

An integrated value chain for electricity and CO₂



- 860 MW gas power plant:
 - Serving offshore electricity demand
 - Secure regional power supply





- CO₂ for offshore injection
- Up to 2.5 million tonnes CO₂ injected annually

CO₂ for enhanced oil recovery/storage



- Enhanced oil recovery:
 - Draugen
 - Heidrun
 - Potentially other candidates

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Dependent on gas power plant with carbon capture





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One project - several players

- Shell and Statoil will:
 - Engage in commercial and technological evaluations to realise the CO₂ value chain
 - Invest in all parts of the chain
- A successful development requires:
 - A substantial economic contribution by the Norwegian authorities
 - Contribution by industrial players onshore and offshore







An industrial solution A win-win-win for: Industry Large-scale CO₂ for EOR - Improved security of supply Industry Environment Reduction of CO₂ and NOx emissions through offshore electrification Society - Industrial utilisation of greener fossil fuel technologies with a global market potential Society - Prolonged field life and increased oil recovery National electricity grid benefits 🖒 STATOIL

Execution plan

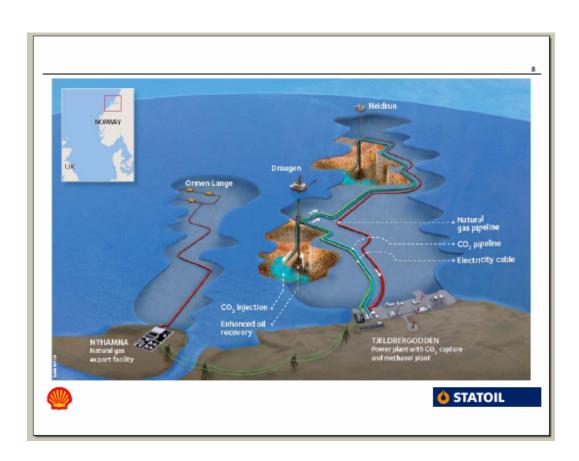
 Establish a joint project team between Shell and Statoil with the following milestones:

Feasibility study
 Concept select
 Value chain investment decision
 End of 2007
 End of 2008

- Provided a satisfactory commercial outcome:
 - Start-up power plant and electrification of Draugen 2010 2011
 - First CO₂ supply to Draugen for EOR
 2011 2012







A greener solution - faster

- Meeting the climate challenge
- Solving a regional power deficit
- Enhanced oil recovery
- Security of supply
- Value creation and industrial development



