



SHELL'S EXPERIENCE IN DEVELOPING AND APPLYING AN INTERNAL CO₂ PROJECT SCREENING VALUE

UNFCCC TEM

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Royal Dutch Shell plc

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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. Resources are consistent with the Society of Petroleum Engineers 2P and 2C definitions.

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.

Shales: Our use of the term ‘shales’ refers to tight, shale and coal bed methane oil and gas acreage.

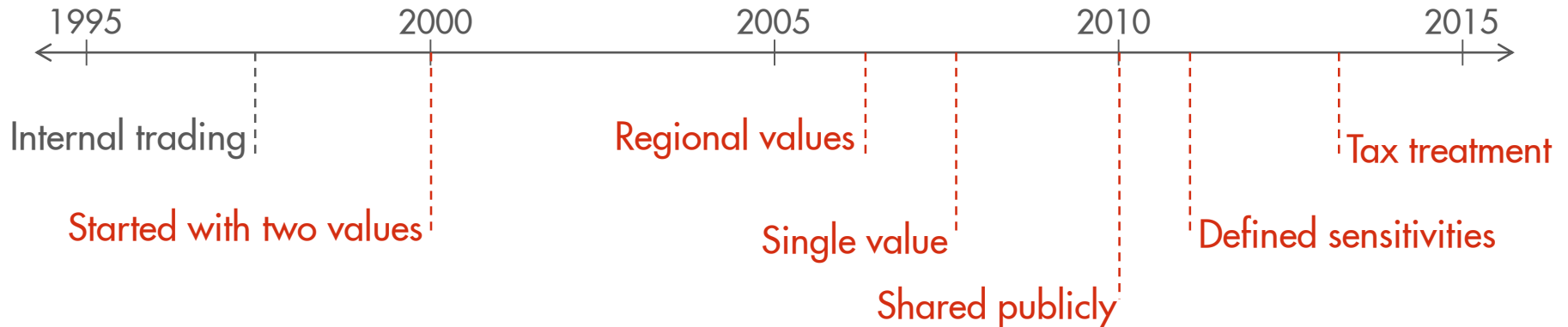
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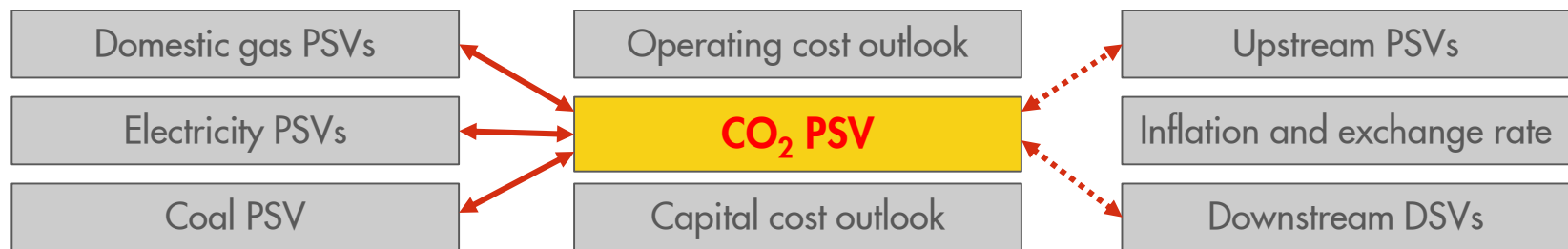
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MANY YEARS WITH A CO₂ PROJECT SCREENING VALUE (PSV)

A journey... with lessons



Coordinated process



↔ CO₂ PSV is an input ↔ Team interactions

\$40/TONNE CO₂ PSV KEY TO CO₂ RESILIENT PORTFOLIO

Intent is to:

- Quantify long-term explicit *and* implicit cost signals from governments.
- Prompt a deeper discussion on risk with most exposed projects.
- Drive design choices to develop a resilient portfolio.

What it is	What it is <u>not</u>
Ensure portfolio is resilient	Price forecast
Mandatory in base case economics	Optional sensitivity case
Risk of our assets' operations	Risks from our products
Owned by Group CO ₂	Negotiable by projects

