LENDERS FUNDING AGREEMENT

THIS AGREEMENT is made as of April 7, 2014

BETWEEN:

ALBERTA PETROLEUM MARKETING COMMISSION and
CANADIAN NATURAL UPGRADING LIMITED
(collectively, the "Subordinated Debt Lenders" and each, a "Subordinated Debt Lender")

- and -

CANADIAN NATURAL RESOURCES LIMITED ("CNRL")

- and -

ROYAL BANK OF CANADA, as initial Collateral Agent (the "Collateral Agent")

- and -

NORTH WEST REDWATER PARTNERSHIP, as Borrower (the "Borrower").

WHEREAS the Subordinated Debt Lenders have agreed to make certain loans to the Borrower on a subordinated basis;

AND WHEREAS CNRL has agreed to provide a guarantee of CNUL’s obligations of payment and performance pursuant to this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby conclusively acknowledged by each of the parties hereto, the parties hereto covenant and agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

"80/20 Ratio" refers to the Project being financed 80% by total Debt financing pursuant to Senior Commercial Debt and 20% by total equity financing as contemplated by section 6.1 of the Processing Agreements, or such other lower ratio of total Debt financing to total equity financing as agreed by the Subordinated Debt Lenders from time to time, where all advances under the Class A Subordinated Debt Facility and the Class B Subordinated Debt Facility, interest accruing
thereunder prior to COD and Net Grant Amounts (as defined in the Processing Agreements) are deemed to be equity financing.

“80/20 True-Up” has the meaning set forth in Section 2.1(c).

“80/20 True-Up Estimate Date” means the date which is the last day of the first full Month following the Month in which the Toll Commencement Date occurs.

“80/20 True-Up Final Date” means the date which is six (6) Months following the 80/20 True-Up Estimate Date.

“Additional Obligation SDA” means the subordinated debt agreement in respect of certain Subordinated Debt Facilities in excess of the Base Obligation dated as of the date hereof between the Subordinated Debt Lenders, the Borrower, CNRL and CNR, as the same may be amended, modified, supplemented or restated from time to time.

“Agreement” means this lenders funding agreement, as the same may be amended, modified, supplemented or restated from time to time.

“APMC” means Alberta Petroleum Marketing Commission, and includes its successors and permitted assigns.

“APMC Processing Agreement” means the Amended and Restated Agreement to Process Crown Royalty Bitumen made February 16, 2011, as amended and restated November 7, 2012, and as amended and restated as of the date hereof, between APMC and the Borrower.

“Banking Day” means a day on which banks are open for business in Calgary, Alberta, but does not in any event include a Saturday or a Sunday or a statutory holiday.

“Base Obligation” has the meaning set forth in Section 2.1(a).

“Base Obligation Loans” has the meaning set forth in Section 2.1(a).

“Base Obligation Maximum Amount” means Cdn.$700,000,000.

“Base Obligation Methodology” has the meaning set forth in Section 2.1(a).

“Base Obligation Subordinated Debt Agreement” means the subordinated debt agreement in respect of the Base Obligation dated as of the date hereof between the Subordinated Debt Lenders, the Borrower, CNRL and CNR, as the same may be amended, modified, supplemented or restated from time to time.

“Beneficiaries” means, initially, the “Beneficiaries” under and as defined in each of the direct lender agreement made as of December 12, 2012 among CNR, Royal Bank of Canada, as initial lender agent, and the Borrower, and the direct lender agreement made as of December 12, 2012 among APMC, Royal Bank of Canada, as initial lender agent, and the Borrower, and, upon execution and delivery of the Collateral Agent and Intercreditor Agreement (as defined in the Processing Agreements), means the Collateral Agent and each of the other Secured Parties (as defined in the Collateral Agent and Intercreditor Agreement).
“Borrower” means North West Redwater Partnership, and includes its successors and permitted assigns.

“Canadian Dollars” and “Cdn.$” means the lawful money of Canada.

“Class A Subordinated Debt Facility” has the meaning given to such term in the SDAs.

“Class B Subordinated Debt Facility” has the meaning given to such term in the SDAs.

“CNR” means Canadian Natural Resources, a general partnership formed under the laws of Alberta, and its successors and permitted assigns.

“CNR Processing Agreement” means the Amended and Restated Agreement to Process Bitumen made February 16, 2011, as amended and restated November 7, 2012, and as amended and restated as of the date hereof, between CNR and the Borrower.

“CNRL” means Canadian Natural Resources Limited, and its successors and permitted assigns.

“CNUL” means Canadian Natural Upgrading Limited, and its successors and permitted assigns.

“COD” has the meaning given to the term “Commercial Operation Date” in the Processing Agreements.

“Collateral Agent” means, initially, Royal Bank of Canada in its capacity as lender agent under the Existing Bridge Facility Agreement, and, upon termination of the Existing Bridge Facility Agreement, means the collateral agent appointed, from time to time, pursuant to the Collateral Agent and Intercreditor Agreement (as defined in the Processing Agreements) to represent, among others, the providers of the Senior Commercial Debt from time to time.

“Debt” has the meaning given to such term in the Senior Commercial Debt Agreements.

“Debt Service Costs” has the meaning given to such term in the Processing Agreements.

“Drawdown Schedule” has the meaning set forth in Section 2.1(b).

“Existing Bridge Facility Agreement” means the credit agreement dated as of December 12, 2012 among the Borrower as borrower, Royal Bank of Canada, as agent, and Canadian Imperial Bank of Commerce, JPMorgan Chase Bank, N.A., Toronto Branch and Royal Bank of Canada, as lenders (as amended by an amending agreement dated as of August 30, 2013, a second amending agreement dated as of February 20, 2014, and a third amending agreement dated as of the date hereof, and as otherwise amended from time to time).

“Facility Capital Costs” has the meaning given to such term in the Processing Agreements.

“Initial Proceeds Trust Account” has the meaning given to such term in the Processing Agreements.

“Initial Proceeds Trust Agreement” has the meaning given to such term in the Processing Agreements.
“Month” means a calendar month.

“Prime Rate” means the interest rate offered by the Royal Bank of Canada to its commercial borrowers as its “prime rate” for commercial loans in Canada from time to time.

“Processing Agreements” means, collectively, the APMC Processing Agreement and the CNR Processing Agreement, and “Processing Agreement” means either one of them individually.

“Project” has the meaning given to such term in the Processing Agreements.

“SDAs” means, collectively, the Base Obligation Subordinated Debt Agreement and the Additional Obligation SDA.

“Senior Commercial Debt” means, initially, all present and future obligations, indebtedness, liabilities, covenants, agreements and undertakings of the Borrower under the Existing Bridge Facility Agreement (including all Obligations (as defined therein)) and all Cash Management Obligations and all Lender Financial Instrument Obligations (as such terms are defined in the Existing Bridge Facility Agreement) and, upon repayment and cancellation of the credit facilities under the Existing Bridge Facility Agreement, has the meaning given to the term “Secured Obligations” in the Collateral Agent and Intercreditor Agreement (as defined in the Processing Agreements).

“Senior Commercial Debt Agreements” means, collectively and at any point in time, those agreements, indentures, notes, instruments and other documents evidencing, governing or relating to the Senior Commercial Debt from time to time.

“Subordinated Debt Facilities” means, collectively, the credit facilities established under and pursuant to the SDAs.

“Subordinated Debt Facilities Interest Rate” means an interest rate equal to the Prime Rate plus 600 bps per annum.

“Subordination Agreement” means, from time to time, a subordination agreement between a Subordinated Debt Lender and the providers of Debt under the Existing Bridge Facility Agreement and, after repayment and cancellation of the credit facilities under the Existing Bridge Facility Agreement, a subordination agreement between a Subordinated Debt Lender and the providers of the Senior Commercial Debt or their representatives, substantially in the forms of Schedule “D1” and Schedule “D2” hereto, respectively, or such other forms as may reasonably be requested by the providers of the Senior Commercial Debt.

“Toll Commencement Date” has the meaning given to such term in the Processing Agreements.

1.2 Schedules

The following are the Schedules annexed hereto and incorporated by reference and deemed to be part hereof:

Schedule “A” - Drawdown Schedule
Schedule “B” - Base Obligation Methodology
Schedule “C” - Form of CNRL Guarantee
ARTICLE 2
FUNDING COMMITMENT AND SCHEDULE

2.1 Subordinated Debt Lenders’ Funding Commitment

(a) Base Obligation. Each of APMC and CNUL severally commits to and covenants with the Collateral Agent to make loans in Canadian Dollars (collectively, the “Base Obligation Loans” and, individually, a “Base Obligation Loan”) to the Borrower in an aggregate principal amount of Cdn.$324,363,000 (being a total aggregate principal amount of Cdn.$648,726,000); provided that APMC may elect to fund up to 75% of such loans pursuant to the terms of the Base Obligation Subordinated Debt Agreement, in which case the obligation of CNUL to make any such loan shall be reduced dollar-for-dollar by the increased amount elected to be advanced by APMC and the obligation of APMC to make any such loan shall be increased by the increased amount elected to be advanced by APMC (collectively, the “Base Obligation”). The amount of the Base Obligation has been determined in accordance with the methodology set forth in Schedule “B” hereto (the “Base Obligation Methodology”).

(b) Drawdown Schedule. Subject to the proviso in Section 2.1(a) (as to the amount to be advanced by CNUL if APMC increases the amount of any Base Obligation Loan which APMC is advancing), on each date set forth on Schedule “A” hereto (the “Drawdown Schedule”) each Subordinated Debt Lender shall advance to the Borrower a Base Obligation Loan in the amount set forth opposite such date on the Drawdown Schedule; provided that the Subordinated Debt Lenders may make advances of Base Obligation Loans in advance of the dates set forth in the Drawdown Schedule and, in such event, the amount of the Base Obligation shall be adjusted by the Base Obligation Methodology and the reduction to the Base Obligation shall be applied to reduce the amount of the Base Obligation Loans to be made on January 4, 2016.

(c) True-Up. As at each of the 80/20 True-Up Estimate Date and the 80/20 True-Up Final Date, the Subordinated Debt Lenders shall cause the Borrower to satisfy the 80/20 Ratio (the “80/20 True-Up”) by either making advances under or requiring repayments of the Subordinated Debt Facilities or requiring the Borrower to make drawdowns under or repayments of Debt under the Senior Commercial Debt Agreements, if available, in order to achieve the 80/20 True-Up, provided that in no case shall the Subordinated Debt Lenders be obligated hereunder to advance Base Obligation Loans in a principal amount which exceeds in the aggregate the Base Obligation Maximum Amount.

(d) Acceleration and Payment to Collateral Agent. Upon notice from the Collateral Agent to the Subordinated Debt Lenders that a triggering event or an event of default has occurred and is continuing (after the applicable grace or cure periods) under a Senior Commercial Debt Agreement, each Subordinated Debt Lender
shall, within five (5) Banking Days of receipt of such notice and provided such
triggering event or event of default is then continuing, fund and advance the
undrawn balance of the Base Obligation in Canadian Dollars to the Collateral
Agent. The amount of the underlying balance of the Base Obligation shall be
determined in accordance with the Base Obligation Methodology taking into
account the date of the accelerated advance of the undrawn balance of the Base
Obligation. The Collateral Agent shall, subject to receipt of such advance, apply
such funds or cause such funds to be applied either (i) to payment of Facility
Capital Costs and Debt Service Costs, or (ii) to repayment of the Senior
Commercial Debt, in accordance with the terms of the applicable Senior
Commercial Debt Agreements.

(e) **Obligations Unconditional.** Notwithstanding anything in this Agreement to the
contrary, each Subordinated Debt Lender’s obligation to fund the Base Obligation
in accordance with this Section 2.1 is absolute, unconditional and irrevocable and
is not subject to abatement, reduction, deduction or set-off for any reason
whatsoever, including, without limitation, the bankruptcy of insolvency of the
Borrower or restructuring of the Borrower’s debts under any insolvency,
restructuring or similar laws, a default, event of default or acceleration under the
Base Obligation Subordinated Debt Agreement or a default, triggering event,
event of default or similar circumstance or acceleration of Debt under any Senior
Commercial Debt Agreement.

**ARTICLE 3**

**PROPERTIES OF THE BASE OBLIGATION LOANS**

**3.1 Properties of the Base Obligation Loans**

The Base Obligation Loans to be made in accordance with Section 2.1 shall have the
following properties:

(a) **Purpose.** The proceeds of the Base Obligation Loans shall be used solely to
finance Facility Capital Costs and Debt Service Costs or to repay or refinance
Senior Commercial Debt.

(b) **Nature.** The Base Obligation Loans shall be non-revolving and shall be unsecured
obligations subordinated as provided herein.

(c) **Repayment.** Subject to acceleration upon an event of default under the Base
Obligation Subordinated Debt Agreement, the Borrower shall be required to repay
Base Obligation Loans advanced under the Class A Subordinated Debt Facility in
120 equal Monthly instalments commencing on the date that is one (1) year
following the end of the first full Month following the Month in which COD
occurs.

(d) **Idem.** Subject to acceleration upon an event of default under the Base Obligation
Subordinated Debt Agreement, the Borrower shall be required to repay all Base
Obligation Loans advanced under the Class B Subordinated Debt Facility
commencing in the first full Month following the Month in which COD occurs,
by payment of certain portions of the Monthly Incentive Fee component of the Monthly Cost of Service Toll, Annual Incentive Fees, Excess Capacity and the Annual Return on Equity portion of the Annual Equity Component of the Monthly Cost of Service Toll (the foregoing terms which are not defined herein have the definitions given to such terms in the Processing Agreements). To the extent such cash flows are insufficient to pay principal and interest payable under such Base Obligation Loans at the applicable date, the unpaid principal or interest shall continue to accrue interest under the Base Obligation Subordinated Debt Agreement (but default interest shall not apply). (If any amount is outstanding under the Class C Subordinated Debt Facility (as defined in the Additional Obligation SDA) established to fund operating costs, the foregoing cash flows shall first be applied to repay all outstanding obligations under the Class C Subordinated Debt Facility.) Any outstanding obligations under the Class B Subordinated Debt Facility at the end of the term of any Processing Agreements, including any renewal terms of a Processing Agreement, shall be payable in sixty (60) equal Monthly instalments commencing at the end of the initial term or renewal term, as the case may be, of the Processing Agreements.

3.2 **Interest on Base Obligation Loans**

Interest shall be payable on the Base Obligation Loans in accordance with the following:

(a) The Borrower shall pay interest on each Base Obligation Loan owing by it for each Month applicable thereto in Canadian Dollars at a rate per annum equal to the Subordinated Debt Facilities Interest Rate in effect from time to time.

(b) Interest shall not be payable on Base Obligation Loans until the Month following the Month in which COD occurs.

(c) Interest shall be payable from the Initial Proceeds Trust Account in accordance with the Initial Proceeds Trust Agreement.

(d) Upon the occurrence of an event of default under the Base Obligation Subordinated Debt Agreement which is continuing, the interest rates then applicable on the Base Obligation Loans shall each increase by 100 basis points per annum and such increase will remain in effect for as long as such event of default subsists.

**ARTICLE 4**

**SUBORDINATION**

4.1 **Subordination**

The obligations under the Subordinated Debt Facilities and Base Obligation Loans shall be subordinated to, *inter alia*, all obligations of the Borrower under all present and future Senior Commercial Debt Agreements and each Subordinated Debt Lender shall enter into a Subordination Agreement from time to time.
ARTICLE 5
CNRL GUARANTEE

5.1 CNRL Guarantee

CNRL shall, effective as of the date hereof, unconditionally and irrevocably guarantee to the Collateral Agent CNUL's obligations of payment and performance under this Agreement by entering into a guarantee in favour of the Collateral Agent in the form attached as Schedule "C" hereto.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES

6.1 Subordinated Debt Lender Representations and Warranties

Each of the Subordinated Debt Lenders hereby represents and warrants to and in favour of the Collateral Agent that:

(a) it has all requisite capacity, power and authority to enter into and perform its obligations under this Agreement; and

(b) it has duly authorized, executed and delivered this Agreement and this Agreement constitutes a legal, valid and binding obligation of it.

6.2 CNUL Representation and Warranty

CNUL hereby represents and warrants to and in favour of the Collateral Agent that it is a corporation validly existing and in good standing under the laws of Alberta.

6.3 APMC Representation and Warranty

APMC hereby represents and warrants to and in favour of the Collateral Agent that it is by statute an agent of Her Majesty the Queen in right of Alberta for all purposes, such that all obligations of APMC under this Agreement constitute legal, valid and binding obligations of Her Majesty the Queen in right of Alberta.

ARTICLE 7
GENERAL

7.1 Notices

Any demand, notice or communication to be made or given hereunder shall be in writing and may be made or given by personal delivery or by transmittal by telecopy or other electronic means of communication addressed to the respective parties as follows:

To the Collateral Agent

Royal Bank of Canada, as initial Collateral Agent
4th Floor, 20 King Street West
Toronto, ON M5H 1C4
To the Borrower:

North West Redwater Partnership
2800, 140 – 4th Avenue S.W.
Calgary, AB T2P 3N3

Attention: Director, Finance and Information Systems
Facsimile: (403) 398-0924

To APMC:

Alberta Petroleum Marketing Commission, as a Lender
300, 801 – 6th Avenue S.W.
Calgary, AB T2P 3W2

Attention: Chief Executive Officer
Facsimile: (403) 297-5468

To CNUL:

Canadian Natural Upgrading Limited
1800, 324 – 8th Avenue S.W.
Calgary, AB T2P 2Z2

Attention: Vice-President
Facsimile: (403) 514-7798

To CNRL:

Canadian Natural Resources Limited, as guarantor
1800, 324 – 8th Avenue S.W.
Calgary, AB T2P 2Z2

Attention: Senior Vice-President, Marketing
Facsimile: (403) 514-7798

or to such other address or telecopy number as any party may from time to time notify the others in accordance with this Section. Any demand, notice or communication made or given by personal delivery or by telecopy or other electronic means of communication during normal business hours at the place of receipt on a Banking Day shall be conclusively deemed to have been made or given at the time of actual delivery or transmittal, as the case may be, on such Banking Day. Any demand, notice or communication made or given by personal delivery or by telecopy or other electronic means of communication after normal business hours at the place of receipt or otherwise than on a Banking Day shall be conclusively deemed to have been made or given at 9:00 a.m. (Calgary time) on the first Banking Day following actual delivery or transmittal, as the case may be.
7.2 **Confidentiality of Information**

(a) All business and financial information delivered pursuant to or directly in relation to this Agreement by any party to another (in this Section 7.2, collectively the "Confidential Information"), shall be received in confidence and treated as confidential. No party shall disclose Confidential Information delivered by another party except:

(i) each of the Subordinated Debt Lenders and CNRL may disclose all or any part of the Information in accordance with the terms governing the Information (as defined in the Base Obligation Subordinated Debt Agreement) required or permitted to be disclosed by it pursuant to the Base Obligation Subordinated Debt Agreement.

(ii) to such of its officers, employees, consultants, advisors, financial agents, contractors, ratings agencies, surety companies and other prospective guarantors, investors or potential investors and lenders or potential lenders, and the respective agents, consultants and advisors of any of the foregoing who reasonably require access to the Confidential Information in furtherance of the Project or the Debt Financing (as defined in the Processing Agreements), in connection with an investment in or debt of the party or the carrying out of this Agreement or to verify compliance with this Agreement, in any such case subject to the same obligation of confidentiality;

(iii) as required by the *Freedom of Information and Protection of Privacy Act* (Alberta) or any other applicable laws;

(iv) a party hereto may disclose all or any part of the Confidential Information if, in its reasonable opinion, such disclosure is required in connection with any actual or threatened judicial, administrative or governmental proceedings, including proceedings initiated under or in respect of this Agreement;

(v) a party or any Beneficiary may disclose the Confidential Information to any governmental or regulatory authority (including any self-regulatory agency or authority) having jurisdiction over it (i) upon the request thereof or (ii) where it considers such disclosure to be advisable or appropriate, acting reasonably;

(vi) a party or any Beneficiary may provide any affiliate thereof with the Confidential Information to the extent reasonably required to be disclosed thereto; provided that each such affiliate shall be under a like duty of confidentiality to that contained in this Section 7.2 and the affiliate may disclose Confidential Information as permitted under this Section 7.2 as if the affiliate was a party, and further provided that the party or Beneficiary, as the case may be, providing the Confidential Information shall be responsible for any breach by its affiliate of the aforementioned like duty of confidentiality;
(vii) each of the Beneficiaries may disclose Confidential Information to any insurance or reinsurance company thereof for the purpose of maintaining insurance and to any actual or prospective counterparty to any securitization, swap or derivative transaction relating to the parties to the Processing Agreements; provided that such counterparty, insurance or reinsurance company or other person agrees in writing to be under a like duty of confidentiality to that contained in this Section 7.2;

(viii) the Beneficiaries may disclose the Confidential Information to other financial institutions and other persons in connection with the assignment or prospective assignment by a Beneficiary of any of its rights or obligations under a Senior Commercial Debt Agreement, or the granting or prospective granting by a Beneficiary of a participation in the facilities under a Senior Commercial Debt Agreement, or the sale or prospective sale by a Beneficiary of Senior Commercial Debt, in each case, where such financial institution or other person agrees to be under a like duty of confidentiality to that contained in this Section 7.2;

(ix) the parties may disclose all or any part of the Confidential Information so as to initiate any lawsuit or to defend any lawsuit the issues of which touch on the Confidential Information, but only to the extent such disclosure is necessary to the initiation or defense of such lawsuit;

(x) as required for financial reporting purposes or to comply with the rules of any stock exchange or to any taxation authority having jurisdiction; or

(xi) where the disclosure is consented to by the other parties.

(b) Notwithstanding the foregoing, this Section 7.2 shall have no application to information that at the time of delivery was in the public domain or subsequently became part of the public domain other than through a breach of this Section 7.2, or was in the possession of the receiving party at the time of delivery to it by the other party, as demonstrated by written records; nor shall this Section 7.2 apply to information that the disclosing party has specifically and expressly acknowledged as not being or no longer being confidential.

Notwithstanding Section 7.2(a), any party shall be at liberty to make public disclosure of the provisions of this Agreement.

7.3 Benefit of the Agreement

(a) This Agreement shall enure to the benefit of and be binding upon the Subordinated Debt Lenders and the Collateral Agent and their respective successors and permitted assigns.

(b) The parties hereto agree that CNRL is party to this Agreement only for the purpose of providing the guarantee contemplated in Article 5 and that the Collateral Agent shall be the only person entitled to rely on or receive the benefit of such guarantee.
(c) The parties hereto agree that the Borrower is party to this Agreement solely for the purposes of agreeing to enter into and receive the Base Obligation Loans and accepting the terms of the Base Obligation Loans as set forth herein and in the Base Obligation Subordinated Debt Agreement and the Borrower acknowledges it shall have no rights under this Agreement.

(d) All representations, covenants and other obligations of the Subordinated Debt Lenders hereunder to and for the benefit of the Collateral Agent shall be deemed to be to and for the benefit of the Collateral Agent and the other Beneficiaries.

7.4 **Collateral Agent Succession**

Upon any change in the identity of the Collateral Agent from time to time, the Collateral Agent shall require the successor Collateral Agent to, on or prior to effecting the transfer, assignment or succession of duties as Collateral Agent, enter into, and the parties hereto agree to enter into, a replacement agreement to this Agreement, on the same terms and conditions as set forth in this Agreement, *mutatis mutandis*.

7.5 **Assignment**

Except with the prior written consent of the Collateral Agent (such consent to be provided in accordance with the Senior Commercial Debt Agreements), the Subordinated Debt Lenders shall not sell, assign or otherwise transfer any of their rights or obligations under this Agreement.

7.6 **Severability**

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

7.7 **Whole Agreement**

This Agreement constitutes the whole and entire agreement between the Subordinated Debt Lenders and the Collateral Agent regarding the subject matter hereof and such parties agree there are no prior agreements (including any commitment letters), undertakings, declarations, commitments, representations, written or oral, in respect thereof.

7.8 **Amendments and Waivers**

Any provision of this Agreement may be amended only if the Collateral Agent, CNRL and each of the Subordinated Debt Lenders so agree in writing (and a copy of any such amendment shall be provided to the Borrower) and, except as otherwise specifically provided herein, may be waived only if the Collateral Agent and each of the Subordinated Debt Lenders so agree in writing. Any such waiver and any consent by the Collateral Agent and the Subordinated Debt Lenders under any provision of this Agreement must be in writing (including, for certainty, by electronic mail) and may be
given subject to any conditions thought fit by the person giving that waiver or consent. Any waiver or consent shall be effective only in the instance and for the purpose for which it is given. A copy of any such waiver or consent shall be provided to the Borrower.

7.9 **Time of the Essence**

Time shall be of the essence of this Agreement.

7.10 **Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

7.11 **Attornment**

The parties hereto each hereby attorn and submit to the non-exclusive jurisdiction of the courts of the Province of Alberta in regard to legal proceedings relating to this Agreement. For the purpose of all such legal proceedings, this Agreement shall be deemed to have been performed in the Province of Alberta and the courts of the Province of Alberta shall have jurisdiction to entertain any action arising under this Agreement.

7.12 **Counterparts**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or by sending a scanned copy by electronic mail shall be effective as delivery of manually executed counterpart of this Agreement.

[Remainder of this page intentionally left blank.]
IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first written above.

SUBORDINATED DEBT LENDERS:

ALBERTA PETROLEUM MARKETING COMMISSION

By: [Signature]
Name: Richard Masson
Title: Chief Executive Officer

CANADIAN NATURAL UPGRADEING LIMITED

By: [Signature]
Name: [Name]
Title: [Title]

GUARANTOR:

CANADIAN NATURAL RESOURCES LIMITED

By: [Signature]
Name: [Name]
Title: [Title]

By: [Signature]
Name: [Name]
Title: [Title]
IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first written above.

**SUBORDINATED DEBT LENDERS:**

**ALBERTA PETROLEUM MARKETING COMMISSION**

By:  
Name: Richard Masson  
Title: Chief Executive Officer

**CANADIAN NATURAL UPGRADING LIMITED**

By:  
Name:  
Title:  
By:  
Name:  
Title:  

**GUARANTOR:**

**CANADIAN NATURAL RESOURCES LIMITED**

By:  
Name:  
Title:  
By:  
Name:  
Title:
INITIAL COLLATERAL AGENT:

ROYAL BANK OF CANADA, as initial Collateral Agent

By: [Signature]
Name: Ann Hurley
Title: Manager, Agency

By: [Signature]
Name: 
Title: 

BORROWER:

NORTH WEST REDWATER PARTNERSHIP,
by its general partners
CANADIAN NATURAL UPGRADING LIMITED

By: [Signature]
Name: 
Title: 

By: [Signature]
Name: 
Title: 

NWU LP, by its general partner, 1726702 ALBERTA LTD.

By: [Signature]
Name: 
Title: 

By: [Signature]
Name: 
Title: 

Lenders Funding Agreement
INITIAL COLLATERAL AGENT:

ROYAL BANK OF CANADA, as initial Collateral Agent

By: 
  Name: 
  Title: 

By: 
  Name: 
  Title: 

BORROWER:

NORTH WEST REDWATER PARTNERSHIP, 
by its general partners 
CANADIAN NATURAL UPGRADING LIMITED

By: 
  Name: Steve W. Lent 
  Title: President

By: 
  Name: Bruce E. McGrath 
  Title: Corporate Secretary

NWU LP, by its general partner, 1726702 ALBERTA LTD.

By: 
  Name: 
  Title: 

By: 
  Name: 
  Title:
INITIAL COLLATERAL AGENT:
ROYAL BANK OF CANADA, as initial Collateral Agent

By: ____________________________
    Name: ________________________
    Title: _________________________

By: ____________________________
    Name: ________________________
    Title: _________________________

BORROWER:
NORTH WEST REDWATER PARTNERSHIP,
by its general partners
CANADIAN NATURAL UPGRADING LIMITED

By: ____________________________
    Name: ________________________
    Title: _________________________

By: ____________________________
    Name: ________________________
    Title: _________________________

NWU LP, by its general partner, 1726702 ALBERTA LTD.

By: ____________________________
    Name: Gary Lee
    Title: Secretary

By: ____________________________
    Name: Larry Vukori
    Title: Senior Vice President of Strategy and Corporate Development

Lenders Funding Agreement
SCHEDULE “A”

DRAWDOWN SCHEDULE

Base Obligation Advances

<table>
<thead>
<tr>
<th>Drawdown Date</th>
<th>Amount of Base Obligation Loan of each Subordinated Debt Lender</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 30, 2014</td>
<td>Cdn.$112,500,000</td>
<td>Cdn.$225,000,000</td>
</tr>
<tr>
<td>January 2, 2015</td>
<td>Cdn.$112,500,000</td>
<td>Cdn.$225,000,000</td>
</tr>
<tr>
<td>January 4, 2016</td>
<td>Cdn.$99,363,000</td>
<td>Cdn.$198,726,000</td>
</tr>
</tbody>
</table>
SCHEDULE “B”

BASE OBLIGATION METHODOLOGY

See attached.
SCHEDULE "B"

BASE OBLIGATION METHODOLOGY

Defined terms used and not otherwise defined in this Schedule shall have the meanings given to such terms in the Base Obligation Subordinated Debt Agreement as of the date hereof. All monetary figures are in thousands of Canadian Dollars.

For the avoidance of doubt, this Schedule pertains only to calculation of the Base Obligation and does not affect any calculations made in accordance with the Processing Agreements.

A. Equity Funding

Borrower equity ("Equity") consists of the aggregate of:

(a) 'old' equity which was previously funded to the Borrower to November 30, 2013 (c in the table below);

(b) AFUDC (as defined in the Processing Agreements) earned on 'old' equity to November 30, 2013;

(c) AFUDC to be earned on the 'old' equity from December 1, 2013 to the Toll Commencement Date;

(d) Advances of Class A Subordinated Loans to a maximum amount equal to the Base Obligation Maximum Amount and compound interest earned thereon to Toll Commencement Date.

Assuming that actual COD is achieved on the target commercial operation date for the Project (in this Schedule, "Target COD"), being September 1, 2017 (which would also be the Toll Commencement Date), Equity is calculated as follows:

\[
b = 0.20(a) \\
. b = 0.20(s + t + u + p) \\
. b = $1,808,671
\]

Where:

Target Facility Capital Costs (in this Schedule, "Target FCC") = \( s = $8,531,764 \)

AFUDC on 'old' equity to November 30, 2013 = \( t = $185,793 \). This number incorporates an AFUDC return on original equity (ROE) (to November 30, 2013) of 10.0% per annum.

AFUDC on 'old' equity from December 1, 2013 to August 31, 2017 = \( u = $165,590 \). This number incorporates an AFUDC return on original equity (ROE) (December 1, 2013 to August 31, 2017) of 5.0% per annum.

* Illustration of calculation of \( u \)

\[ u = \text{the compound AFUDC on 'old' equity from December 1, 2013 to August 31, 2017} \]

(using AFUDC formula in the Processing Agreements which shall be the aggregate of the returns in each Month from and including December 2013 to and
including the Month prior to Target COD calculated on the last day of such Month and determined as follows):

\[ u_n = \sum_{n=\text{First Month}}^{n=\text{Final Month}} e \times [(1 + r)^{\frac{\text{DIM}_n}{\text{DIY}_n}} - 1] \]

Where:

\( r \) is the annual interest rate (5% per annum)

\( n \) = the applicable Month commencing from and including December 2013 (in part A of this Schedule, the “First Month”) and ending on the Month prior to the Month in which the Toll Commencement Date falls (in part A of this Schedule, such ending Month being the “Final Month”)

\( e \) = ‘old’ equity which was previously funded to the Borrower to November 30, 2013 plus AFUDC earned on ‘old’ equity to November 30, 2013

\( \text{DIM}_n \) is the number of days in Month \( n \)

\( \text{DIY}_n \) is the number of days in the year during which Month \( n \) falls

Interest on Tranche 1 of the Class A Subordinated Debt Facility = \( p \), where \( p \) is currently estimated to be $160,206 pursuant to the calculation below.

Of the Equity to be provided by the Lenders, \( b \), some will be or have been provided (i) as ‘old’ equity contributed to November 30, 2013, (ii) as AFUDC earned on such ‘old’ equity to November 30, 2013, (iii) as AFUDC earned on ‘old’ equity from December 1, 2013 to the end of the Month prior to the Month during which the Target COD falls, and (iv) Net Grant Amounts (as defined in the Processing Agreement on the date hereof) paid to the Borrower prior to the Toll Commencement Date (in this Schedule, the “Grants”). Subtracting these amounts from \( b \) results in \( i \), the actual amount of additional Equity to be provided to the Borrower in the form of Class A Subordinated Loans (or the capitalization of interest accrued thereon).

The foregoing calculation is illustrated in the below table:

<table>
<thead>
<tr>
<th>Target Equity Calculation</th>
<th>Target Commercial Operation Date (Target COD)</th>
<th>Actual COD (Assume same as Target COD for this calculation)</th>
<th>Target Facility Capital Costs (Target FCC) (i.e. excluding AFUDC and interest on Class A Subordinated Loans)</th>
<th>AFUDC on 'old equity' to November 30, 2013</th>
<th>AFUDC on 'old equity' from December 1, 2013 to August 31, 2017</th>
<th>Capitalized interest on Class A Subordinated Debt Facility to Target COD</th>
<th>Total (Target FCC + AFUDC + capitalized interest on subordinated debt)</th>
<th>Target resulting total equity to be contributed (in order to achieve the 80/20 Ratio)</th>
<th>Legend of Symbols</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>9/1/2017</td>
<td>9/1/2017</td>
<td>8,531,764</td>
<td>185,793</td>
<td>165,590</td>
<td>160,206</td>
<td>9,043,353</td>
<td>1,808,671</td>
<td>( s )</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>( t )</td>
<td>( u )</td>
<td>( p )</td>
<td>( a = s + t + u + p )</td>
<td>( b = 0.20(a) )</td>
<td>( c )</td>
</tr>
<tr>
<td>'Old' equity contributed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>to November 30, 2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
AFUDC earned on ‘old’ equity to November 30, 2013 | 185,793 |
Total (‘old’ equity contributed to November 30, 2013 + AFUDC earned to November 30, 2013) | 823,949 |
AFUDC earned on ‘old’ equity from December 1, 2013 to August 31, 2017 | 165,590 |
Expected Grants | 10,200 |
Total equity (‘old’ equity contributed + AFUDC earned on ‘old’ equity + Grants) | 999,738 |
Required Class A Subordinated Loans and interest thereon (based on current assumptions) | 808,932 |

B. Scheduled Advances

The principal advances in accordance with the Drawdown Schedule are determined as follows:

<table>
<thead>
<tr>
<th>Advances of Class A Subordinated Loans</th>
<th>Drawdown Date</th>
<th>Amount</th>
<th>Legend of Symbols</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Advance 1</td>
<td>30-Apr -14</td>
<td>225,000</td>
<td>x</td>
</tr>
<tr>
<td>Principal Advance 2</td>
<td>2-Jan-15</td>
<td>225,000</td>
<td>y</td>
</tr>
<tr>
<td>Principal Advance 3 (remaining)</td>
<td>4-Jan-16</td>
<td>198,726</td>
<td>z</td>
</tr>
</tbody>
</table>

Total Principal | 648,726 |
Total Interest  | 160,206 |
Total           | 808,932 |

Required additional Equity, \( i \), is the sum of the three principal advances to be made under the Class A Subordinated Debt Facility (in this Schedule, each a “Principal Advance”), \( x \), \( y \) and \( z \), plus the total interest payable on \( x \), \( y \) and \( z \), being \( p \).

The interest earned on each of \( x \), \( y \) and \( z \) is calculated from but excluding the date that each of \( x \), \( y \) and \( z \), as applicable, is earned using the compound interest formula set forth below. The interest for each Month prior to the month during which the Toll Commencement Date occurs (the foregoing table assumes COD=Target COD=Toll Commencement Date) is calculated on the last day of such Month as follows:

\[
\text{Amount of interest payable} = \sum_{n=\text{First Month}}^{\text{Final Month}} \text{Principal Advance} \times [(1 + r)^{\text{DIM}_{n}} - 1]
\]

Where:

- \( r \) = rate of interest per annum. This variable is assumed to equal 9.0% per annum, being the sum of a 3.0% per annum assumed Prime Rate and 600 bps per annum.

- \( n \) = the applicable Month commencing from the Month during which the applicable Principal Advance is made (in part B of this Schedule, the “First Month”) and ending on (i) for the purposes of the calculations in part B and part C of this Schedule, August 2017, and (ii) for the purposes of the calculations in part D of this Schedule, the Month prior to the Month in which the Toll Commencement Date falls (in part B of this Schedule, such ending Month being the “Final Month”).

- \( \text{DIM}_{n} \) = the number of days in Month \( n \) during which the applicable Principal Advance was outstanding.
excluding the date that the Principal Advance was made.

DIY\textsubscript{n} = the number of days in the year during which Month \textsubscript{n} falls.

The interest for each Month \textsubscript{n} is added to the principal at the end of such Month, prior to calculating the interest for the subsequent Month. "p" is equal to the aggregate interest for \textit{x}, \textit{y} and \textit{z} for the Months commencing from the date on which Principal Advance \textit{x}, \textit{y} or \textit{z}, as applicable, was made up to but excluding the Month during which COD occurs.

Because \textit{i} includes \textit{p}, and since \textit{p} depends on \textit{z} which is an amount that is being determined according to this Schedule, it is necessary to calculate \textit{z} as follows:

\begin{align*}
\textit{b} &= 0.20(\textit{a}) = 0.20(\textit{s} + \textit{t} + \textit{u} + \textit{p}) \\
\textit{i} &= \textit{b} - \textit{h} = 0.20 (\textit{s} + \textit{t} + \textit{u} + \textit{p}) - \textit{h} \\
\textit{i} &= \textit{x} + \textit{y} + \textit{z} + \textit{p} \\
\textit{z} &= 0.20(\textit{s} + \textit{t} + \textit{u} + \textit{p}) - \textit{h} - \textit{x} - \textit{y} - \textit{p} \\
\textit{z} &= 0.20(\textit{s} + \textit{t} + \textit{u}) + (0.2\textit{p} - \textit{p}) - \textit{h} - \textit{x} - \textit{y} \\
\textit{z} &= 0.20(\textit{s} + \textit{t} + \textit{u}) - 0.8\textit{p} - \textit{h} - \textit{x} - \textit{y}
\end{align*}

If \textit{z} is calculated at Target COD using an assumed prime rate of 3.0\% per annum (as in the table above), then:

\begin{align*}
\textit{z} &= 0.20(8,531,764+185,793+165,590) - 0.8(160,206) - 999,738 - 225,000 - 225,000 \\
\textit{z} &= 326,891 - 0.8(160,206) \\
\textit{z} &= 198,726
\end{align*}

Let \textit{j} = interest on \textit{x}; \textit{k} = interest on \textit{y}; \textit{m} = interest on \textit{z}; \textit{w} = amount of interest on $1 of Principal Advance 3

This implies:

\begin{align*}
\textit{z} &= 326,891 - 0.8(\textit{j} + \textit{k}) - 0.8\textit{m} \\
\textit{z} &= 326,891 - 0.8(\textit{j} + \textit{k}) - 0.8\textit{wz}
\end{align*}

Note that \textit{j}, \textit{k} and \textit{w} can be determined using the compound interest formula above and \textit{m} can be calculated as a function of \textit{z} and thus \textit{z} can be determined without iteration based on the above formula.

C. Acceleration of Scheduled Advances from the Drawdown Schedule

To the extent that any of the Class A Subordinated Loans are advanced earlier than the scheduled advances or are accelerated as contemplated in Section 2.1, the interest thereon and the amount of the principal payments shall be recalculated using the foregoing methodology set forth in parts A and B of this Schedule, taking into account the date or dates the advances of such loans are actually made.

For example, if the remaining Class A Subordinated Loans are advanced on December 1, 2014, the accelerated Drawdown Schedule would be as follows:
### Advances of Class A Subordinated Loans

<table>
<thead>
<tr>
<th>Principal Advance 1</th>
<th>30-Apr-14</th>
<th>225,000</th>
<th>( x )</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Advance 2 (remainder)</td>
<td>1-Dec-14</td>
<td>405,076</td>
<td>( y )</td>
</tr>
<tr>
<td><strong>Total Principal</strong></td>
<td></td>
<td><strong>630,076</strong></td>
<td>( q = x + y )</td>
</tr>
<tr>
<td><strong>Total Interest</strong></td>
<td></td>
<td><strong>183,519</strong></td>
<td>( p = i - q )</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>813,595</strong></td>
<td>( i = q + p )</td>
</tr>
</tbody>
</table>

### D. 80/20 True-Up

Upon each of the 80/20 True-Up Estimate Date and the 80/20 True-Up Final Date, the principal and interest amounts comprising the total, \( i \), will be calculated retroactively using the actual Prime Rate and the Toll Commencement Date, as in effect on the applicable calculation dates.
SCHEDULE “C”

FORM OF CNRL GUARANTEE

See attached.
CANADIAN NATURAL RESOURCES LIMITED

GUARANTEE

MADE AS OF APRIL 7, 2014
TABLE OF CONTENTS

ARTICLE 1 INTERPRETATION ........................................................................................................ 1
1.1 Definitions .......................................................................................................................... 1
1.2 Headings .......................................................................................................................... 2
1.3 Number; persons; including; successors ........................................................................ 3
1.4 References to Agreements and Enactments .................................................................... 3
1.5 *Interest Act* (Canada) .................................................................................................... 3
1.6 Nominal Rates .................................................................................................................... 3

ARTICLE 2 GUARANTEE .......................................................................................................... 3
2.1 Guarantee of Obligations ................................................................................................. 3
2.2 Indemnity .......................................................................................................................... 4
2.3 Guarantor as Principal Obligor ....................................................................................... 4
2.4 Guarantee Absolute and Unconditional ......................................................................... 4

ARTICLE 3 DEALINGS WITH CNUL AND OTHERS ................................................................. 6
3.1 No Release ......................................................................................................................... 6
3.2 No Exhaustion of Remedies ............................................................................................ 7
3.3 Evidence of Obligations ................................................................................................... 7
3.4 No Set-off .......................................................................................................................... 7

ARTICLE 4 CONTINUING GUARANTEE .............................................................................. 7
4.1 Continuing Guarantee ...................................................................................................... 7
4.2 Revival of Indebtedness .................................................................................................. 7

ARTICLE 5 DEMAND FOR PAYMENT, EXPENSES AND INTEREST ................................. 8
5.1 Demand for Payment ....................................................................................................... 8
5.2 Stay of Acceleration ......................................................................................................... 8
5.3 Expenses .......................................................................................................................... 8
5.4 Interest ............................................................................................................................... 8

ARTICLE 6 SUBROGATION .................................................................................................. 9
6.1 Subrogation ....................................................................................................................... 9

ARTICLE 7 REPRESENTATIONS AND WARRANTIES; COVENANTS ................................. 9
7.1 Representations and Warranties ..................................................................................... 9
7.2 Effective Time of Repetition ......................................................................................... 10
7.3 Nature of Representations and Warranties .................................................................. 10
ARTICLE 8 POSTPONEMENT

8.1 Postponement

ARTICLE 9 GENERAL

9.1 Waiver of Notices
9.2 Benefit of the Guarantee
9.3 Taxes and Set-off by Guarantor
9.4 No Waiver; Remedies
9.5 Severability
9.6 Amendments and Waivers
9.7 Additional Security
9.8 Notices
9.9 Assignment
9.10 Time of Essence
9.11 Financial Condition of CNUL
9.12 Acknowledgement of Documentation
9.13 Entire Agreement
9.14 Governing Law
9.15 Attornment
9.16 Termination and Release
CANADIAN NATURAL RESOURCES LIMITED

GUARANTEE

THIS GUARANTEE is made as of April 7, 2014

WHEREAS the Guarantor is an Affiliate of CNUL;

AND WHEREAS the Guarantor has agreed to provide a guarantee of CNUL's obligations of payment and performance pursuant to the Lenders Funding Agreement;

NOW THEREFORE, in consideration of the covenants and agreements herein contained, the sum of Cdn. $10.00 now paid by the Beneficiaries to the Guarantor and other good and valuable consideration (the receipt and sufficiency of which are hereby conclusively acknowledged), the Guarantor hereby covenants and agrees with the Beneficiaries as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

(a) In this Guarantee and the recitals hereto, unless something in the subject matter or context is inconsistent therewith:

"Affiliate" means any person which, directly or indirectly, Controls, is Controlled by or is under common Control with another person.

"Beneficiaries" has the meaning ascribed to such term under and as defined in the Lenders Funding Agreement.

"Borrower" means North West Redwater Partnership and its successors.

"CNUL" means Canadian Natural Upgrading Limited and its successors.

"Collateral Agent" has the meaning ascribed to such term under and as defined in the Lenders Funding Agreement.

"Control" (including, with correlative meanings, the terms "controlled by" or "under common control with") means the power to direct or cause the direction of the management and policies of any person, whether through the ownership of shares or other economic interests, the holding of voting rights or contractual rights or otherwise.

"Default Rate" means a rate per annum that is equal to the Subordinated Debt Facilities Interest Rate plus 1.0% per annum.

"Guarantee" means this guarantee, as amended, modified, supplemented or restated from time to time in accordance with the provisions hereof.
"Guarantee Demand" has the meaning set forth in Section 5.1.

"Guarantor" means Canadian Natural Resources Limited and its successors.

"Lenders Funding Agreement" means the lenders funding agreement made as of April 7, 2014 between Alberta Petroleum Marketing Commission, CNUL, the Guarantor, the initial Collateral Agent and the Borrower.

"Obligations" means, collectively and at any time and from time to time, all of the obligations, indebtedness and liabilities (present or future, absolute or contingent, matured or not) of CNUL to the Collateral Agent (including, for certainty, its obligations to make certain funding to the Borrower as and when required under and pursuant to the terms of the Lenders Funding Agreement) under, pursuant or relating to the Lenders Funding Agreement, whether the same are from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again.

"SDAs" has the meaning ascribed to such term under and as defined in the Lenders Funding Agreement.

"Senior Commercial Debt Agreements" has the meaning ascribed to such term under and as defined in the Lenders Funding Agreement.

"Taxes" has the meaning ascribed to such term under and as defined in each of the SDAs in existence as of the date hereof.

(b) Capitalized words and phrases used in this Guarantee and the recitals hereeto without express definition herein shall, unless something in the subject matter or context is inconsistent therewith, have the same defined meanings as are ascribed to such words and phrases in the Lenders Funding Agreement. For certainty, if the Lenders Funding Agreement ceases to be in force for any reason whatsoever, then for all purposes hereof the aforementioned capitalized words and phrases shall continue to have the same defined meanings set forth in the Lenders Funding Agreement as if such agreement remained in force in the form immediately prior to its ceasing to be in force.

1.2 Headings

The division of this Guarantee into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Guarantee. The terms "this Guarantee", "hereof", "hereunder" and similar expressions refer to this Guarantee and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Guarantee.
1.3 **Number; persons; including; successors**

Words importing the singular number only shall include the plural and *vice versa*, words importing the masculine gender shall include the feminine and neuter genders and vice versa and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and vice versa and words and terms denoting inclusiveness (such as "include" or "includes" or "including"), whether or not so stated, are not limited by their context or by the words or phrases which precede or succeed them. References herein to any person shall, unless the context otherwise requires, include such person's successors and permitted assigns.

1.4 **References to Agreements and Enactments**

Unless otherwise stated, references herein to any agreement, instrument, licence or other document shall be deemed to include reference to such agreement, instrument, licence or other document as the same may from time to time be amended, modified, supplemented or restated; and reference herein to any enactment shall be deemed to include reference to such enactment as re-enacted, amended or extended from time to time and to any successor enactment.

1.5 **Interest Act (Canada)**

Whenever a rate of interest hereunder is calculated on the basis of a year (the "deemed year") which contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest shall be expressed as a yearly rate for the purposes of the *Interest Act* (Canada) by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year.

1.6 **Nominal Rates**

The principle of deemed reinvestment of interest shall not apply to any interest calculation under this Guarantee; all interest payments to be made hereunder shall be paid without allowance or deduction for deemed reinvestment or otherwise, before and after demand, default and judgment. The rates of interest specified in this Guarantee are intended to be nominal rates and not effective rates and any interest calculated hereunder shall be calculated using the nominal rate method and not the effective rate method of calculation.

**ARTICLE 2**  
**GUARANTEE**

2.1 **Guarantee of Obligations**

The Guarantor hereby unconditionally and irrevocably guarantees to the Beneficiaries the payment and performance of all of the Obligations, together with interest thereon as provided in Section 5.4.
2.2 **Indemnity**

If any or all of the Obligations are not duly paid or performed by CNUL, and are not recoverable under Section 2.1 for any reason whatsoever, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Beneficiaries from and against all losses resulting from the failure of CNUL to pay and perform such Obligations.

2.3 **Guarantor as Principal Obligor**

If any or all of the Obligations are not duly paid or performed by CNUL, and are not recoverable under Section 2.1 or the Beneficiaries are not indemnified under Section 2.2, in each case, for any reason whatsoever, such Obligations shall, as a separate and distinct obligation, be recoverable by the Beneficiaries from the Guarantor as the primary obligor and principal debtor in respect thereof and shall be paid to the Collateral Agent for the benefit of the Beneficiaries forthwith after demand therefor as provided herein.

2.4 **Guarantee Absolute and Unconditional**

The liability and obligations of the Guarantor hereunder shall be continuing, unconditional and absolute and, without limiting the generality of the foregoing, shall not be released, discharged, limited or otherwise affected by:

(a) any extension, other indulgence, renewal, settlement, discharge, compromise, waiver, subordination or release in respect of any Obligation, security, person or otherwise, including any extension, other indulgence, renewal, settlement, discharge, compromise, waiver, subordination or release of any of the Obligations, covenants or undertakings of CNUL under the Lenders Funding Agreement;

(b) any change in the person who acts as the Collateral Agent under the Lenders Funding Agreement;

(c) any modification or amendment of or supplement to the Obligations;

(d) any loss of or in respect of any security held by or on behalf of the Beneficiaries, whether occasioned by the fault of the Beneficiaries or otherwise, including any release, non-perfection or invalidity of any such security;

(e) any change in the existence, structure, constitution, name, control or ownership of CNUL or any other person, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting CNUL or any other person or their respective assets;

(f) the existence of any set-off, counterclaim, claim or other right which the Guarantor or CNUL may have at any time against the Beneficiaries or any other person, whether in connection with the Lenders Funding Agreement, this Guarantee or any unrelated transaction;
(g) any provision of applicable law purporting to prohibit or limit the payment by CNUL of any Obligation, and the foregoing is hereby waived by the Guarantor to the extent permitted under applicable law;

(h) any limitation, postponement, prohibition, subordination or other restriction on the right of a Beneficiary or any other person on behalf of a Beneficiary to payment of the Obligations;

(i) any release, substitution or addition of any other guarantor of the Obligations;

(j) any defence arising by reason of any failure of any Beneficiary or any other person on a Beneficiary's behalf to make any presentment, demand, or protest or to give any other notice, including notice of all of the following: acceptance of this Guarantee, partial payment or non-payment of all or any part of the Obligations and the existence, creation, or incurring of new or additional Obligations;

(k) any defence arising by reason of any failure of a Beneficiary or any other person on behalf of a Beneficiary to proceed against CNUL or any other person, or to apply or exhaust any security held from any person for the Obligations, to proceed against, apply or exhaust any security held from any person, or to pursue any other remedy available to the Beneficiaries or any other person on behalf of the Beneficiaries;

(l) any defence arising by reason of the invalidity, illegality or lack of enforceability of the Obligations or any part thereof or of any security or guarantee held by the Beneficiaries, or by reason of any incapacity, lack of authority, or other defence of CNUL or any other person, or by reason of any limitation, postponement or prohibition on a Beneficiary's or other person on behalf of a Beneficiary's rights to payment, or the cessation from any cause whatsoever of the liability of CNUL or any other person with respect to all or any part of the Obligations (other than irrevocable payment to the Beneficiaries in full, in cash, of the Obligations), or by reason of any act or omission of the Beneficiaries or others which directly or indirectly results in the discharge or release of CNUL or any other person or of all or any part of the Obligations or any security or guarantee held by the Beneficiaries, whether by contract, operation of law or otherwise;

(m) any defence arising by reason of the failure by a Beneficiary or any other person on behalf of a Beneficiary to obtain, register, perfect or maintain any mortgage, charge, lien or security interest in or upon any property or any person, or by reason of any interest of the Beneficiaries or any other person on behalf of the Beneficiaries in any property, whether as owner thereof or as holder of any mortgage, charge, lien or security interest therein or thereon, being invalidated, voided, declared fraudulent or preferential or otherwise set aside, or by reason of any impairment of any right or recourse to collateral;
any defence arising by reason of the failure of the Beneficiaries or any other person on behalf of the Beneficiaries to marshal assets;

to the extent permitted under applicable law, any defence based upon any failure of the Beneficiaries or any other person on behalf of the Beneficiaries to give to CNUL or the Guarantor notice of any sale or other disposition of any property securing any or all of the Obligations or any other guarantee thereof, or any notice that may be given in connection with any sale or other disposition of any such property;

any defence based upon or arising out of any bankruptcy, insolvency, reorganization, moratorium, arrangement, readjustment of debt, liquidation or dissolution proceeding commenced by or against CNUL or any other person, including any discharge or bar against collection of any of the Obligations; or

any other law, event or circumstance or any other act or failure to act or delay of any kind by CNUL, the Beneficiaries or any other person, which might, but for the provisions of this Section, constitute a legal or equitable defence to or discharge, limitation or reduction of the Guarantor's obligations hereunder, other than as a result of the payment or extinguishment in full of the Obligations.

The foregoing provisions apply and the foregoing waivers, to the extent permitted under applicable law, shall be effective even if the effect of any action or failure to take action by the Beneficiaries or any person on behalf of the Beneficiaries is to destroy or diminish the Guarantor's subrogation rights, the Guarantor's right to proceed against CNUL for reimbursement, the Guarantor's right to recover contribution from any other guarantor or any other right or remedy of the Guarantor.

ARTICLE 3
DEALINGS WITH CNUL AND OTHERS

3.1 No Release

The Beneficiaries, without releasing, discharging, limiting or otherwise affecting in whole or in part the Guarantor's liability and obligations hereunder, may:

(a) grant time, renewals, extensions, indulgences, releases and discharges to CNUL or any other guarantor or endorser;

(b) take or abstain from taking security or collateral or from perfecting security or collateral from any person;

(c) accept compromises from CNUL or any other guarantor or endorser;

(d) subject to the Lenders Funding Agreement and the other Senior Commercial Debt Agreements, apply all money at any time received from CNUL or from security upon such part of the Obligations as the Beneficiaries may see fit or change any
such application in whole or in part from time to time as the Beneficiaries may see fit; or

(e) otherwise deal with CNUL and all other persons and security as the Beneficiaries may see fit.

3.2 **No Exhaustion of Remedies**

The Beneficiaries shall not be bound or obligated to exhaust their recourse against CNUL or other persons or any securities or collateral it may hold or take any other action (other than to make demand pursuant to Article 5) before the Beneficiaries shall be entitled to demand, enforce and collect payment from the Guarantor hereunder.

3.3 **Evidence of Obligations**

Any account settled or stated in writing by or between a Beneficiary or the Beneficiaries, as the case may be, and CNUL shall be prima facie evidence that the balance or amount thereof appearing due to the same is so due.

3.4 **No Set-off**

In any claim by the Beneficiaries against the Guarantor hereunder, the Guarantor shall not claim or assert any set-off, counterclaim, claim or other right that any of CNUL or the Guarantor may have against one or more of the Beneficiaries.

ARTICLE 4

**CONTINUING GUARANTEE**

4.1 **Continuing Guarantee**

Subject to Section 9.16, this Guarantee shall be a continuing guarantee and shall continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by any Beneficiary for any reason whatsoever (including the insolvency, bankruptcy or reorganization of CNUL), all as though such payment had not been made.

4.2 **Revival of Indebtedness**

If at any time, all or any part of any payment previously received by a Beneficiary and applied to any Obligation must be rescinded or returned by the Beneficiary for any reason whatsoever (including the insolvency, bankruptcy or reorganization of CNUL), such Obligation shall, for the purpose of this Guarantee, to the extent that such payment must be rescinded or returned, be deemed to have continued in existence, notwithstanding such application by the Beneficiary, and this Guarantee shall continue to be effective or be reinstated, as the case may be, as to such Obligation as though such application by the Beneficiary had not been made.
ARTICLE 5
DEMAND FOR PAYMENT, EXPENSES AND INTEREST

5.1 Demand for Payment

The Collateral Agent on behalf of the Beneficiaries shall be entitled to make demand upon the Guarantor at any time after the Collateral Agent has delivered notice to CNUL pursuant to the Lenders Funding Agreement and CNUL has failed to perform its obligations thereunder when due and payable (the "Guarantee Demand") and upon any such demand the Beneficiaries may treat all Obligations as due and payable and may forthwith collect from the Guarantor all Obligations. The Guarantor shall make payment to or performance in favour of the Collateral Agent for the benefit of the Beneficiaries of all Obligations forthwith after demand therefor is made upon the Guarantor by the Collateral Agent as aforesaid.

5.2 Stay of Acceleration

If acceleration of the time for payment of any amount payable by CNUL in respect of the Obligations is stayed upon the insolvency, bankruptcy, arrangement or reorganization of CNUL or any moratorium affecting the payment of the Obligations, all such amounts that would otherwise be subject to acceleration shall nonetheless be payable by the Guarantor hereunder forthwith on demand by the Collateral Agent.

5.3 Expenses

The Guarantor shall pay to the Collateral Agent on behalf of the Beneficiaries all reasonable out of pocket costs and expenses, including all reasonable legal fees (on a solicitor and his own client basis) and other expenses incurred by the Beneficiaries from time to time in the enforcement, realization and collection of or in respect of this Guarantee. All such amounts shall be payable by the Guarantor on demand by the Collateral Agent.

5.4 Interest

Any payment obligation comprised in the Obligations guaranteed hereunder which is not paid when due hereunder shall bear interest, to the extent not already included in the Obligations, both before and after default or judgment, from the date of demand pursuant to Section 5.1 to the date of payment at the Default Rate. Any other amounts payable pursuant hereto, including pursuant to Section 5.3, which are not paid when due hereunder shall bear interest, both before and after default or judgment, from the date of demand pursuant to Section 5.1 to the date of payment or reimbursement thereof by the Guarantor at a rate per annum that is equal to the Default Rate. All such interest shall accrue daily and shall be payable by the Guarantor on demand by the Collateral Agent.
ARTICLE 6
SUBROGATION

6.1 Subrogation

(a) Until all the Obligations have been irrevocably paid in full in cash, the Guarantor shall have no right of subrogation to, and waives to the fullest extent permitted by applicable law, any right to enforce any remedy which the Beneficiaries now have or may hereafter have against CNUL in respect of the Obligations, and until such time the Guarantor waives any benefit of, and any right to participate in, any security, now or hereafter held by the Beneficiaries for the Obligations.

(b) If (i) the Guarantor performs or makes payment to the Beneficiaries of all amounts owing by the Guarantor under this Guarantee, and (ii) the Obligations are performed and irrevocably paid in full then the Beneficiaries will, at the Guarantor's request, execute and deliver to the Guarantor appropriate documents, without recourse and without representation and warranty, necessary to evidence the transfer by subrogation to the Guarantor of the Beneficiaries' interest in the Obligations and any security held therefor resulting from such performance or payment by the Guarantor.

ARTICLE 7
REPRESENTATIONS AND WARRANTIES; COVENANTS

7.1 Representations and Warranties

The Guarantor represents and warrants as follows to each of the Beneficiaries and acknowledges and confirms that each of the Beneficiaries is relying upon such representations and warranties:

(a) Status and Authority

It is a corporation duly amalgamated and existing under the laws of the Province of Alberta and has all authority, capacity and powers and all material governmental authorizations required to carry on its business as now conducted.

(b) Valid Authorization

The execution, delivery and performance by the Guarantor of this Guarantee (i) is within the Guarantor's authority, capacity and power, (ii) has been duly authorized by all necessary corporate and other action, (iii) requires no governmental authorization or action by or in respect of, or filing with, any governmental authority, and (iv) does not contravene or constitute a default under any provision of applicable law, or any agreement or any judgment, injunction, order, decree or other instrument binding upon the Guarantor or result in the creation or imposition of any mortgage, charge, lien or security interest on any asset of the Guarantor.
(c) **Enforceability of Guarantee**

This Guarantee constitutes a valid and legally binding obligation of the Guarantor, enforceable against the Guarantor in accordance with its terms subject to applicable bankruptcy, insolvency and other laws of general application limiting the enforceability of creditors' rights and to the fact that equitable remedies are only available in the discretion of the court.

**7.2 Effective Time of Repetition**

All representations and warranties, when repeated or deemed to be repeated hereunder, shall be construed with reference to the facts and circumstances existing at the time of repetition, unless they are stated herein to be made as at the date hereof.

**7.3 Nature of Representations and Warranties**

The representations and warranties set out in this Guarantee or deemed to be made pursuant hereto shall survive the execution and delivery of this Guarantee notwithstanding any investigations or examinations which may be made by the Beneficiaries' or their counsel. Such representations and warranties shall survive until this Guarantee has been terminated.

**ARTICLE 8**

**POSTPONEMENT**

**8.1 Postponement**

After any Guarantee Demand has been made hereunder, all debts, liabilities and obligations, present and future of CNUL to or in favour of the Guarantor shall be and are hereby postponed and subordinated to the prior payment and performance in full of the Obligations. All money received by the Guarantor in respect of such debts, liabilities and obligations shall be received and held in trust for the benefit of the Beneficiaries and upon demand hereunder shall be forthwith paid over to the Collateral Agent for the benefit of the Beneficiaries, the whole without in any way lessening or limiting the liability and obligations of the Guarantor hereunder and this postponement is independent of the Guarantee and shall remain in full force and effect until payment and performance in full of the Obligations and all obligations of the Guarantor under this Guarantee.

**ARTICLE 9**

**GENERAL**

**9.1 Waiver of Notices**

The Guarantor hereby waives promptness, diligence, presentment, demand of payment, notice of acceptance and any other notice with respect to this Guarantee and the obligations guaranteed hereunder, except for the demand pursuant to Section 5.1.
9.2 **Benefit of the Guarantee**

This Guarantee shall enure to the benefit of the respective successors and permitted assigns of the Beneficiaries and be binding upon the successors of the Guarantor.

9.3 **Taxes and Set-off by Guarantor**

(a) All payments by the Guarantor under this Guarantee, whether in respect of principal, interest, interest on overdue and unpaid interest, fees or any other Obligations, shall be made in full without any deduction or withholding (whether in respect of set off, counterclaim, duties, Taxes, charges or otherwise whatsoever) unless the Guarantor is prohibited by applicable laws from doing so, in which event the Guarantor shall:

(i) ensure that the deduction or withholding does not exceed the minimum amount legally required;

(ii) forthwith pay to the Collateral Agent for the benefit of the Beneficiaries such additional amount so that the net amount received by the Beneficiaries will equal the full amount which would have been received by it had no such deduction or withholding been made;

(iii) pay to the relevant taxation or other authorities, within the period for payment required by applicable laws, the full amount of the deduction or withholding (including the full amount of any deduction or withholding from any additional amount paid pursuant to this Section 9.3); and

(iv) furnish to the Collateral Agent promptly, as soon as available, an official receipt of the relevant taxation or other authorities involved for all amounts deducted or withheld as aforesaid.

(b) If any Beneficiary is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Guarantor is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Guarantee, such Beneficiary shall deliver to the Guarantor, at the time or times prescribed by applicable law, such properly completed and executed documentation prescribed by applicable law or reasonably requested by the Guarantor as will permit such payments to be made without withholding or at such reduced rate.

(c) Upon written notice sent by the Guarantor to the applicable Beneficiary during the term of this Guarantee that such Beneficiary will receive a refund, credit or deduction from a taxing authority in respect of a payment by the Guarantor of Taxes pursuant thereto, such Beneficiary, as the case may be, thereupon shall make commercially reasonable efforts to repay to the Guarantor the amount with respect to such refund, credit or deduction equal to any net reduction in Taxes actually obtained by such Beneficiary, as the case may be, to be attributable to such refund, credit or deduction.
9.4 **No Waiver: Remedies**

No failure on the part of any Beneficiary to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

9.5 **Severability**

If any provision of this Guarantee is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect.

9.6 **Amendments and Waivers**

Any provision of this Guarantee may be amended, waived or a consent given in respect thereof with the concurrence of the Guarantor and the Collateral Agent on behalf of the Beneficiaries. Any amendment, waiver and any consent by the Collateral Agent on behalf of the Beneficiaries must be in writing signed by the Collateral Agent and may be given subject to any conditions thought fit by the Collateral Agent. Any waiver or consent shall be effective only in the instance and for the purpose for which it is given.

9.7 **Additional Security**

This Guarantee is in addition and without prejudice to any security of any kind (including, without limitation, other guarantees) now or hereafter held by the Beneficiaries or any person on behalf of the Beneficiaries and any other rights or remedies they might have.

9.8 **Notices**

Any demand, notice or other communication (hereinafter in this Section 9.8 referred to as a "Communication") to be given in connection with this Guarantee shall be given in writing and may be given by personal delivery, facsimile or by registered mail addressed to the recipient as follows:

- to the Beneficiaries: c/o the Collateral Agent at the contact particulars of the Collateral Agent set forth in the notice provisions of section 7.1 of the Lenders Funding Agreement; and

- to the Guarantor: to CNRL at the contact particulars of CNRL set forth in the notice provisions of section 7.1 of the Lenders Funding Agreement,

or such other address or electronic communication number as may be designated by notice by any party to the other. Any Communication given by personal delivery or facsimile transmission shall be conclusively deemed to have been given on the day of
actual delivery or transmittal thereof and, if given by registered mail, on the third day following the deposit thereof in the mail. If the party giving any Communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of mail, any such Communication shall not be mailed but shall be given by personal delivery or facsimile transmission.

9.9 Assignment

The rights of the Beneficiaries under this Guarantee may be assigned by the Beneficiaries in accordance with the provisions of the Senior Commercial Debt Agreements. The Guarantor may not assign its obligations under this Guarantee without the prior written consent of the Collateral Agent (which consent may be withheld in its sole discretion).

9.10 Time of Essence

Time is of the essence with respect to this Guarantee and the time for performance of the obligations of the Guarantor under this Guarantee may be strictly enforced by the Beneficiaries.

9.11 Financial Condition of CNUL

The Guarantor is fully aware of the financial condition of CNUL and acknowledges that it shall receive a benefit from the Beneficiaries entering into the Senior Commercial Debt Agreements to which the Beneficiaries are a party. The Guarantor assumes all responsibility for being and keeping itself informed of CNUL's financial condition and assets, and of all other circumstances bearing upon the risk of non-payment or non-performance of the Obligations and the nature, scope and extent of the risks which Guarantor assumes and incurs hereunder, and agrees that the Beneficiaries shall not have a duty to advise Guarantor of information known to any of them regarding such circumstances or risks.

9.12 Acknowledgement of Documentation

The Guarantor hereby acknowledges receipt of a true and complete copy of the Lenders Funding Agreement and the other Senior Commercial Debt Agreements and all of the terms and conditions thereof.

9.13 Entire Agreement

This Guarantee and the Lenders Funding Agreement constitute the entire agreement between the Beneficiaries and the Guarantor with respect to the subject matter hereof and cancel and supersede any prior understandings and agreements between such parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, expressed, implied or statutory, between such parties other than as expressly set forth herein or therein.
9.14 **Governing Law**

This Guarantee shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

9.15 **Attornment**

The Guarantor and each of the Beneficiaries hereby attorn and submit to the jurisdiction of the courts of the Province of Alberta in regard to legal proceedings relating to this Guarantee. For the purpose of all such legal proceedings, the courts of the Province of Alberta shall have jurisdiction to entertain any action arising under this Guarantee. Notwithstanding the foregoing, nothing in this Section 9.15 shall be construed nor operate to limit the right of the Guarantor or the Beneficiaries to commence any action relating hereto in any other jurisdiction, nor to limit the right of the courts of any other jurisdiction to take jurisdiction over any action or matter relating hereto.

9.16 **Termination and Release**

At such time as the Obligations have been unconditionally and irrevocably paid in full in cash and the Lenders Funding Agreement has been terminated, the obligations of the Guarantor hereunder shall terminate, all without delivery of any instrument or performance of any act by any party. The Collateral Agent shall, at the request and expense of CNUL or the Guarantor, as applicable, execute and deliver to CNUL or the Guarantor such documents as CNUL or the Guarantor shall reasonably request to evidence any termination or release contemplated by this Section 9.16.

[Remainder of this page intentionally left blank.]
IN WITNESS WHEREOF the Guarantor has executed this Guarantee.

CANADIAN NATURAL RESOURCES LIMITED

Per: ____________
Name: ____________
Title: ____________

Per: ____________
Name: ____________
Title: ____________
SCHEDULE "D1"

FORM OF SUBORDINATION AGREEMENT (BRIDGE FACILITIES)

See attached.
SUBORDINATION AGREEMENT
(Subordinated Debt)

[Bridge Facilities]

This Subordination Agreement made as of [●], 2014 is made between Royal Bank of Canada in its capacities described in Section 7.13 hereof (the "Agent"), North West Redwater Partnership (the "Borrower") and [Canadian Natural Upgrading Limited] OR [Alberta Petroleum Marketing Commission] (the "Subordinated Creditor").

RECITALS:

A. The Beneficiaries have agreed to make loans or advances and otherwise extend credit to the Borrower pursuant to the terms of the Credit Agreement and may hereafter extend credit or provide cash management services to the Borrower pursuant to Lender Financial Instruments or Cash Management Documents.

B. The Borrower intends to borrow money from and may hereafter become further indebted to the Subordinated Creditor.

C. The Credit Agreement precludes the Borrower from having outstanding indebtedness owing to the Subordinated Creditor unless the Subordinated Creditor has subordinated its rights against the Borrower in accordance with the terms of this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT, in consideration of the covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby conclusively acknowledged by each of the Parties, the Parties covenant and agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, including in the recitals hereto, terms and expressions defined in the Credit Agreement shall have those meanings when used herein (unless otherwise defined herein), and in addition:

"Agreement" means this agreement, as the same may be amended, modified, supplemented or restated from time to time in accordance with the provisions hereof;

"Beneficiaries" means, collectively, the Lenders, the Hedging Affiliates (including any Former Lender and Affiliates thereof which have outstanding any Former Lender Financial Instrument Obligations), the Cash Manager and the Agent, and "Beneficiary" means any of the foregoing;

"Borrower Indebtedness" means, collectively, the Senior Debt and the Subordinated Debt;
"Credit Agreement" means the credit agreement made as of December 12, 2012 between the Borrower, the Agent and the Lenders relating to the establishment of certain credit facilities in favour of the Borrower, as amended pursuant to a first amending agreement made as of August 30, 2013, a second amending agreement made as of February 20, 2014 and by a third amending agreement made as of the date hereof;

"Creditor Proceedings" means:

(a) any dissolution, winding-up, total or partial liquidation, adjustment or readjustment of debt, reorganization, compromise, arrangement with creditors, plan of arrangement, proposal, filing of a notice of intention to make a proposal or similar proceedings under Insolvency Laws of or with respect to the Borrower or its property or liabilities, in each case under any Insolvency Law;

(b) any dissolution, winding-up, total or partial liquidation, adjustment or readjustment of debt, reorganization, compromise, arrangement with creditors, plan of arrangement or similar proceedings under the arrangement provisions of any applicable corporate law (in any case which involves the alteration, amendment, conversion, compromise, satisfaction or discharge of obligations of any or all creditors) of or with respect to the Borrower or its property or liabilities;

(c) any bankruptcy, insolvency, receivership, interim receivership, petition or assignment in bankruptcy, or assignment for the benefit of creditors under any Insolvency Laws of or with respect to the Borrower;

(d) any marshalling of assets and liabilities of the Borrower under any Insolvency Laws; or

(e) any proceedings, or the initiation of any proceedings, in relation to any of the foregoing,

whether any of the foregoing is voluntary or involuntary, partial or complete, and includes any such proceedings initiated or consented to by the Borrower;

"Default" means:

(a) any Default (for certainty, under and as defined in the Credit Agreement) or Event of Default; or

(b) any Financial Instrument Demand for Payment (including under or in respect of any agreement, instrument or other document which evidences or relates to any outstanding Former Lender Financial Instrument Obligations).

"Excluded Assignment" means:

(a) any assignment to APMC; and
any assignment to CNRL or any Affiliate thereof (which shall exclude, for
certainty, the Borrower or any Subsidiary thereof), provided that, in the case of an
assignment to an Affiliate of CNRL, the remaining unfunded obligations of such
Affiliate remain fully guaranteed by CNRL on the same basis as in effect on the
date hereof;

"Former Lender Financial Instrument Obligations" means Financial Instrument Obligations
owing to a Former Lender and its Affiliates under Lender Financial Instruments entered into
while such Former Lender was a Lender under the Credit Agreement;

"Insolvency Laws" means the Bankruptcy and Insolvency Act (Canada), the Companies' Creditors
Arrangement Act (Canada), the Winding-up and Restructuring Act (Canada) or any
other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors,
moratorium, reorganization, receivership, insolvency, arrangement or similar laws of Canada or
any other applicable jurisdiction from time to time that have become applicable to the Borrower
or any of its properties or liabilities;

"Loan Payment" means any payment by the Borrower of or on account of indebtedness for
borrowed money or other Debt owing to the Subordinated Creditor (whether made, paid or
satisfied in or for cash, property or both);

"Parties" mean the parties to this Agreement;

"SDAs" means, collectively, the Subordinated Debt Agreement (Base Obligation) and the
Subordinated Debt Agreement (Additional Obligations), and "SDA" means either one of them
individually;

"Senior Debt" means all present and future obligations, indebtedness, liabilities, covenants,
agreements and undertakings of the Borrower and its Subsidiaries to any and all of the
Beneficiaries under, pursuant or relating to the Senior Debt Documents, whether direct or
indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and
howsoever incurred or arising, and any ultimate unpaid balance thereof, including all
Obligations, Cash Management Obligations and Lender Financial Instrument Obligations
(including, for certainty, all Former Lender Financial Instrument Obligations) and whether the
same are from time to time reduced and thereafter increased or entirely extinguished and
thereafter incurred again and whether the Borrower be bound alone or with others and whether as
principal or surety, including all expenses paid or incurred by any of the Beneficiaries in
endeavouring to collect or realize upon the foregoing;

"Senior Debt Documents" means, collectively, the Documents, the Lender Financial
Instruments (and including, for certainty, any agreement, instrument or other document which
evidences or relates to any outstanding Former Lender Financial Instrument Obligations) and the
Cash Management Documents;

"Subordinated Debt" means, collectively, all present and future obligations, indebtedness,
liabilities, covenants, agreements and undertakings of the Borrower to, owing to, or in favour of
the Subordinated Creditor under, pursuant or relating to the Subordinated Debt Documents,
including all Debt of the Borrower under, pursuant or relating to the Subordinated Debt Documents;

"Subordinated Debt Agreement (Additional Obligations)" means the subordinated debt agreement made as of the date hereof between the Borrower, as borrower, Alberta Petroleum Marketing Commission and Canadian Natural Upgrading Limited, as lenders, CNRL, as guarantor, and CNR, in respect of the Additional Obligations (under and as defined in in such subordinated debt agreement as in effect on the date hereof);

"Subordinated Debt Agreement (Base Obligation)" means the subordinated debt agreement made as of the date hereof between the Borrower, as borrower, Alberta Petroleum Marketing Commission and Canadian Natural Upgrading Limited, as lenders, CNRL, as guarantor, and CNR, in respect of Tranche 1 of the Class A Subordinated Debt Facility (under and as defined in such subordinated debt agreement as in effect on the date hereof) and Tranche 1 of the Class B Subordinated Debt Facility (under and as defined in such subordinated debt agreement as in effect on the date hereof);

"Subordinated Debt Documents" means the Subordinated Debt Agreement (Base Obligation) and the Subordinated Debt Agreement (Additional Obligations), together with any other agreement, instrument or other document evidencing, governing or relating to either SDA; and

"Subordinated Rights" means all rights, remedies and powers of the Subordinated Creditor pursuant to any agreement, instrument or other document evidencing, governing or relating to any Subordinated Debt or otherwise available to the Subordinated Creditor pursuant to applicable laws to enforce payment and performance of the Subordinated Debt.

1.2 Headings; Articles and Sections

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

1.3 Number; persons; including; successors

Words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neuter genders and vice versa, words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and other bodies corporate and governmental authorities and vice versa and words and terms denoting inclusiveness (such as "include" or "includes" or "including"), whether or not so stated, are not limited by their context or by the words or phrases which precede or succeed them. References herein to any person shall, unless the context otherwise requires, include such person's successors and permitted assigns.
1.4 References to Agreements and Enactments

Unless otherwise stated, references herein to any agreement, instrument, licence or other document shall be deemed to include reference to such agreement, instrument, licence or other document as the same may from time to time be amended, modified, supplemented or restated; and reference herein to any enactment shall be deemed to include reference to such enactment as re-enacted, amended or extended from time to time and to any successor enactment.

ARTICLE 2
SUBORDINATION, POSTPONEMENT AND PRIORITY

2.1 General

Notwithstanding the terms of the agreements, instruments or other documents giving rise to the Borrower Indebtedness or Subordinated Rights, the time of default under or the dates of any advances or creation of the Borrower Indebtedness, the Parties agree that all and any of their rights in respect of the Borrower Indebtedness and the Subordinated Rights shall be governed by the terms of this Agreement.

2.2 Subordination; Standstill

So long as any Senior Debt is outstanding or any Credit Facility remains outstanding and until the Senior Debt shall have been indefeasibly paid in full and in cash, performed in full and finally satisfied:

(a) the payment of all Subordinated Debt is postponed and subordinated to the indefeasible payment in full and in cash, performance in full and final satisfaction of all Senior Debt and the Subordinated Creditor will not directly or indirectly, accept from the Borrower, in any manner, directly or indirectly, payment of, or consideration for the reduction of, the whole or in part of the Subordinated Debt and if any such payment is received or made on the Subordinated Debt, such payment shall be held by the Subordinated Creditor in trust for the benefit of, and shall be promptly paid over in the form received (duly endorsed, if necessary, to the Agent) to, the Agent for the benefit of the applicable Beneficiaries; and

(b) until the Senior Debt shall have been indefeasibly paid in full and in cash, performed in full and finally satisfied and the Credit Facilities have been cancelled, the Subordinated Creditor shall not (i) realize upon or otherwise exercise any Subordinated Rights or (ii) commence, consent to or join with any other creditor in commencing, any enforcement, receivership, bankruptcy, moratorium, reorganization, readjustment of debt, adjustment of debt, reorganization, compromise, arrangement or any dissolution, receivership, liquidation or other Creditor Proceedings with respect to the Borrower.

2.3 Certain Covenants and Agreements of the Subordinated Creditor

The Subordinated Creditor hereby covenants and agrees with the Agent on behalf of the Beneficiaries as follows:
(a) the Subordinated Creditor shall not, and it shall not permit any of its Affiliates to, take, hold or have:

(i) any Security Interest on, to or against any property, assets or undertaking of the Borrower or any Subsidiary thereof; and

(ii) any Guarantee of the Subordinated Debt from any Subsidiary of the Borrower;

(b) in addition to and without limiting Section 2.3(a)(ii) above, the Subordinated Creditor shall not advance, hold or have outstanding any Debt owing to it from any Subsidiary of the Borrower;

(c) the Subordinated Creditor shall not amend, modify, supplement, restate or terminate any Subordinated Debt Document (or provide any waiver or consent to like effect) in contravention of any of the Senior Debt Documents; provided that, notwithstanding the foregoing, with respect to the SDAs, the Subordinated Creditor shall not:

(i) amend, supplement or modify (or provide any waiver or consent to like effect) either of the SDAs if such amendment, supplement, modification, waiver or consent (as applicable): (A) effects any material change to the payment terms which makes the same less favourable to the Borrower, (B) would make the representations, covenants or events of default therein less favourable to, or more onerous on, the Borrower or any Subsidiary, (C) in the case of the Subordinated Debt Agreement (Base Obligation) only, would have or would reasonably be expected to have a "material adverse effect" as such term is defined in any Senior Debt Document, (D) in the case of the Subordinated Debt Agreement (Base Obligation) only, would be materially prejudicial to the interests of the Agent or the other Beneficiaries or (E) pertains to Part I.B.3 of Schedule "D" to the Subordinated Debt Agreement (Additional Obligations) or Part I.B.3 of Schedule "E" to the Subordinated Debt Agreement (Base Obligation); provided that, for certainty, any amendment increasing the Base Obligation Maximum Amount (under and as defined in the Subordinated Debt Agreement (Base Obligation)) shall, in all events, be permitted (but, for certainty, the foregoing proviso shall not apply to any decrease of the Base Obligation Maximum Amount after the same has been increased); or

(ii) terminate the Subordinated Debt Agreement (Base Obligation) prior to COD;

(d) notwithstanding anything herein or in any other Senior Debt Document or in any Subordinated Debt Documents to the contrary, the Subordinated Creditor shall not receive or retain any payment on or in respect of (including any interest payment), or any repayment of, any Subordinated Debt and any such payment or repayment received in contravention of the foregoing provisions hereof shall not be retained
by the Subordinated Creditor, but shall be held in trust for the benefit of, and shall be promptly paid over in the form received (duly endorsed, if necessary, to the Agent) to, the Agent for the benefit of the applicable Beneficiaries;

(e) except with the prior written consent of the Agent (such consent to be provided in accordance with the Senior Debt Documents) and except for an Excluded Assignment, the Subordinated Creditor shall not, and shall not be entitled to, sell, assign or otherwise transfer any Subordinated Debt, Subordinated Debt Document or any Subordinated Rights; in addition, in all events (including, for certainty, in the case of an Excluded Assignment to CNRL or any Affiliate of CNRL except where the assignee or transferee, as the case may be, is already a party to a subordination agreement in favour of the Agent on the same terms as set forth herein), and without limiting the foregoing and as a condition precedent to any such consent by the Agent as aforesaid, the assignee or transferee, as the case may be, of any of the same shall have executed and delivered an agreement with the Agent agreeing to be bound hereby as a Subordinated Creditor and to have the provisions applicable to the Subordinated Creditor apply to such assignee or transferee, mutatis mutandis); and

(f) notwithstanding anything herein or in any other Senior Debt Document or in any Subordinated Debt Document to the contrary, it shall not, nor shall it permit any Affiliate thereof to, exercise or otherwise assert any right, power or privilege of set-off which it may have (at law, in equity, under any agreement, instrument or other document or otherwise) for or in respect of any Subordinated Debt against any amount payable to the Borrower from time to time, including any amount payable, under or pursuant to the Processing Agreement to which [CNR] OR [the Subordinated Creditor] is a party (including amounts payable pursuant to the DLA to which [CNR] OR [the Subordinated Creditor] is a party), and the Subordinated Creditor hereby agrees that all payments required to be made hereunder to the Agent shall be made to the Agent without set-off, counterclaim, deduction or reduction of any nature or kind whatsoever.

2.4 Distribution to Creditors

Upon any payment or distribution of assets of the Borrower (of any kind or character, whether in cash, property or securities) to its creditors upon any dissolution, winding-up, total or partial liquidation, readjustment of debt, reorganization, compromise, adjustment of debt, arrangement with creditors, or similar proceedings of the Borrower or its property, or in any bankruptcy, insolvency, receivership, assignment for the benefit of creditors, marshalling of assets and liabilities of the Borrower, or other Creditor Proceedings, or in the event of any bulk sale of any of its assets within the bulk transfer provisions of any Applicable Laws, or proceedings in relation to any of the foregoing, whether any of the foregoing is voluntary or involuntary, partial or complete:

(a) all of the Senior Debt shall first be indefeasibly paid in full and in cash, performed in full and finally satisfied before the Subordinated Creditor shall be entitled to receive or retain any payment or distribution of or in respect of Subordinated Debt
from the Borrower or any receiver, receiver-manager, trustee in bankruptcy, liquidating trustee, agent or other person making such payment or distribution or in respect of such proceedings or under or in respect of any of the Subordinated Rights;

(b) until all of the Senior Debt is indefeasibly paid in full and in cash, performed in full and finally satisfied, the Subordinated Creditor irrevocably authorizes the Agent to file on behalf of the Subordinated Creditor any and all claims, proofs of debt, petitions, consents, and other documents in respect of such proceedings or under or in respect of any of the Subordinated Debt and the Subordinated Rights; and

(c) any payment or distribution of assets of the Borrower of any kind or character, whether in cash, property or securities, to which the Subordinated Creditor would be entitled in respect of the Subordinated Debt or the Subordinated Rights, shall be paid by the Borrower or by any receiver, receiver-manager, trustee in bankruptcy, liquidating trustee, agent or other person making such payment or distribution, directly to the Agent for the benefit of the applicable Beneficiaries to the extent necessary to satisfy and indefeasibly pay in full and in cash, perform in full and finally satisfy all of the Senior Debt before any payment or distribution is made to the Subordinated Creditor or any representative thereof.

2.5 Power of Attorney

Without limiting the foregoing and in addition thereto, and to the extent permitted by applicable law, the Subordinated Creditor irrevocably authorizes the Agent to do, make, execute, deliver and file on behalf of the Subordinated Creditor a claim, proof of claim, direction to pay, petition, consent, and other documents in respect of Creditor Proceedings. The Subordinated Creditor hereby irrevocably constitutes and appoints any officer for the time being of the Agent as the true and lawful attorney of the Subordinated Creditor, with full power of substitution, to exercise all Subordinated Rights and to exercise any and all rights of the Subordinated Creditor in connection with any Creditor Proceedings, including to do, make, execute, deliver and file any and all of the foregoing in connection with the Creditor Proceedings (such power of attorney is a power coupled with an interest and shall survive the legal incapacity of, and any bankruptcy, insolvency, receivership, dissolution, liquidation, reorganization, winding up or other analogous proceedings in respect of, the Subordinated Creditor and extends to its successors and assigns). The foregoing authorization and power of attorney shall include the right to vote and approve on behalf of the Subordinated Creditor any plan of arrangement, reorganization, proposal, liquidation, compromise, or any other step, action or proceeding under, pursuant or relating to any Creditor Proceedings, all as the Agent may consider appropriate in its sole discretion (and having regard to those considerations as the Agent deems appropriate and, for certainty, without having any responsibility or liability to the Subordinated Creditor).

2.6 Trust

Notwithstanding Section 2.4, if upon any such dissolution, winding-up, liquidation, readjustment, reorganization, compromise, adjustment of debt, arrangement with creditors or
similar proceedings in respect of the Borrower or in any bankruptcy, insolvency, receivership, assignment for the benefit of creditors, marshalling of assets and liabilities of the Borrower, or other Creditor Proceedings, or in the event of any bulk sale of any of its assets within the bulk transfer provisions of any Applicable Laws, or proceedings in relation to any of the foregoing, whether any of the foregoing is voluntary or involuntary, partial or complete (including any acts or proceedings related to the Subordinated Rights), any payment or distribution of assets of the Borrower of any kind or character, whether in cash, property or securities, shall be received by the Subordinated Creditor or any representative thereof before all the Senior Debt is indefeasibly paid in full and in cash, performed in full and finally satisfied, such payment or distribution shall be held by the Subordinated Creditor (or such representative) in trust for the benefit of, and shall be promptly paid over in the form received (duly endorsed, if necessary, to the Agent) to, the Agent for the benefit of the applicable Beneficiaries.

2.7 Application of Proceeds

All payments and distributions received by the Subordinated Creditor in respect of the Subordinated Debt or Subordinated Rights, to the extent received in or converted into cash and paid over to the Agent hereunder for the benefit of the applicable Beneficiaries, may be applied by the Agent first to the payment of any and all expenses (including legal fees and expenses on a solicitor and his own client basis and on the basis of a full indemnity) paid or incurred by the Agent in enforcing the provisions hereof or in endeavouring to collect or realize upon any of the Senior Debt, and any balance thereof shall, solely as between the Subordinated Creditor and the applicable Beneficiaries, but subject to the Credit Agreement, be applied by the applicable Beneficiary to the payment of the Senior Debt until indefeasibly paid in full and in cash, performed in full and finally satisfied in such order of application as the applicable Beneficiary may from time to time select; and, notwithstanding any such payments or distributions received by the applicable Beneficiaries in respect of the Subordinated Debt or Subordinated Rights and so applied by the applicable Beneficiaries toward the payment of the Senior Debt, the Subordinated Creditor shall be subrogated, without recourse, representation and warranty to the then existing rights of the applicable Beneficiaries, if any, in respect of the Senior Debt subject to the provisions of Section 2.8.

2.8 Restriction on Subrogation

The Subordinated Creditor shall not have or exercise any rights which it may acquire, if any, by way of subrogation or contribution under or in connection with this Agreement until this Agreement has ceased to be effective in accordance with Section 5.1. If any amount is paid to the Subordinated Creditor on account of such subrogation or contribution rights at any time before this Agreement has ceased to be effective in accordance with Section 5.1, such amount shall be held in trust by the Subordinated Creditor for the benefit of the Beneficiaries and shall be promptly paid to the Agent for the benefit of the Beneficiaries.
ARTICLE 3
ACKNOWLEDGEMENTS OF SUBORDINATED CREDITOR; FURTHER COVENANTS; REPRESENTATIONS AND WARRANTIES

3.1 Absolute Obligations

This Agreement shall operate and apply, and shall remain in full force and effect, in all events and circumstances and the obligations of the Subordinated Creditor hereunder shall be absolute, irrevocable and unconditional in all events and circumstances. In addition to and without limiting the foregoing, this Agreement shall remain in full force and effect and the obligations of the Subordinated Creditor hereunder shall be absolute, irrevocable and unconditional irrespective of:

(a) any change in the time, manner or place of payment of, or in any other term of, any of the Senior Debt, the Senior Debt Documents, or any other amendment or waiver of or any consent to departure from any of the Senior Debt or the Senior Debt Documents;

(b) any release or amendment or waiver of or consent to departure from any covenant, agreement or undertaking of any person respecting any of the Senior Debt or the Senior Debt Documents;

(c) any merger, consolidation, amalgamation, dissolution, winding-up, liquidation or termination of the existence of the Agent, any other Beneficiary or the Subordinated Creditor into or with any other person or any other change of its identity or capacity;

(d) any (i) liquidation, winding-up, bankruptcy, dissolution, compromise, proposal, arrangement, plan of reorganization or other event or proceeding relating to, or which might affect the existence, obligations, creditors, assets, business or affairs of, (ii) change or changes in the name of, or (iii) amalgamation, consolidation, merger or reorganization of any kind of, or with respect to, the Borrower or any Subsidiary thereof;

(e) in addition to and not in limitation of Section 3.1(d) above, any Creditor Proceedings;

(f) any Applicable Laws or any defence, claim or right of any Party which would effect a result contrary to the terms in this Agreement; or

(g) any impossibility or impracticality of performance or force majeure, any act of any Governmental Authority, or any other circumstance which might constitute a defence available to, or a discharge of, the Borrower in respect of the Senior Debt or the Senior Debt Documents.
3.2 Dealings by Beneficiaries

Notwithstanding anything in this Agreement, the Subordinated Creditor acknowledges and agrees that the Agent and the applicable Beneficiaries shall be entitled to:

(a) lend monies, provide cash management services, enter into hedging arrangements or otherwise extend credit or accommodations to the Borrower as part of the Senior Debt;

(b) agree to any change in, amendment to, waiver of, or departure from, any term of any Senior Debt Document including, without limitation, any amendment, renewal, restatement or extension of any Senior Debt Document, or increase in the payment or other obligations of the Borrower under any Senior Debt Document;

(c) take any Security Interests from the Borrower and its Subsidiaries;

(d) grant time, renewals, extensions, releases, discharges or other indulgences or forbearances to the Borrower in respect of Senior Debt;

(e) waive timely and strict compliance with or refrain from exercising any rights under or relating to any Senior Debt;

(f) accept or make any compositions, arrangements, plans of reorganization or compromises with the Borrower and its Subsidiaries as the Beneficiaries (or any of them) may deem appropriate in connection with any Senior Debt;

(g) change, whether by addition, substitution, removal, succession, assignment, grant of participation, transfer or otherwise, any of the Beneficiaries, including the Agent;

(h) acquire, give up, vary, exchange, release, discharge or otherwise deal with or fail to deal with any Security Interests relating to the Senior Debt, or allow the Borrower, its Subsidiaries or any other person to deal with any property which is subject to such Security Interests, all as the Agent and the other Beneficiaries may deem appropriate; or

(i) abstain from taking, protecting, securing, registering, filing, recording, renewing, perfecting, insuring or realizing upon any Security Interests for any Senior Debt; and no loss in respect of any of the Security Interests received or held for and on behalf of the Beneficiaries, whether occasioned by fault, omission or negligence of any kind, whether of the Agent or any of the Beneficiaries or otherwise, shall in any way limit or impair the liability of the Subordinated Creditor or the rights of the Agent and the other Beneficiaries under this Agreement;

all of which may be done without notice to or consent of the Subordinated Creditor and without impairing, releasing or otherwise affecting any obligations of the Subordinated Creditor hereunder or any rights of the Agent and the other Beneficiaries hereunder.
3.3 Subordinated Debt Default

The Subordinated Creditor shall promptly give the Agent written notice of the occurrence of a default or event of default in respect of the Subordinated Debt of which the Subordinated Creditor is actually aware.

3.4 Agreement Not to Challenge

The Subordinated Creditor shall not at any time challenge, dispute or contest the validity or enforceability of any of the Senior Debt or the Senior Debt Documents (including this Agreement) or the perfection of the Security Interests constituted by any of the Senior Debt Documents, nor shall the Subordinated Creditor at any time challenge, dispute or contest the validity or enforceability of the subordination and postponement provided for herein or take any action whereby the subordination and postponement contemplated hereby may be prejudiced.

3.5 Representations and Warranties

The Subordinated Creditor hereby represents and warrants to the Agent and the other Beneficiaries that:

(a) it is [a corporation subsisting under the laws of the Province of Alberta] OR [by statute an agent of the Province of Alberta for all purposes, such that all obligations of Alberta Petroleum Marketing Commission under this Agreement constitute legal, valid and binding obligations of the Province of Alberta];

(b) the Subordinated Creditor has all necessary power and authority to enter into this Agreement and to perform the obligations of the Subordinated Creditor hereunder;

(c) the execution, delivery, observance and performance on its part of this Agreement has been duly authorized by all necessary action;

(d) the Subordinated Creditor has duly executed and delivered this Agreement; and

(e) this Agreement constitutes a valid and legally binding obligation of the Subordinated Creditor, enforceable against the Subordinated Creditor in accordance with its terms.

ARTICLE 4
ACKNOWLEDGEMENT OF THE BORROWER

4.1 Acknowledgement

The Borrower hereby acknowledges and agrees that:

(a) it authorizes the Agent, the other Beneficiaries and the Subordinated Creditor to share with each other any information possessed by them relating to the Borrower
Indebtedness and to payments received by the Agent, the other Beneficiaries and the Subordinated Creditor in respect thereof;

(b) this Agreement shall not modify, relieve or release it from any of its Borrower Indebtedness or performance obligations under the agreements, instruments or other documents giving rise to the Subordinated Rights;

(c) it is a party hereto solely for the purpose of providing the acknowledgements and agreements set forth herein and does not, and is not intended to, derive any benefits hereunder; and

(d) it consents to the terms of this Agreement and agrees to comply with, and to not act contrary to, the terms of this Agreement.

ARTICLE 5
TERMINATION

5.1 Termination

The provisions hereof shall in all respects be a continuing agreement and shall remain in full force and effect until: (a) the indefeasible payment in full and in cash, performance in full and final satisfaction of the Senior Debt; (b) the cancellation of all of the Credit Facilities; and (c) the termination of all Senior Debt Documents.

5.2 Reinstatement

This Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any payment or performance of the Senior Debt is rescinded, reversed, nullified, rendered void or voidable or must otherwise be restored, refunded, returned or unwound for any reason, all as though such payment had not been made or such performance had not occurred.

ARTICLE 6
CONTINUING SUBORDINATION

6.1 Continuing Subordination

This Agreement shall create a continuing subordination and shall:

(a) be binding upon the Subordinated Creditor and its successors and assigns; and

(b) enure, together with the rights and remedies of the Agent and the other Beneficiaries hereunder, to the benefit of and be enforceable by the Agent and the other Beneficiaries and their successors and assigns for their benefit and for the benefit of any other person entitled to the benefit of any Senior Debt Documents from time to time, including any permitted assignee or participant of some or all of the Senior Debt Documents.
6.2 Other Obligations Not Affected

The subordination provided for herein is in addition to and not in substitution for any other agreement or any other security by whomsoever given or at any time held by the Agent or the other Beneficiaries in respect of the Senior Debt, and the Agent and the other Beneficiaries shall at all times have the right to proceed against or realize upon all or any portion of any other agreement or any security or any other monies or assets to which the Agent and the other Beneficiaries may become entitled or have a claim in such order and in such manner as the Agent and the other Beneficiaries in their sole discretion may deem appropriate.

6.3 Acknowledgement of Documentation

The Subordinated Creditor hereby acknowledges that it is familiar with and understands the terms of the Senior Debt Documents. The Subordinated Creditor shall ensure that the Borrower provides such copies as the Subordinated Creditor wishes to receive of all amendments, modifications or supplements to any of the aforementioned documents and of any other Senior Debt Documents which are executed in the future pursuant to which Senior Debt may arise. None of the Agent or the other Beneficiaries shall in any manner have any obligation to ensure such receipt nor shall lack of receipt in any way affect the absolute, irrevocable and unconditional nature of the Subordinated Creditor's obligations hereunder in respect of the Senior Debt thereby created or arising.

ARTICLE 7
MISCELLANEOUS

7.1 Assignments and Participations by Beneficiaries

The Beneficiaries may, from time to time without notice to or consent of the Subordinated Creditor, assign or transfer or grant participations in respect of any or all of the Senior Debt or any interest therein in accordance with the Senior Debt Documents; and, notwithstanding any such assignment or transfer or grant of a participation or any subsequent assignment or transfer thereof or grant of a participation therein, the Subordinated Creditor acknowledges that such Senior Debt shall be and remain Senior Debt for the purposes hereof, and every immediate and successive assignee or transferee of, or participant in, any of the Senior Debt or of any interest therein shall, to the extent of the interest of such assignee, transferee or participant in the Senior Debt, be entitled to the full rights and benefits hereof.

7.2 Assignment by Subordinated Creditor or Borrower

Except with the prior written consent of the Agent (such consent to be provided in accordance with the Senior Debt Documents), the Borrower shall not assign all or any portion of its obligations under this Agreement, and any attempted assignment of any such obligations shall be null and void. Except in accordance with Section 2.3(e), the Subordinated Creditor shall not assign all or any portion of its Subordinated Debt, the Subordinated Debt Documents or the Subordinated Rights.
7.3 Accounts

The accounts and records of the Agent and the Lenders shall constitute, in the absence of manifest error, conclusive and binding evidence of the Senior Debt.

7.4 Further Assurances

Each Party agrees to execute and deliver all deeds, documents, instruments and assurances (including discharges) as may be reasonably required by another Party from time to time (but at the expense of the Borrower) to reflect, confirm or give to the terms hereof and to provide such information regarding the Borrower Indebtedness and the Subordinated Rights as may be reasonably requested from time to time.

7.5 Severability

Any provision of this Agreement which is or becomes prohibited or unenforceable in any jurisdiction does not invalidate, affect or impair the remaining provisions hereof in such jurisdiction and any such prohibition or unenforceability in any jurisdiction does not invalidate or render unenforceable such provision in any other jurisdiction.

7.6 Amendments; Waivers

(a) No provisions of this Agreement may be amended, waived, discharged or terminated orally nor may any breach of any of the provisions of this Agreement be waived or discharged orally, and any amendment, waiver, discharge or termination of this Agreement may only be made in writing signed by the Agent on behalf of the Beneficiaries, or by the Beneficiaries, and if such amendment is intended to bind the Subordinated Creditor, by the Subordinated Creditor.

(b) No failure on the part of the Agent or any other Beneficiary to exercise, and no delay in exercising, any right, power or privilege hereunder shall operate as a waiver thereof unless specifically waived in writing, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

(c) Any waiver of any provision of this Agreement or consent to any departure by the Agent therefrom shall be effective only in the specific instance and for the specific purpose for which given and shall not in any way be or be construed as a waiver of any future requirement.

7.7 Notice

Any demand, notice or communication to be made or given hereunder shall be in writing and may be made or given by personal delivery or by transmittal by facsimile or other electronic means of communication addressed to the respect Parties as follows:

To the Borrower:
North West Redwater Partnership
2800, 140 – 4th Avenue S.W.  
Calgary, Alberta  
T2P 3N3

Attention: Director, Finance and Information Systems  
Facsimile: (403) 398-0924

To the Agent:

Royal Bank of Canada  
4th Floor, 20 King Street West  
Toronto, Ontario  
M5H 1C4

Attention: Manager, Agency Services Group  
Facsimile: (416) 842-4023

To the Subordinated Creditor:

[Canadian Natural Upgrading Limited] OR  
[Alberta Petroleum Marketing Commission]  
[1800, 324-8th Avenue S.W.] OR [300, 801-6th Avenue S.W.]  
Calgary, Alberta  
[T2P 2Z2] OR [T2P 3W2]

Attention: [Vice-President] OR [Richard Masson]  
Facsimile: [(403) 514-7798] OR [(403) 297-5468]

or to such other address or telecopy number as any of the Parties may from time to time notify the others in accordance with this Section. Any demand, notice or communication made or given by personal delivery or by facsimile or other electronic means of communication during normal business hours at the place of receipt on a Banking Day shall be conclusively deemed to have been made or given at the time of actual delivery or transmittal, as the case may be, on such Banking Day. Any demand, notice or communication made or given by personal delivery or by facsimile or other electronic means of communication after normal business hours at the place of receipt or otherwise than on a Banking Day shall be conclusively deemed to have been made or given at 9:00 a.m. (Calgary time) on the first Banking Day following actual delivery or transmittal, as the case may be.

7.8 Governing Law

This Agreement is conclusively deemed to be made under, and for all purposes to be governed by and construed in accordance with, the laws of the Province of Alberta and of Canada applicable therein. The Parties hereby irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the Province of Alberta for all matters arising out of or relating to this Agreement or any of the transactions contemplated hereby.
7.9 Enurement

This Agreement shall be binding upon the Parties and their respective successors and assigns.

7.10 Time of Essence

Time shall be of the essence with respect to this Agreement.

7.11 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of the Subordinated Debt Documents, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

7.12 Entire Agreement

This Agreement contains the entire agreement between the Parties with respect to the matters herein contained and there are no other representations, warranties, covenants or collateral agreements between any of the Parties in connection therewith other than as expressly herein provided.

7.13 Agent Execution

Royal Bank of Canada is entering into this Agreement in its capacity as agent under the Credit Agreement and as agent for and on behalf of each of the Beneficiaries (including, for certainty, Royal Bank of Canada and the other Lenders, and including any Hedging Affiliate of a Lender in its capacity as a counterparty to any Lender Financial Instrument with the Borrower or a Subsidiary thereof, and the Cash Manager).

7.14 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or by sending a scanned copy by electronic mail shall be as effective as delivery of a manually executed counterpart of this Agreement.

[Remainder of Page Intentionally Left Blank]
IN WITNESS WHEREOF each Party has duly executed this Agreement as of the date and year first above written.

ROYAL BANK OF CANADA,
as Agent

Per: ________________________________

Name: ______________________________
Title: ______________________________

31141706.7
BORROWER:

NORTH WEST REDWATER PARTNERSHIP,
by its general partners
CANADIAN NATURAL UPGRADING LIMITED

By: ____________________________
   Name: _______________________
   Title: _______________________

By: ____________________________
   Name: _______________________
   Title: _______________________

NWULP,
by its general partner:
1726702 ALBERTA LTD.

By: ____________________________
   Name: _______________________
   Title: _______________________

By: ____________________________
   Name: _______________________
   Title: _______________________
[CANADIAN NATURAL UPGRADING LIMITED OR ALBERTA PETROLEUM MARKETING COMMISSION]

By: ____________________________
Name: ____________________________
Title: ____________________________

By: ____________________________
Name: ____________________________
Title: ____________________________
SCHEDULE "D2"

FORM OF SUBORDINATION AGREEMENT (PERMANENT FINANCING)

See attached.
This Subordination Agreement made as of [●], 2014 is made between [Valiant Trust Company] in its capacities described in Section 7.13 hereof (the "Collateral Agent"), North West Redwater Partnership (the "Borrower") and [Canadian Natural Upgrading Limited] OR [Alberta Petroleum Marketing Commission] (the "Subordinated Creditor").

RECITALS:

A. Certain of the Beneficiaries have agreed to make loans or advances and otherwise extend credit to the Borrower pursuant to the terms of the Senior Debt Documents to which they are a party and may hereafter extend credit or provide cash management services to the Borrower pursuant to Hedging Agreements, Cash Management Documents and such other applicable Senior Debt Documents.

B. The Borrower intends to borrow money from and may hereafter become further indebted to the Subordinated Creditor.

C. Certain of the Senior Debt Documents preclude the Borrower from having outstanding indebtedness owing to the Subordinated Creditor unless the Subordinated Creditor has subordinated its rights against the Borrower in accordance with the terms of this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT, in consideration of the covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby conclusively acknowledged by each of the Parties, the Parties covenant and agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, including in the recitals hereto, terms and expressions defined in the Collateral Agent and Intercreditor Agreement shall have those meanings when used herein (unless otherwise defined herein), and in addition:

"Affiliate" has the meaning ascribed to such term in the Collateral Agent and Intercreditor Agreement;

"Agreement" means this agreement, as the same may be amended, modified, supplemented or restated from time to time in accordance with the provisions hereof;

"Beneficiaries" means, collectively, the Collateral Agent and the other Secured Parties, and "Beneficiary" means any of the foregoing;

"Borrower Indebtedness" means, collectively, the Senior Debt and the Subordinated Debt;
"Business Day" has the meaning ascribed to such term in the Collateral Agent and Intercreditor Agreement;

"Cash Management Documents" has the meaning ascribed to such term in the Collateral Agent and Intercreditor Agreement;

"Collateral Agent and Intercreditor Agreement" means the collateral agent and intercreditor agreement made as of [●], 2014 among the Borrower, the persons named as initial guarantors therein, [Royal Bank of Canada], as administrative agent, [BNY Trust Company of Canada], as bond indenture trustee, and the Collateral Agent;

"Creditor Proceedings" means:

(a) any dissolution, winding-up, total or partial liquidation, adjustment or readjustment of debt, reorganization, compromise, arrangement with creditors, plan of arrangement, proposal, filing of a notice of intention to make a proposal or similar proceedings under Insolvency Laws of or with respect to the Borrower or its property or liabilities, in each case under any Insolvency Law;

(b) any dissolution, winding-up, total or partial liquidation, adjustment or readjustment of debt, reorganization, compromise, arrangement with creditors, plan of arrangement or similar proceedings under the arrangement provisions of any applicable corporate law (in any case which involves the alteration, amendment, conversion, compromise, satisfaction or discharge of obligations of any or all creditors) of or with respect to the Borrower or its property or liabilities;

(c) any bankruptcy, insolvency, receivership, interim receivership, petition or assignment in bankruptcy, or assignment for the benefit of creditors under any Insolvency Laws of or with respect to the Borrower;

(d) any marshalling of assets and liabilities of the Borrower under any Insolvency Laws; or

(e) any proceedings, or the initiation of any proceedings, in relation to any of the foregoing,

whether any of the foregoing is voluntary or involuntary, partial or complete, and includes any such proceedings initiated or consented to by the Borrower;

"Debt" has the meaning ascribed to such term in the Credit Agreement and the Bond Indenture, in each case, as in effect on the date hereof;

"Default" means any default, triggering event or event of default, in each case, as such terms are used in any Senior Debt Document (and includes any "Actionable Event of Default" under and as defined in the Collateral Agent and Intercreditor Agreement);

"Default Notice" has the meaning ascribed to such term in Section 2.2;
"DLAs" has the meaning ascribed to such term in the Collateral Agent and Intercreditor Agreement;

"Excluded Assignment" means:

(a) any assignment to APMC; and

(b) any assignment to CNRL or any Affiliate thereof (which shall exclude, for certainty, the Borrower or any Subsidiary thereof), provided that, in the case of an assignment to an Affiliate of CNRL, the remaining unfunded obligations of such Affiliate remain fully guaranteed by CNRL on the same basis as in effect on the date hereof;

"Guarantee" has the meaning ascribed to such term in the Collateral Agent and Intercreditor Agreement;

"Hedging Agreements" has the meaning ascribed to such term in the Collateral Agent and Intercreditor Agreement;

"Insolvency Laws" means the Bankruptcy and Insolvency Act (Canada), the Companies’ Creditors Arrangement Act (Canada), the Winding-up and Restructuring Act (Canada) or any other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, reorganization, receivership, insolvency, arrangement or similar laws of Canada or any other applicable jurisdiction from time to time that have become applicable to the Borrower or any of its properties or liabilities;

"Loan Payment" means any payment by the Borrower of or on account of indebtedness for borrowed money or other Debt owing to the Subordinated Creditor (whether made, paid or satisfied in or for cash, property or both);

"Parties" mean the parties to this Agreement;

"Processing Agreements" has the meaning ascribed to such term in the Collateral Agent and Intercreditor Agreement, and "Processing Agreement" means either one of them individually;

"SDAs" means, collectively, the Subordinated Debt Agreement (Base Obligation) and the Subordinated Debt Agreement (Additional Obligations), and "SDA" means either one of them individually;

"Secured Parties" has the meaning ascribed to such term in the Collateral Agent and Intercreditor Agreement;

"Security Interest" has the meaning ascribed to such term in the Credit Agreement and the Bond Indenture, in each case, as in effect on the date hereof;

"Senior Debt" means the "Secured Obligations" under and as defined in the Collateral Agent and Intercreditor Agreement;
"Senior Debt Documents" means the "Secured Debt Documents" under and as defined in the Collateral Agent and Intercreditor Agreement;

"Subordinated Debt" means, collectively, all present and future obligations, indebtedness, liabilities, covenants, agreements and undertakings of the Borrower to, owing to, or in favour of the Subordinated Creditor under, pursuant or relating to the Subordinated Debt Documents, including all Debt of the Borrower under, pursuant or relating to the Subordinated Debt Documents;

"Subordinated Debt Agreement (Additional Obligations)" means the subordinated debt agreement made as of April 7, 2014 between the Borrower, as borrower, Alberta Petroleum Marketing Commission and Canadian Natural Upgrading Limited, as lenders, CNRL, as guarantor, and CNR, in respect of the Additional Obligations (under and as defined in such subordinated debt agreement as in effect on the date hereof);

"Subordinated Debt Agreement (Base Obligation)" means the subordinated debt agreement made as of April 7, 2014 between the Borrower, as borrower, Alberta Petroleum Marketing Commission and Canadian Natural Upgrading Limited, as lenders, CNRL, as guarantor, and CNR, in respect of Tranche 1 of the Class A Subordinated Debt Facility (under and as defined in such subordinated debt agreement as in effect on the date hereof) and Tranche 1 of the Class B Subordinated Debt Facility (under and as defined in such subordinated debt agreement as in effect on the date hereof);

"Subordinated Debt Documents" means the Subordinated Debt Agreement (Base Obligation) and the Subordinated Debt Agreement (Additional Obligations), together with any other agreement, instrument or other document evidencing, governing or relating to either SDA;

"Subordinated Rights" means all rights, remedies and powers of the Subordinated Creditor pursuant to any agreement, instrument or other document evidencing, governing or relating to any Subordinated Debt or otherwise available to the Subordinated Creditor pursuant to applicable laws to enforce payment and performance of the Subordinated Debt;

"Subsidiary" has the meaning ascribed to such term in the Collateral Agent and Intercreditor Agreement; and

"Tollpayer Subordination Agreements" means the tollpayer subordination agreements made as of the date hereof among the Collateral Agent, the Borrower, each Subsidiary of the Borrower in existence on the date hereof and each of APMC and CNR.

1.2 Headings; Articles and Sections

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.
1.3 Number; persons; including; successors

Words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neuter genders and vice versa, words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and other bodies corporate and governmental authorities and vice versa and words and terms denoting inclusiveness (such as "include" or "includes" or "including"), whether or not so stated, are not limited by their context or by the words or phrases which precede or succeed them. References herein to any person shall, unless the context otherwise requires, include such person's successors and permitted assigns.

1.4 References to Agreements and Enactments

Unless otherwise stated, references herein to any agreement, instrument, licence or other document shall be deemed to include reference to such agreement, instrument, licence or other document as the same may from time to time be amended, modified, supplemented or restated (including, for certainty, the Collateral Agent and Intercreditor Agreement as supplemented from time to time pursuant to the addition of new Debt Representatives who have executed and delivered to the Collateral Agent a Collateral Agreement Joinder under and pursuant to the Collateral Agent and Intercreditor Agreement); and reference herein to any enactment shall be deemed to include reference to such enactment as re-enacted, amended or extended from time to time and to any successor enactment.

ARTICLE 2
SUBORDINATION, POSTPONEMENT AND PRIORITY

2.1 General

Notwithstanding the terms of the agreements, instruments or other documents giving rise to the Borrower Indebtedness or Subordinated Rights, the time of default under or the dates of any advances or creation of the Borrower Indebtedness, the Parties agree that all and any of their rights in respect of the Borrower Indebtedness and the Subordinated Rights shall be governed by the terms of this Agreement.

2.2 Subordination; Standstill

So long as any Senior Debt is outstanding or any credit facility comprising or relating to any Senior Debt remains outstanding and until the Senior Debt shall have been indefeasibly paid in full and in cash, performed in full and finally satisfied:

(a) the payment of all Subordinated Debt is postponed and subordinated to the indefeasible payment in full and in cash, performance in full and final satisfaction of all Senior Debt and the Subordinated Creditor will not directly or indirectly, accept from the Borrower, in any manner, directly or indirectly, payment of, or consideration for the reduction of, the whole or in part of the Subordinated Debt and if any such payment is received or made on the Subordinated Debt, such payment shall be held by the Subordinated Creditor in trust for the benefit of, and shall be promptly paid over in the form received (duly endorsed, if necessary, to
the Collateral Agent) to, the Collateral Agent for the benefit of the applicable Beneficiaries; and

(b) until the Senior Debt shall have been indefeasibly paid in full and in cash, performed in full and finally satisfied and each credit facility comprising or relating to any Senior Debt have been cancelled, the Subordinated Creditor shall not (i) realize upon or otherwise exercise any Subordinated Rights or (ii) commence, consent to or join with any other creditor in commencing, any enforcement, receivership, bankruptcy, moratorium, reorganization, readjustment of debt, adjustment of debt, reorganization, compromise, arrangement or any dissolution, receivership, liquidation or other Creditor Proceedings with respect to the Borrower.

Notwithstanding the foregoing provisions of Section 2.2(a), unless the Subordinated Creditor shall have received a notice (a "Default Notice") from the Collateral Agent (which has not been revoked in accordance with the last sentence of this Section 2.2), a copy of which shall be provided to the Borrower, that a Default has occurred and is continuing, the Subordinated Creditor shall, subject to Sections 2.3, 2.4, and 2.6 and the other provisions hereof, be entitled to receive and retain payments on account of any Subordinated Debt (in accordance with the terms of the Subordinated Debt). At such time as no Defaults are then continuing, the Collateral Agent shall promptly, upon request of the same in writing from the Borrower, provide a written notice to the Subordinated Creditor revoking any previously provided Default Notice.

2.3 Certain Covenants and Agreements of the Subordinated Creditor

The Subordinated Creditor hereby covenants and agrees with the Collateral Agent on behalf of the Beneficiaries as follows:

(a) the Subordinated Creditor shall not, and it shall not permit any of its Affiliates to, take, hold or have:

(i) any Security Interest on, to or against any property, assets or undertaking of the Borrower or any Subsidiary thereof; provided that, the Subordinated Creditor or an Affiliate thereof, as the case may be, shall be permitted to take, hold or have the "Tollpayer Security" under and as defined in the Tollpayer Subordination Agreement for so long as such Tollpayer Security remains subject to the Tollpayer Subordination Agreement; and

(ii) any Guarantee of the Subordinated Debt from any Subsidiary of the Borrower;

(b) in addition to and without limiting Section 2.3(a)(ii) above, the Subordinated Creditor shall not advance, hold or have outstanding any Debt owing to it from any Subsidiary of the Borrower;

(c) the Subordinated Creditor shall not amend, modify, supplement, restate or terminate any Subordinated Debt Document (or provide any waiver or consent to like effect) in contravention of any of the Senior Debt Documents; provided that,
notwithstanding the foregoing, with respect to the SDAs, the Subordinated Creditor shall not:

(i) amend, supplement or modify (or provide any waiver or consent to like effect) either of the SDAs if such amendment, supplement, modification, waiver or consent (as applicable): (A) effects any material change to the payment terms which makes the same less favourable to the Borrower, (B) would make the representations, covenants or events of default therein less favourable to, or more onerous on, the Borrower or any Subsidiary, except as required to conform to the terms of the trust indenture having the largest principal amount of bonds which are Senior Debt then outstanding thereunder, (C) in the case of the Subordinated Debt Agreement (Base Obligation) only, would have or would reasonably be expected to have a "material adverse effect" as such term is defined in any Senior Debt Document, (D) in the case of the Subordinated Debt Agreement (Base Obligation) only, would be materially prejudicial to the interests of the Collateral Agent or the other Secured Parties or (E) pertains to Part I.B.3 of Schedule "D" to the Subordinated Debt Agreement (Additional Obligations) or Part I.B.3 of Schedule "E" to the Subordinated Debt Agreement (Base Obligation); provided that, for certainty, any amendment increasing the Base Obligation Maximum Amount (under and as defined in the Subordinated Debt Agreement (Base Obligation)) shall, in all events, be permitted (but, for certainty, the foregoing proviso shall not apply to any decrease of the Base Obligation Maximum Amount after the same has been increased); or

(ii) terminate the Subordinated Debt Agreement (Base Obligation) prior to COD;

(d) notwithstanding anything herein or in any other Senior Debt Document or in any Subordinated Debt Documents to the contrary, the Subordinated Creditor shall not receive or retain any payment on or in respect of (including any interest payment), or any repayment of, any Subordinated Debt from and after receipt of a Default Notice and during the continuance of a Default and any such payment or repayment received in contravention of the foregoing provisions hereof shall not be retained by the Subordinated Creditor, but shall be held in trust for the benefit of, and shall be promptly paid over in the form received (duly endorsed, if necessary, to the Collateral Agent) to, the Collateral Agent for the benefit of the applicable Beneficiaries;

(e) except with the prior written consent of the Collateral Agent (such consent to be provided in accordance with the Senior Debt Documents) and except for an Excluded Assignment, the Subordinated Creditor shall not, and shall not be entitled to, sell, assign or otherwise transfer any Subordinated Debt, Subordinated Debt Document or any Subordinated Rights; in addition, in all events (including, for certainty, in the case of an Excluded Assignment to CNRL or any Affiliate of CNRL except where the assignee or transferee, as the case may be, is already a
party to a subordination agreement in favour of the Collateral Agent on the same terms as set forth herein), and without limiting the foregoing and as a condition precedent to any such consent by the Collateral Agent as aforesaid, the assignee or transferee, as the case may be, of any of the same shall have executed and delivered an agreement with the Collateral Agent agreeing to be bound hereby as a Subordinated Creditor and to have the provisions applicable to the Subordinated Creditor apply to such assignee or transferee, *mutatis mutandis*; and

(f) notwithstanding anything herein or in any other Senior Debt Document or in any Subordinated Debt Document to the contrary, it shall not, nor shall it permit any Affiliate thereof to, exercise or otherwise assert any right, power or privilege of set-off which it may have (at law, in equity, under any agreement, instrument or other document or otherwise) for or in respect of any Subordinated Debt against any amount payable to the Borrower from time to time, including any amount payable, under or pursuant to the Processing Agreement to which it or its Affiliate is a party, as the case may be (including amounts payable pursuant to the DLA to which it or its Affiliate, as the case may be, is a party), and the Subordinated Creditor hereby agrees that all payments required to be made hereunder to the Collateral Agent shall be made to the Collateral Agent without set-off, counterclaim, deduction or reduction of any nature or kind whatsoever.

## 2.4 Distribution to Creditors

Upon any payment or distribution of assets of the Borrower (of any kind or character, whether in cash, property or securities) to its creditors upon any dissolution, winding-up, total or partial liquidation, readjustment of debt, reorganization, compromise, adjustment of debt, arrangement with creditors, or similar proceedings of the Borrower or its property, or in any bankruptcy, insolvency, receivership, assignment for the benefit of creditors, marshalling of assets and liabilities of the Borrower, or other Creditor Proceedings, or in the event of any bulk sale of any of its assets within the bulk transfer provisions of any applicable laws, or proceedings in relation to any of the foregoing, whether any of the foregoing is voluntary or involuntary, partial or complete:

(a) all of the Senior Debt shall first be indefeasibly paid in full and in cash, performed in full and finally satisfied before the Subordinated Creditor shall be entitled to receive or retain any payment or distribution of or in respect of Subordinated Debt from the Borrower or any receiver, receiver-manager, trustee in bankruptcy, liquidating trustee, agent or other person making such payment or distribution or in respect of such proceedings or under or in respect of any of the Subordinated Rights;

(b) until all of the Senior Debt is indefeasibly paid in full and in cash, performed in full and finally satisfied, the Subordinated Creditor irrevocably authorizes the Collateral Agent to file on behalf of the Subordinated Creditor any and all claims, proofs of debt, petitions, consents, and other documents in respect of such proceedings or under or in respect of any of the Subordinated Debt and the Subordinated Rights; and
any payment or distribution of assets of the Borrower of any kind or character, whether in cash, property or securities, to which the Subordinated Creditor would be entitled in respect of the Subordinated Debt or the Subordinated Rights, shall be paid by the Borrower or by any receiver, receiver-manager, trustee in bankruptcy, liquidating trustee, agent or other person making such payment or distribution, directly to the Collateral Agent for the benefit of the applicable Beneficiaries to the extent necessary to satisfy and indefeasibly pay in full and in cash, perform in full and finally satisfy all of the Senior Debt before any payment or distribution is made to the Subordinated Creditor or any representative thereof.

2.5 Power of Attorney

Without limiting the foregoing and in addition thereto, and to the extent permitted by applicable law, the Subordinated Creditor irrevocably authorizes the Collateral Agent to do, make, execute, deliver and file on behalf of the Subordinated Creditor a claim, proof of claim, direction to pay, petition, consent, and other documents in respect of Creditor Proceedings. The Subordinated Creditor hereby irrevocably constitutes and appoints any officer for the time being of the Collateral Agent as the true and lawful attorney of the Subordinated Creditor, with full power of substitution, to exercise all Subordinated Rights and to exercise any and all rights of the Subordinated Creditor in connection with any Creditor Proceedings, including to do, make, execute, deliver and file any and all of the foregoing in connection with the Creditor Proceedings (such power of attorney is a power coupled with an interest and shall survive the legal incapacity of, and any bankruptcy, insolvency, receivership, dissolution, liquidation, reorganization, winding up or other analogous proceedings in respect of, the Subordinated Creditor and extends to its successors and assigns). The foregoing authorization and power of attorney shall include the right to vote and approve on behalf of the Subordinated Creditor any plan of arrangement, reorganization, proposal, liquidation, compromise, or any other step, action or proceeding under, pursuant or relating to any Creditor Proceedings, all as the Collateral Agent may consider appropriate in its sole discretion (and having regard to those considerations as the Collateral Agent deems appropriate and, for certainty, without having any responsibility or liability to the Subordinated Creditor).

2.6 Trust

Notwithstanding Section 2.4, if upon any such dissolution, winding-up, liquidation, readjustment, reorganization, compromise, adjustment of debt, arrangement with creditors or similar proceedings in respect of the Borrower or in any bankruptcy, insolvency, receivership, assignment for the benefit of creditors, marshalling of assets and liabilities of the Borrower, or other Creditor Proceedings, or in the event of any bulk sale of any of its assets within the bulk transfer provisions of any applicable laws, or proceedings in relation to any of the foregoing, whether any of the foregoing is voluntary or involuntary, partial or complete (including any acts or proceedings related to the Subordinated Rights), any payment or distribution of assets of the Borrower of any kind or character, whether in cash, property or securities, shall be received by the Subordinated Creditor or any representative thereof before all the Senior Debt is indefeasibly paid in full and in cash, performed in full and finally satisfied, such payment or distribution shall be held by the Subordinated Creditor (or such representative) in trust for the benefit of, and shall
be promptly paid over in the form received (duly endorsed, if necessary, to the Collateral Agent) to, the Collateral Agent for the benefit of the applicable Beneficiaries.

2.7 Application of Proceeds

All payments and distributions received by the Subordinated Creditor in respect of the Subordinated Debt or Subordinated Rights, to the extent received in or converted into cash and paid over to the Collateral Agent hereunder for the benefit of the applicable Beneficiaries, may be applied by the Collateral Agent first to the payment of any and all expenses (including legal fees and expenses on a solicitor and his own client basis and on the basis of a full indemnity) paid or incurred by the Collateral Agent in enforcing the provisions hereof or in endeavouring to collect or realize upon any of the Senior Debt, and any balance thereof shall, solely as between the Subordinated Creditor and the applicable Beneficiaries, but subject to the Collateral Agent and Intercreditor Agreement, be applied by the applicable Beneficiary to the payment of the Senior Debt until indefeasibly paid in full and in cash, performed in full and finally satisfied in such order of application as the applicable Beneficiary may from time to time select; and, notwithstanding any such payments or distributions received by the applicable Beneficiaries in respect of the Subordinated Debt or Subordinated Rights and so applied by the applicable Beneficiaries toward the payment of the Senior Debt, the Subordinated Creditor shall be subrogated, without recourse, representation and warranty to the then existing rights of the applicable Beneficiaries, if any, in respect of the Senior Debt subject to the provisions of Section 2.8.

2.8 Restriction on Subrogation

The Subordinated Creditor shall not have or exercise any rights which it may acquire, if any, by way of subrogation or contribution under or in connection with this Agreement until this Agreement has ceased to be effective in accordance with Section 5.1. If any amount is paid to the Subordinated Creditor on account of such subrogation or contribution rights at any time before this Agreement has ceased to be effective in accordance with Section 5.1, such amount shall be held in trust by the Subordinated Creditor for the benefit of the Beneficiaries and shall be promptly paid to the Collateral Agent for the benefit of the Beneficiaries.

ARTICLE 3
ACKNOWLEDGEMENTS OF SUBORDINATED CREDITOR; FURTHER COVENANTS; REPRESENTATIONS AND WARRANTIES

3.1 Absolute Obligations

This Agreement shall operate and apply, and shall remain in full force and effect, in all events and circumstances and the obligations of the Subordinated Creditor hereunder shall be absolute, irrevocable and unconditional in all events and circumstances. In addition to and without limiting the foregoing, this Agreement shall remain in full force and effect and the obligations of the Subordinated Creditor hereunder shall be absolute, irrevocable and unconditional irrespective of:

(a) any change in the time, manner or place of payment of, or in any other term of, any of the Senior Debt, the Senior Debt Documents, or any other amendment or
waiver of or any consent to departure from any of the Senior Debt or the Senior Debt Documents;

(b) any release or amendment or waiver of or consent to departure from any covenant, agreement or undertaking of any person respecting any of the Senior Debt or the Senior Debt Documents;

(c) any merger, consolidation, amalgamation, dissolution, winding-up, liquidation or termination of the existence of the Collateral Agent, any other Beneficiary or the Subordinated Creditor into or with any other person or any other change of its identity or capacity;

(d) any (i) liquidation, winding-up, bankruptcy, dissolution, compromise, proposal, arrangement, plan of reorganization or other event or proceeding relating to, or which might affect the existence, obligations, creditors, assets, business or affairs of, (ii) change or changes in the name of, or (iii) amalgamation, consolidation, merger or reorganization of any kind of, or with respect to, the Borrower or any Subsidiary thereof;

(e) in addition to and not in limitation of Section 3.1(d) above, any Creditor Proceedings;

(f) any applicable laws or any defence, claim or right of any Party which would effect a result contrary to the terms in this Agreement; or

(g) any impossibility or impracticality of performance or force majeure, any act of any Governmental Authority, or any other circumstance which might constitute a defence available to, or a discharge of, the Borrower in respect of the Senior Debt or the Senior Debt Documents.

3.2 Dealings by Beneficiaries

Notwithstanding anything in this Agreement, the Subordinated Creditor acknowledges and agrees that the Collateral Agent and the applicable Beneficiaries shall be entitled to:

(a) lend monies, provide cash management services, enter into hedging arrangements or otherwise extend credit or accommodations to the Borrower as part of the Senior Debt;

(b) agree to any change in, amendment to, waiver of, or departure from, any term of any Senior Debt Document including, without limitation, any amendment, renewal, restatement or extension of any Senior Debt Document, or increase in the payment or other obligations of the Borrower under any Senior Debt Document;

(c) take any Security Interests from the Borrower and its Subsidiaries;
(d) grant time, renewals, extensions, releases, discharges or other indulgences or forbearances to the Borrower in respect of Senior Debt;

(e) waive timely and strict compliance with or refrain from exercising any rights under or relating to any Senior Debt;

(f) accept or make any compositions, arrangements, plans of reorganization or compromises with the Borrower and its Subsidiaries as the Beneficiaries (or any of them) may deem appropriate in connection with any Senior Debt;

(g) change, whether by addition, substitution, removal, succession, assignment, grant of participation, transfer or otherwise, any of the Beneficiaries, including the Collateral Agent;

(h) acquire, give up, vary, exchange, release, discharge or otherwise deal with or fail to deal with any Security Interests relating to the Senior Debt, or allow the Borrower, its Subsidiaries or any other person to deal with any property which is subject to such Security Interests, all as the Collateral Agent and the other Beneficiaries may deem appropriate; or

(i) abstain from taking, protecting, securing, registering, filing, recording, renewing, perfecting, insuring or realizing upon any Security Interests for any Senior Debt; and no loss in respect of any of the Security Interests received or held for and on behalf of the Beneficiaries, whether occasioned by fault, omission or negligence of any kind, whether of the Collateral Agent or any of the Beneficiaries or otherwise, shall in any way limit or impair the liability of the Subordinated Creditor or the rights of the Collateral Agent and the other Beneficiaries under this Agreement;

all of which may be done without notice to or consent of the Subordinated Creditor and without impairing, releasing or otherwise affecting any obligations of the Subordinated Creditor hereunder or any rights of the Collateral Agent and the other Beneficiaries hereunder.

3.3 Subordinated Debt Default

The Subordinated Creditor shall promptly give the Collateral Agent written notice of the occurrence of a default or event of default in respect of the Subordinated Debt of which the Subordinated Creditor is actually aware.

3.4 Agreement Not to Challenge

The Subordinated Creditor shall not at any time challenge, dispute or contest the validity or enforceability of any of the Senior Debt or the Senior Debt Documents (including this Agreement) or the perfection of the Security Interests constituted by any of the Senior Debt Documents, nor shall the Subordinated Creditor at any time challenge, dispute or contest the validity or enforceability of the subordination and postponement provided for herein or take any action whereby the subordination and postponement contemplated hereby may be prejudiced.
3.5 Representations and Warranties

The Subordinated Creditor hereby represents and warrants to the Collateral Agent and the other Beneficiaries that:

(a) it is [a corporation subsisting under the laws of the Province of Alberta] OR [by statute an agent of the Province of Alberta for all purposes, such that all obligations of Alberta Petroleum Marketing Commission under this Agreement constitute legal, valid and binding obligations of the Province of Alberta];

(b) the Subordinated Creditor has all necessary power and authority to enter into this Agreement and to perform the obligations of the Subordinated Creditor hereunder;

(c) the execution, delivery, observance and performance on its part of this Agreement has been duly authorized by all necessary action;

(d) the Subordinated Creditor has duly executed and delivered this Agreement; and

(e) this Agreement constitutes a valid and legally binding obligation of the Subordinated Creditor, enforceable against the Subordinated Creditor in accordance with its terms.

ARTICLE 4
ACKNOWLEDGEMENT OF THE BORROWER

4.1 Acknowledgement

The Borrower hereby acknowledges and agrees that:

(a) it authorizes the Collateral Agent, the other Beneficiaries and the Subordinated Creditor to share with each other any information possessed by them relating to the Borrower Indebtedness and to payments received by the Collateral Agent, the other Beneficiaries and the Subordinated Creditor in respect thereof;

(b) this Agreement shall not modify, relieve or release it from any of its Borrower Indebtedness or performance obligations under the agreements, instruments or other documents giving rise to the Subordinated Rights;

(c) it is a party hereto solely for the purpose of providing the acknowledgements and agreements set forth herein and does not, and is not intended to, derive any benefits hereunder; and

(d) it consents to the terms of this Agreement and agrees to comply with, and to not act contrary to, the terms of this Agreement.
ARTICLE 5
TERMINATION

5.1 Termination

The provisions hereof shall in all respects be a continuing agreement and shall remain in full force and effect until: (a) the indefeasible payment in full and in cash, performance in full and final satisfaction of the Senior Debt; (b) the cancellation of all of the credit facilities established under all Senior Debt; and (c) the termination of all Senior Debt Documents.

5.2 Reinstatement

This Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any payment or performance of the Senior Debt is rescinded, reversed, nullified, rendered void or voidable or must otherwise be restored, refunded, returned or unwound for any reason, all as though such payment had not been made or such performance had not occurred.

ARTICLE 6
CONTINUING SUBORDINATION

6.1 Continuing Subordination

This Agreement shall create a continuing subordination and shall:

(a) be binding upon the Subordinated Creditor and its successors and assigns; and

(b) enure, together with the rights and remedies of the Collateral Agent and the other Beneficiaries hereunder, to the benefit of and be enforceable by the Collateral Agent and the other Beneficiaries and their successors and assigns for their benefit and for the benefit of any other person entitled to the benefit of any Senior Debt Documents from time to time, including any permitted assignee or participant of some or all of the Senior Debt Documents.

6.2 Other Obligations Not Affected

The subordination provided for herein is in addition to and not in substitution for any other agreement or any other security by whomsoever given or at any time held by the Collateral Agent or the other Beneficiaries in respect of the Senior Debt, and the Collateral Agent and the other Beneficiaries shall at all times have the right to proceed against or realize upon all or any portion of any other agreement or any security or any other monies or assets to which the Collateral Agent and the other Beneficiaries may become entitled or have a claim in such order and in such manner as the Collateral Agent and the other Beneficiaries in their sole discretion may deem appropriate.

6.3 Acknowledgement of Documentation

The Subordinated Creditor hereby acknowledges that it is familiar with and understands the terms of the Senior Debt Documents. The Subordinated Creditor shall ensure that the Borrower
provides such copies as the Subordinated Creditor wishes to receive of all amendments, modifications or supplements to any of the aforementioned documents and of any other Senior Debt Documents which are executed in the future pursuant to which Senior Debt may arise. None of the Collateral Agent or the other Beneficiaries shall in any manner have any obligation to ensure such receipt nor shall lack of receipt in any way affect the absolute, irrevocable and unconditional nature of the Subordinated Creditor's obligations hereunder in respect of the Senior Debt thereby created or arising.

ARTICLE 7
MISCELLANEOUS

7.1 Assignments and Participations by Beneficiaries

The Beneficiaries may, from time to time without notice to or consent of the Subordinated Creditor, assign or transfer or grant participations in respect of any or all of the Senior Debt or any interest therein in accordance with the Senior Debt Documents; and, notwithstanding any such assignment or transfer or grant of a participation or any subsequent assignment or transfer thereof or grant of a participation therein, the Subordinated Creditor acknowledges that such Senior Debt shall be and remain Senior Debt for the purposes hereof, and every immediate and successive assignee or transferee of, or participant in, any of the Senior Debt or of any interest therein shall, to the extent of the interest of such assignee, transferee or participant in the Senior Debt, be entitled to the full rights and benefits hereof.

7.2 Assignment by Subordinated Creditor or Borrower

Except in compliance with each of the Senior Debt Documents as confirmed to the Collateral Agent by an Officer's Certificate of the Borrower, the Borrower shall not assign all or any portion of its obligations under this Agreement, and any attempted assignment of any such obligations shall be null and void. Except in accordance with Section 2.3(e), the Subordinated Creditor shall not assign all or any portion of its Subordinated Debt, the Subordinated Debt Documents or the Subordinated Rights.

7.3 Accounts

The accounts and records of the Collateral Agent and the Lenders shall constitute, in the absence of manifest error, conclusive and binding evidence of the Senior Debt.

7.4 Further Assurances

Each Party agrees to execute and deliver all deeds, documents, instruments and assurances (including discharges) as may be reasonably required by another Party from time to time (but at the expense of the Borrower) to reflect, confirm or give to the terms hereof and to provide such information regarding the Borrower Indebtedness and the Subordinated Rights as may be reasonably requested from time to time.
7.5 Severability

Any provision of this Agreement which is or becomes prohibited or unenforceable in any jurisdiction does not invalidate, affect or impair the remaining provisions hereof in such jurisdiction and any such prohibition or unenforceability in any jurisdiction does not invalidate or render unenforceable such provision in any other jurisdiction.

7.6 Amendments; Waivers

(a) No provisions of this Agreement may be amended, waived, discharged or terminated orally nor may any breach of any of the provisions of this Agreement be waived or discharged orally, and any amendment, waiver, discharge or termination of this Agreement may only be made in writing signed by the Collateral Agent on behalf of the Beneficiaries, or by the Beneficiaries, and if such amendment is intended to bind the Subordinated Creditor, by the Subordinated Creditor.

(b) No failure on the part of the Collateral Agent or any other Beneficiary to exercise, and no delay in exercising, any right, power or privilege hereunder shall operate as a waiver thereof unless specifically waived in writing, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

(c) Any waiver of any provision of this Agreement or consent to any departure by the Collateral Agent therefrom shall be effective only in the specific instance and for the specific purpose for which given and shall not in any way be or be construed as a waiver of any future requirement.

7.7 Notice

Any demand, notice or communication to be made or given hereunder shall be in writing and may be made or given by personal delivery or by transmittal by facsimile or other electronic means of communication addressed to the respect Parties as follows:

To the Borrower:

North West Redwater Partnership
2800, 140 – 4th Avenue S.W.
Calgary, Alberta
T2P 3N3

Attention: Director, Finance and Information Systems
Facsimile: (403) 398-0924

To the Collateral Agent:

[Valiant Trust Company], as Collateral Agent
[●]
To the Subordinated Creditor:


Attention: [Vice-President] OR [Richard Masson] Facsimile: [(403) 514-7798] OR [(403) 297-5468]

or to such other address or telecopy number as any of the Parties may from time to time notify the others in accordance with this Section. Any demand, notice or communication made or given by personal delivery or by facsimile or other electronic means of communication during normal business hours at the place of receipt on a Business Day shall be conclusively deemed to have been made or given at the time of actual delivery or transmittal, as the case may be, on such Business Day. Any demand, notice or communication made or given by personal delivery or by facsimile or other electronic means of communication after normal business hours at the place of receipt or otherwise than on a Business Day shall be conclusively deemed to have been made or given at 9:00 a.m. (Calgary time) on the first Business Day following actual delivery or transmittal, as the case may be.

7.8 Governing Law

This Agreement is conclusively deemed to be made under, and for all purposes to be governed by and construed in accordance with, the laws of the Province of Alberta and of Canada applicable therein. The Parties hereby irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the Province of Alberta for all matters arising out of or relating to this Agreement or any of the transactions contemplated hereby.

7.9 Enurement

This Agreement shall be binding upon the Parties and their respective successors and assigns.

7.10 Time of Essence

Time shall be of the essence with respect to this Agreement.
7.11 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of the Subordinated Debt Documents, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

7.12 Entire Agreement

This Agreement contains the entire agreement between the Parties with respect to the matters herein contained and there are no other representations, warranties, covenants or collateral agreements between any of the Parties in connection therewith other than as expressly herein provided.

7.13 Collateral Agent Execution

[Valiant Trust Company] is entering into this Agreement in its capacity as collateral agent under the Collateral Agent and Intercreditor Agreement and as collateral agent for and on behalf of each of the Beneficiaries.

7.14 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or by sending a scanned copy by electronic mail shall be as effective as delivery of a manually executed counterpart of this Agreement.

[Remainder of Page Intentionally Left Blank]
IN WITNESS WHEREOF each Party has duly executed this Agreement as of the date and year first above written.

[VALIANT TRUST COMPANY],
as Collateral Agent

Per: ____________________________

Name: __________________________

Title: ___________________________
BORROWER:

NORTH WEST REDWATER PARTNERSHIP,
by its general partners
CANADIAN NATURAL UPGRADING LIMITED

By: ________________________________
Name: ________________________________
Title: ________________________________

By: ________________________________
Name: ________________________________
Title: ________________________________

NWU LP,
by its general partner:
1726702 ALBERTA LTD.

By: ________________________________
Name: ________________________________
Title: ________________________________

By: ________________________________
Name: ________________________________
Title: ________________________________
By: ________________________________
Name: ________________________________
Title: ________________________________

By: ________________________________
Name: ________________________________
Title: ________________________________

[CANADIAN NATURAL UPGRADING LIMITED OR ALBERTA PETROLEUM MARKETING COMMISSION]