Meet Alaska

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Energy Frontiers:
Shell’s perspective on business in the Arctic

Meet ALASKA

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The Energy Challenge

- Rapid demand growth
- Supply will struggle to keep up
- Access to easy oil is over
- Environmental impact (CO₂)
- Renewables are emerging - but slowly
- It has taken 25 years for a new form of energy to obtain 1% market share
- We live in a world of **AND**
  - Coal, Oil, **Gas**, Nuclear, Hydro, Wind, Solar, **Biofuels** etc.
- Environmental and social impact solutions are a must

There is a need for **responsible Arctic Oil & Gas development**
Arctic Oil & Gas Resources - USGS 2008*

YTF (USGS 2008) Global
Oil: 90 bln bbl 13%
Gas: 1669 tcf 30%
NGLs: 44 bln bbl 20%
Total 412 bln boe 22%

84% offshore

MMS 2006 Alaska OCS
Undiscovered Technically Recoverable Resources
Oil 26.6 bln bbl
Gas 132 Tcf
Total 50.1 bln boe

Undiscovered Gas tcf
- >100
- 10-100
- <10
- Not assessed
- Low

Undiscovered Oil bln bbl
- >10
- 1-10
- Not assessed
- Low
- <1

*) Circum-Arctic Resource Appraisal: Estimates of Undiscovered Oil and Gas North of the Arctic Circle.
USGS 2008

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Shell Alaska History

1900s 1960s 1970s 1980s 1990s 2000s 2010 -

Cook Inlet  Gulf of Alaska  Beaufort Sea  Bering Sea  Chukchi Sea  Beaufort Sea  Chukchi Sea

Shell Geologists in Alaska

Middle Ground Shoal Discovery; Cook Inlet Production

Shell exits Alaska 1992

Shell re enters Alaska 2005
Greenland
External challenges

- External attention increasing
- Focus on the big four Sustainable Development issues and Regulatory
  - Oil Spill in Ice
  - Indigenous peoples
  - Biodiversity management
  - Climate change
  - Regulatory
- Mitigation strong link with technical (footprint reduction and Oil Spill Response)
Historical Overview of U.S. Arctic OCS Science
Arctic Technology

OPERATING IN ICE
- Safety, reliability, cost effectiveness
- Examples: ice load, ice management, structures, pipeline protection, under-ice installations, shipping and logistics

FOOTPRINT REDUCTION
- Reduce impact – secure permits and approvals
- Examples: unmanned aircrafts, automated underwater vehicles, discharge systems, marine sound mitigation

OIL SPILL RESPONSE IN ICE
- Licence to operate
- Examples: mechanical methods, under-ice detection, in-situ burning, dispersants, environmental impacts
Standards
Indigenous People
Cooperation with Shell Strategic Partners

- Western Grey Whale Advisory Panel
- Cross Sector Impact Assessment
- Eco-System Based Management

- Study of oil and gas industry impact mitigation on Arctic wetlands, wetlands recovery and restoration

- Marine Conservation Action Plan for Beaufort Sea and Chukchi Seas

- Earth Watch fellowships: Climate Change at the edge of the Arctic

- Arctic Climate Change Commission
  - Arctic Governance principles
  - Recommendations
Conclusion

- Energy Challenge
- Arctic Oil and Gas
- Responsible Development
- Energy strategy, policies, regulations, standards
- Cooperation
- Shell has 50 years Arctic experience

- TREMENDOUS OPPORTUNITIES