Shell LNG as Today’s Marine Fuel
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DEFINITIONS AND CAUTIONARY NOTE

Reserves: Our use of the term "reserves" in this presentation means SEC proved oil and gas reserves.
Resources: Our use of the term "resources" in this presentation includes quantities of oil and gas not yet classified as SEC proved oil and gas reserves.
Organic: Our use of the term Organic includes SEC proved oil and gas reserves excluding changes resulting from acquisitions, divestments and year-average pricing impact.

The companies in which Royal Dutch Shell plc directly and indirectly owns investments are separate entities. In this announcement "Shell", "Shell Group" and "Royal Dutch Shell" are sometimes used for convenience where references are made to Royal Dutch Shell plc and its subsidiaries in general. Likewise, the words "we", "us" and "our" are also used to refer to subsidiaries in general or to those who work for them. These expressions are also used where no useful purpose is served by identifying the particular company or companies. "Subsidiaries", "Shell subsidiaries" and "Shell companies" as used in this announcement refer to companies in which Shell either directly or indirectly has control, by having either a majority of the voting rights or the right to exercise a controlling influence. The companies in which Shell has significant influence but not control are referred to as "associated companies" or "associates" and companies in which Shell has joint control are referred to as "jointly controlled entities". In this announcement, associates and jointly controlled entities are also referred to as "equity-accounted investments". The term "Shell interest" is used for convenience to indicate the direct and/or indirect (for example, through our 23 per cent shareholding in Woodside Petroleum Ltd.) ownership interest held by Shell in a venture, partnership or company, after exclusion of all third-party interest.

This announcement contains forward looking statements concerning the financial condition, results of operations and businesses of Shell and the Shell Group. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements include, among other things, statements concerning the potential exposure of Shell and the Shell Group to market risks and statements expressing management’s expectations, beliefs, estimates, forecasts, projections and assumptions. These forward looking statements are identified by their use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "goals", "intend", "may", "objectives", "outlook", "plan", "probably", "project", "risks", "seek", "should", "target", "will" and similar terms and phrases. There are a number of factors that could affect the future operations of Shell and the Shell Group and could cause those results to differ materially from those expressed in the forward looking statements included in this announcement, including (without limitation): (a) price fluctuations in crude oil and natural gas; (b) changes in demand and for Shell's products; (c) currency fluctuations; (d) drilling and production results; (e) reserves estimates; (f) loss of market share and industry competition; (g) environmental and physical risks; (h) risks associated with the identification of suitable potential acquisition properties and targets, and successful negotiation and completion of such transactions; (i) the risk of doing business in developing countries and countries subject to international sanctions; (j) legislative, fiscal and regulatory developments including regulatory measures addressing climate change; (k) economic and financial market conditions in various countries and regions; (l) political risks, including the risks of expropriation and renegotiation of the terms of contracts with governmental entities, delays or advancements in the approval of projects and delays in the reimbursement for shared costs; and (m) changes in trading conditions. All forward looking statements contained in this announcement are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Readers should not place undue reliance on forward looking statements. Additional factors that may affect future results are contained in Shell's 20-F for the year ended 31 December 2012 (available at www.shell.com/investor and www.sec.gov ). These factors also should be considered by the reader. Each forward looking statement speaks only as of the date of this announcement, 17 April 2013. Neither Shell nor any of its subsidiaries nor the Shell Group undertake any obligation to publicly update or revise any forward looking statement as a result of new information, future events or other information. In light of these risks, results could differ materially from those stated, implied or inferred from the forward looking statements contained in this announcement.

Shell may have used certain terms, such as resources, in this announcement that the SEC strictly prohibits Shell from including in its filings with the SEC. U.S. investors are urged to consider closely the disclosure in Shell's Form 20-F, File No 1-32575, available on the SEC website www.sec.gov. You can also obtain these forms from the SEC by calling 1-800-SEC-0330.
WHY SHOULD YOU CONSIDER LNG AS A PRIMARY FUEL?

LNG fuel is a strategic path to emission compliance, while lowering total cost of ownership.

1. Cost competitive fuel
2. Cleaner burning fuel, with zero SOx, reduced NOx & PM
3. Proven and reliable LNG engine technology availability
LNG: THE COLD FACTS

- When natural gas is cooled to –162°C at atmospheric pressure it condenses to a liquid.
- LNG is stored as a “boiling cryogen” – or a very cold liquid at its boiling point.
- LNG at atmospheric pressure is analogous to boiling water, only about 260°C colder.
- The temperature of boiling water does not change – even with increased heat – as it is cooled by steam evaporation from its surface.
- In the same way, LNG will stay at near constant temperature if kept at constant pressure. This process is known as Autorefrigeration.
- As long as the steam (LNG vapour boil-off) is allowed to leave the storage tank, the temperature will remain constant.
THE SHELL APPROACH – AN EXAMPLE

- Small scale LNG delivery capability & expertise
- Security of LNG supply & other marine fuel products
- Highest standards of Operational Safety
- Technology & Innovation expertise
LNG BUNKER SUPPLY CHAIN OPTIONS

Large LNG terminals (import & export)

Gas Pipeline

Small-scale liquefaction

Bunker / Feeder Vessel

Trucks

Intermediary LNG Terminal

Onshore:
- Tanks
- Containers

Offshore:
- Vessel
- Barge

Bunker barge

Bunker / Feeder vessel

Trucks

Pipeline / Direct Filling

End User (Ships)
## CHALLENGES

- Conversion Cost
- LNG availability
- Lack of LNG infrastructure
- Security of Supply
- Lack of Regulatory Framework
- Operational Excellence

## SHELL LNG

- OEM partnerships
- Small-scale liquefaction (MMLS)
- Corridor strategy
- Long-Term Supply Agreements
- Industry collaboration & regulator engagement
- Shell expertise and experience
LNG has been used as a fuel by large ocean going LNG carriers for decades.

Now, it is a fuel option for other vessels such as cruisers, ferries, barges, tugs and offshore support vessels.

LNG fuel is a cost-competitive fuel, and will be priced at a discount to marine fuel.

LNG can enable compliance with environmental legislation due to the potential to reduce local emissions namely SOX, NOX and PM.

Shell is working collaboratively with engine manufacturers and early adopter marine vessel owners to make LNG fuel a reality.