

1500, 635 - 8th Avenue South West Calgary, Alberta, Canada T2P 3Z1 [403] 234-6700 Telex 038-21516

January 13, 1986

Allan M. MacRae

Dear Al:

Included in the 1986 Compensation Program is a provision to reward exceptional performance by an employee who in the course of 1985 made a significant contribution which greatly furthers the financial, operational or administrative enterprise of CanadianOxy.

I am pleased to inform you that you have been awarded a bonus of \$10,000 for your efforts resulting in significant tax savings related to Syncrude's Capacity Addition Project.

This is a one time award granted to recognize the specific achievement which is indicative of a strong dedication to CanadianOxy's progress. While it may be difficult for you to repeat this performance, it would be my pleasure to see your name considered again as a result of some future contribution which might equally advance the company's interests.

The Special Awards Program serves as further confirmation to you and your fellow employees that performance will reap rewards at CanadianOxy.

Congratulations!

J.A. McKee

President & Chief Executive Officer