Canadian reporting issuers. Costs of complying with regulatory requirements are becoming more significant for reporting issuers, and we believe that there are many opportunities for efficiencies without compromising the reliability and effectiveness of the regulatory reporting environment and without impacting investor protection. However, we also caution the CSA that due to the high degree of integration in the North American economy and given the significant number of cross-listed

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Canadian public entities, the implementation of any significant reforms to Canadian securities regulations that impact cross-listed entities should only be made after a balanced consideration of existing regulations and on-going regulatory initiatives in the United States. Further, to the extent that similar reforms are being implemented in each jurisdiction, we believe it is critical that changes in Canada be made in tandem with changes in the United States in order to prevent unintended consequences, even for a relatively short period of time.

On this basis, Canadian Natural believes that the following items discussed in the CSA consultation paper would significantly reduce regulatory burden for reporting issuers:

- **Removing or modifying the criteria to file a Business Acquisition Report (“BAR”)** – Preparation of the BAR for a non-venture issuers is complex, overly time consuming, prohibitively costly and provides limited incremental information to an investor. Further, the BAR itself is quickly stale-dated. We believe that BAR requirements should be eliminated in all but the most material situations. In addition, we recommend that the significance tests should be amended to remove the tests based on assets and net earnings to determine whether a BAR is required. These tests are overly complex and can often produce nonsensical results as they are based on historical financial statement information of the vendor (which may or may not be in a form that can subsequently be filed to meet the financial statement requirements for a BAR filing) and which are often not relevant on a go forward fresh-start basis to the purchaser.

Should it be determined that a BAR filing is required, we believe that the financial statement requirements for the purchased business should be simplified, and auditor involvement be reduced or eliminated. Currently, a significant amount of the information required to be disclosed in the BAR does not originate with the purchaser completing the BAR, but must be obtained from the seller. This causes the purchaser to place significant reliance (and potentially assume liability) on the seller as to the accuracy and timeliness of the information provided. Further, Canadian Natural also does not believe that the pro forma financial statements included in the BAR provide useful information to investors given their high degree of subjectivity.

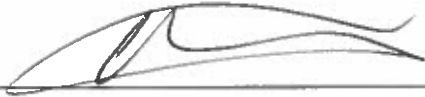
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- **Reducing disclosure requirements in annual and interim filings** – Canadian Natural believes that the options to reduce disclosures in annual and interim filings discussed in the consultation paper will reduce time and costs of preparing regulatory filings without compromising reporting integrity. Removing the discussion of prior period results and the summary of the eight most recently completed quarters will not impact the quality of reporting since these results were discussed in detail in the relevant period, and this information is readily available in the public domain to users of the annual and interim filings.
- **Permitting semi-annual reporting** – Canadian Natural believes that reducing the number of reporting periods would significantly reduce the regulatory cost and burden to reporting issuers without compromising the integrity of publicly available information for investors. As noted in the consultation paper, other jurisdictions have semi-annual reporting requirements. Canadian Natural believes that semi-annual reporting should be available to all reporting issuers, subject to developments and requirements in the United States for cross-issuers.
- **Eliminating overlap in regulatory requirements** - As noted in the consultation paper, reporting requirements require the reproduction of similar disclosures in the various required public disclosure documents. Specifically, there are many examples of duplication between disclosures required under IFRS and disclosures required to be made in Management’s Discussion and Analysis, often with subtle differences that we believe do not provide additional useful information. We encourage a detailed review of these items with the goal of eliminating duplication.
- **Enhancing electronic delivery of documents** –Electronic delivery of documents significantly reduces the costs of printing and mailing paper documents, which may not be read by investors. Anecdotally, we note that stakeholder requests for printed information has decreased dramatically over recent years, as our stakeholders are accessing this information electronically, either by means of our website, or through other channels, such as SEDAR in Canada. Canadian Natural is supportive of initiatives to allow electronic delivery of documents in more circumstances. However, we do not believe that this should include the mandating of information delivery for regulatory purposes on platforms such as XBRL without conducting a robust consultation process.

Canadian Natural Resources Limited

If you would like to discuss our comments further, please do not hesitate to contact the undersigned.

Sincerely,



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