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CIRCULAR
March, 17, 2005

**ANTICIPATED CONTRACT ADJUSTMENT
NEXEN INC. (NXY)
Stock Split**

THE FOLLOWING INFORMATION IS PREPARED FOR THE CONVENIENCE OF CANADIAN DERIVATIVES CLEARING CORPORATION MEMBERS AND BOURSE DE MONTRÉAL INC. APPROVED PARTICIPANTS. THIS DOCUMENT IS AN UNOFFICIAL SUMMARY OF THE TERMS OF THE AFOREMENTIONED STOCK SPLIT. CDCC AND BOURSE DE MONTRÉAL INC. ACCEPT NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE SUMMARY.

Bourse de Montréal Inc. (the Bourse) and Canadian Derivatives Clearing Corporation (CDCC) hereby inform you that the Board of Directors of Nexen Inc. (NXY) (Nexen) announced on March 16, 2005, a two-for one stock split of the company's outstanding common shares.

For the split to be completed, it will have to be approved by Nexen's shareholders at the annual meeting scheduled on April 27, 2005. The stock split is also subject to the receipt by Nexen of all regulatory approvals required in such a case.

Stock split adjustment details:

- **SPLIT RATIO:** 2 for 1.
- **EX-DATE:** May 10, 2005.
- **RECORD DATE:** May 12, 2005.
- **PAYABLE DATE:** On or about May 17, 2005.

Circular no.: 046-2005

Adjustment details:

Pursuant to Terms of Adjustment provided in Section A-902 of the Rules of CDCC, all Nexen options will be adjusted as follows:

- **EFFECTIVE DATE:** **May 10, 2005.**
- **OPTION SYMBOL:** **NXY.**
- **NUMBER OF CONTRACTS:** **Doubled.**
- **NEW DELIVERABLE PER CONTRACT:** **100 Nexen common shares.**
- **STRIKE PRICES:** **An adjustment will be made for all existing series.**
- **MULTIPLIER:** **100.**
- **POSITION AND EXERCISE LIMITS:** **Effective May 10, 2005, Position and Exercise Limits will increase to 75,000.**
- **CUSIP* :** **65334H102.**

*CDCC is supplying this as information only. Although every effort has been made to ensure the accuracy of the information, CDCC cannot be responsible for any errors or omissions.

For further information, please contact your local CDCC office.

Joëlle Saint-Arnault
Vice-President, Legal Affairs and Secretary