PUBLIC ENGAGEMENT IS CRITICAL TO THE SUCCESS OF A CO_2 STORAGE PROJECT

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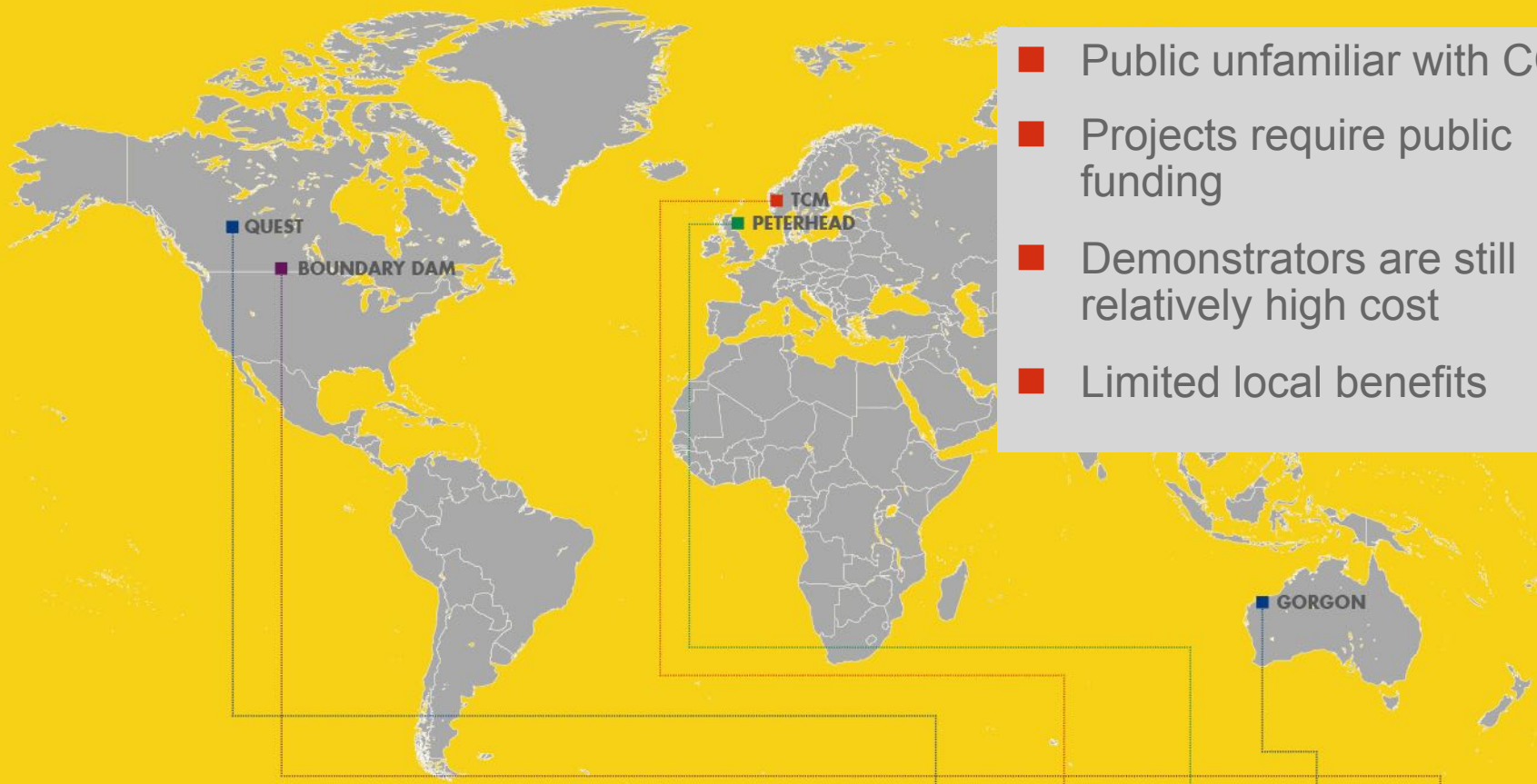
EARLY MOVER CCS PROJECTS - CHARACTERISTICS



- Public unfamiliar with CCS
- Projects require public funding
- Demonstrators are still relatively high cost
- Limited local benefits

Industrial scale projects in operation

Industrial scale projects in construction

Planned industrial scale project (FEED)

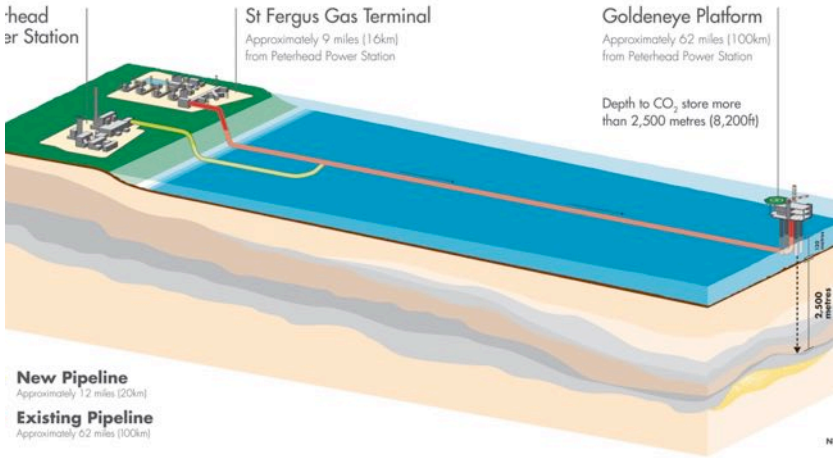
Involvement through Shell Cansolv Technology

QUEST CCS PROJECT

- **Location:** Scotford Upgrader Complex, Alberta, Canada
- **Type:** Fully integrated CCS
- **Size:** One million tonnes CO_2 per year capacity for 25 years
- **Partners:** Shell (60%); Chevron (20%); and Marathon (20%)
- **Status:** Construction Complete 2015. First sequestration September 2015 into saline aquifer.
- **Emissions reduction:** 35% reduction of Upgrader CO_2 emissions - equivalent to emissions from 175,000 North American cars.
- **Significance:** First Shell Operated CCS Project & First on Heavy Oil Operations

PETERHEAD CCS

- **Location:** Peterhead, UK with storage in Goldeneye reservoir offshore in the North Sea
- **Type:** Fully integrated CCS
- **Size:** One million tonnes CO_2 per year
- **Owner:** Shell (100%)
- **Status:** FEED complete. Expected FID decision in 2015.
- **Technology:** Shell Cansolv technology
- **Emissions reduction:** 90% of the CO_2 from one turbine at the Peterhead Power Station to be captured
- **Significance:** First CCS project of a gas fired power plant

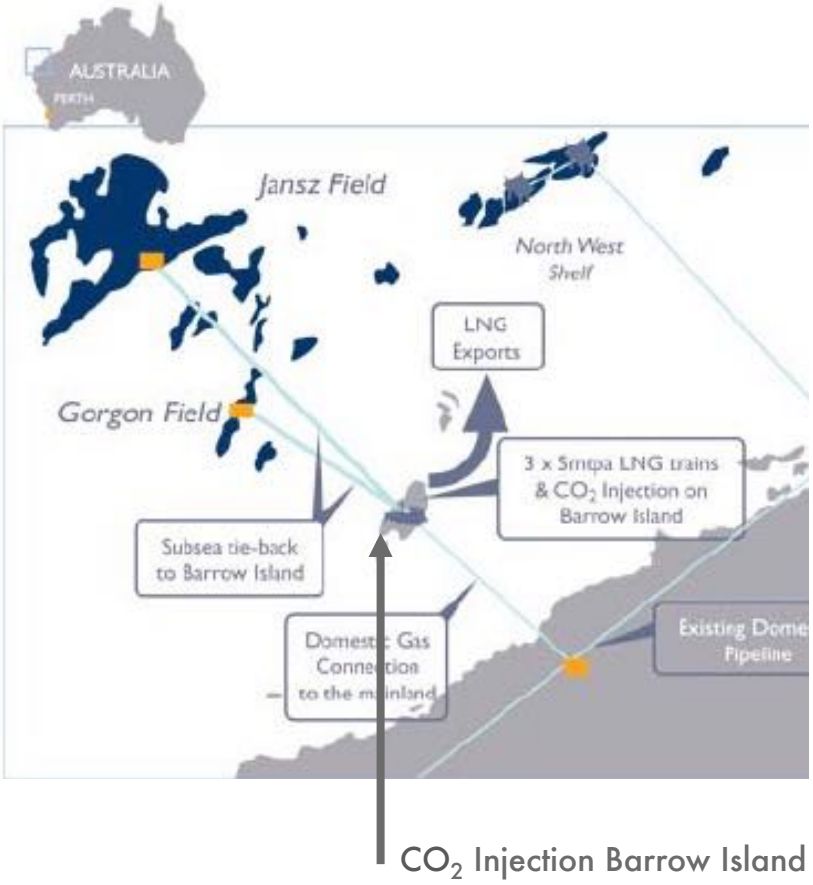


SASKPOWER BOUNDARY DAM CCS PROJECT

- **Location:** Estevan, Saskatchewan, Canada
- **Type:** Capture plant for coal fired power
- **Size:** Capture of 1 million tonnes CO_2 per year; use of CO_2 for EOR (Cenovus Weyburn field)
- **Owner:** SaskPower (Shell has no equity)
- **Status:** Plant opened early October 2014
- **Technology:** Shell Cansolv SO_2 and CO_2 capture technologies
- **Significance:** World's First Post-Combustion Coal-Fired CCS project.

GORGON CO2 STORAGE – UNDER CONSTRUCTION

- **Location:** North West Shelf, Australia
- **Type:** Industrial scale CO_2 storage project, potentially largest in the world, driven by regulatory compliance
- **Size:** 3 – 4 million tonnes per year of CO_2
- **Scope:** Store CO_2 separated from LNG feed gas into saline aquifer underneath class A nature reserve
- **Partners:** Chevron (47% - operator), Shell (25%) and XOM (25%)
- **Status:** Investment decision made. Operation expected from 2016 onwards
- **Significance:** Worlds largest CCS project



CO2 TECHNOLOGY CENTRE MONGSTAD (TCM) NORWAY

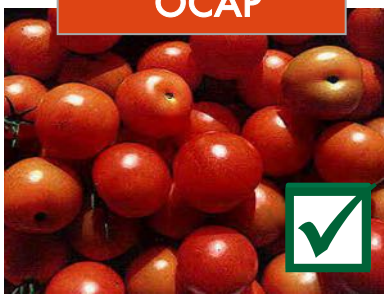
- **Location:** Bergen, Norway
- **Type:** CO_2 capture technologies test center
- **Size:** Up to 100,000 tonnes of CO_2 a year
- **Scope:** Amine Technology
- **Partners:** Gassnova SF, Statoil ASA, Norske Shell, and Sasol
- **Significance:** The world's most advanced test centre for CO2 capture

SOCIETAL SUPPORT FOR CCS – WHAT IS NEEDED

- Support to act on Climate Change
- Clarity on the
  - Need for CCS:
    What options are available to reduce GHG emissions and what is the role of CCS?
  - Safety of CCS:
    Is the CO2 capture, transport & storage close to my home sufficiently safe?
  - Cost and benefits of CCS:
    What will it cost in comparison to other options and what will the benefits be for me?

A DECADE OF DEMONSTRATION AT SHELL

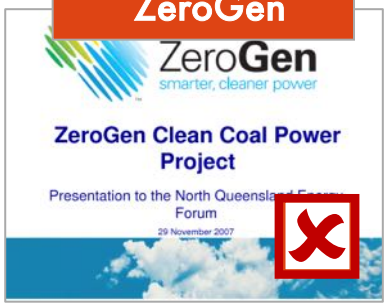
OCAP



Barendrecht

Draugen

ZeroGen



Longannet

Gorgon

TCM

Quest

Peterhead

BARENDRECHT CCS PROJECT – LACK OF LOCAL PUBLIC SUPPORT

- What was missing?
- No buy in to the case for CCS
- Safety concerns on CCS
- Confusing messaging
- No immediate benefits for community, who had been impacted by several infra-structural projects

The Barendrecht (NL) demonstration project comprised:

- Capture of 350 ktpa of CO_2 from Shell Pernis refinery
- Transport of CO_2 through 60 km new pipeline from Pernis to Barendrecht town
- Permanent storage in onshore depleted gas field

QUEST- INITIAL ASSUMPTIONS STAKEHOLDER ENGAGEMENT

- There would be a lot of public interest-- in the technology and in the project
- There would be concerns because of the 'newness' of the technology
- Some stakeholders would be fundamentally opposed to the project-- due to it being an enabler for continued oilsands operations
- The lower levels of initial public knowledge on CCS required the project engage in a broader outreach program
- It was in the best interest of the project and the technology to put considerable emphasis on stakeholder outreach

Shell Quest information booth- at the local Farmer's Market (2011)

QUEST- CORE CONSULTATION PRINCIPLES

- Comprehensive and thorough consultation
- Start consultation early
- Include potentially affected parties outside the minimum required notification areas
- Engage the general public, academics, community, community leaders, and other
- Recognize the legitimacy of stakeholder concerns and the valuable input they provide
- Provide any and all information needed so that stakeholders can fully participate in the regulatory process
- Adapt plans based on stakeholder input, and provide feedback on how that input has affected plans
- Transparency- in technical conclusions

QUEST – EXTENSIVE & CONTINUOUS PUBLIC ENGAGEMENT

- 1st public project disclosure: Oct 2008 (booklet, news release and open house)
- Stakeholder consultation program initiated Jan 2010
  - All landowners <450 m of either side of pipeline right of way
  - All landowners in storage AOI
  - All Landowners within 5 km of Scotford
  - Municipal districts/local authorities
  - Industry stakeholders
  - Provincial / Federal regulators
  - Aboriginal communities
- 19 Open Houses: March and November 2010, September 2011 and November 2012
- Quest Café's: June, October 2011
- Bi-annual County and Town Council updates
- Monthly Community Advisory Panel Meetings (CAP) on MMV program started in Q4 2012 and ongoing

PETERHEAD POWER STATION

PUBLIC CONSULTATION & ONGOING ENGAGEMENT

- Three phases of public consultation: 11 public exhibitions, 850 people
- Tours of Peterhead Power Station: 95 people
- Briefings to local community councils and other stakeholders
- Community events and presence
- Participation in local meetings and fora, eg Local Community Planning Group, Peterhead Energy Hub
- Project stand at three key community events last summer (2,000+ people)
- Education workshop in Boddam Primary School
- Ongoing Engagement will continue through ongoing presence of CLO, regular update briefings, one-to-one meetings, website updates, project newsletter

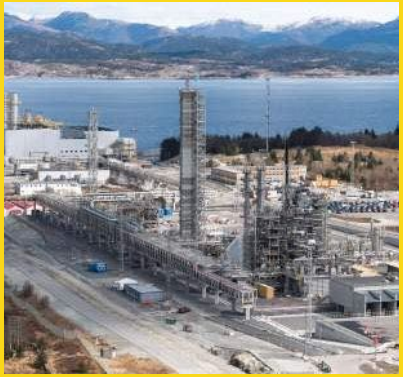
COMMUNITY ENGAGEMENT

COMMUNITY BENEFITS

Power Station Life

Construction Jobs

Operations Jobs

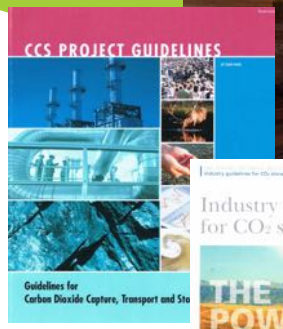


Future Industry Hub

SOCIETAL SUPPORT FOR CCS

Communication

Education



Demonstration

Collaboration

ieaghg

CCSA

carbon sequestration leadership forum