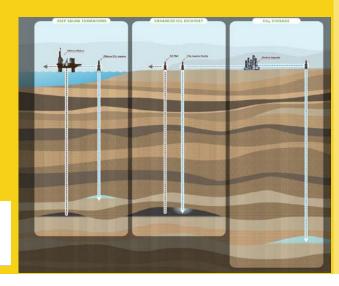


QUEST Carbon Capture & Storage Project

Carbon Sequestration Leadership Forum

Warsaw

October 2010





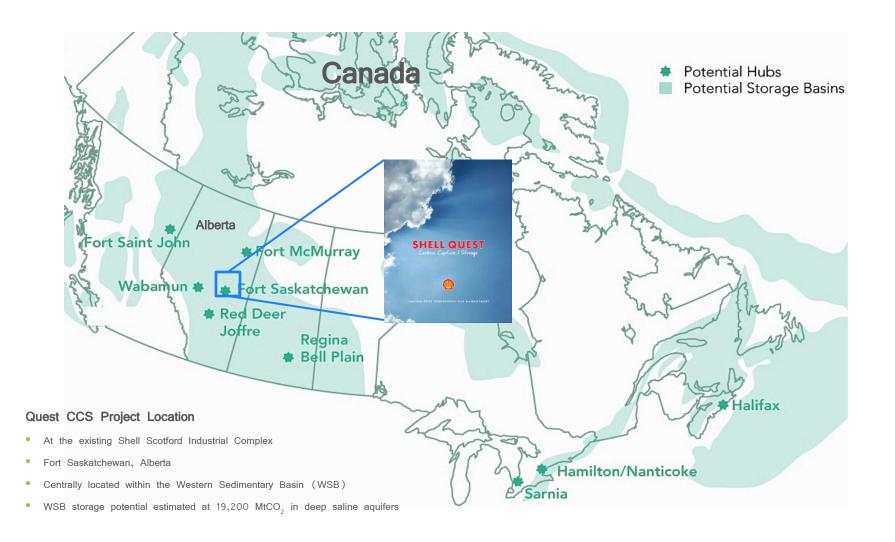




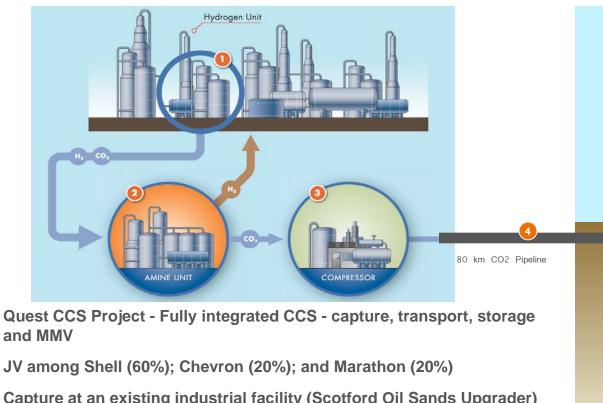
Bill Spence

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Quest CCS Project - Alberta, Canada



Quest CCS Project - Overview



- Capture at an existing industrial facility (Scotford Oil Sands Upgrader)
- Capture from 3 existing steam methane reformers (hydrogen units)
- Capacity to capture 1.2 million tonnes of CO₂ per year or up to 35% of the **Scotford Upgrader direct emissions**
- CO₂ transported by pipeline and stored 2 km underground in deep onshore saline formation
- Project selected for funding by Alberta/Canadian governments ... 845 Million \$ Can awarded

3

Quest CO2 Capture - Shell Scotford Complex



Quest CO2 Capture

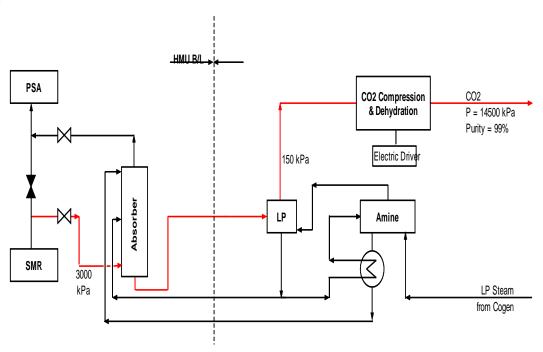
From 3 Hydrogen Units at the Scotford Upgrader



Quest CO2 Capture Scope - 1.2 million tonnes/yr

- CO2 captured from process gases in 3 Steam Methane Reformers (hydrogen manufacturing units)
- CO2 captured upstream of the H2 purification unit (PSA)
- Raw process gas composition of 17% CO2, 74% H2, 6 % CH4, 3% CO (vol basis)
- Final purity of captured CO2 over 99%
- Commercially proven activated Amine (Shell ADIPX) technology used for absorption
- CO2 drying and multistage compression to 14500 kpa

Upstream of PSA - Chemical Absorption



Proposed Process Scheme: Absorber, KO drum and gas cooler for each HMU. Common flash Drum, CO2 regeneration, dehydration and compression.

Quest CO2 Pipeline & Storage

Pipeline

- Approximateley 80 km long ... northeast of Scotford
- 12 inch diameter ... capacity to 3 Mt/yr
- Transported as a dense fluid (critical phase)
- Line break shut off valves at 15 km intervals

Storage Geology – Basal Cambrian Sand

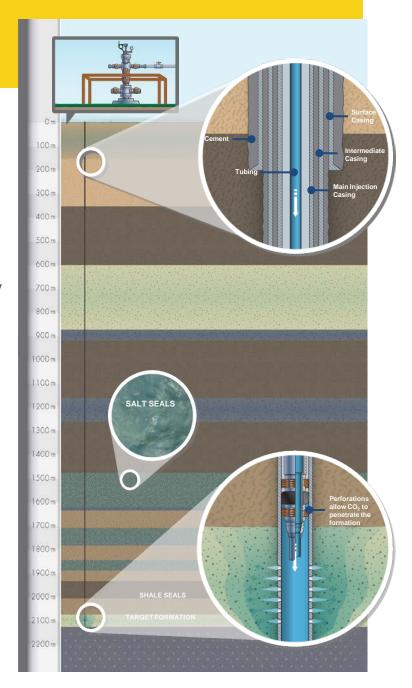
- Saline aquifer (2100 m deep) ... deepest sedimentary layer in the Western Sedimentary Basin
- Porous sandstone rock (basal cambrian sand)
- Multiple caprock and salt seal layers above
- Well below hydrocarbon bearing formations and potable water zones
- Very few penetrations to this depth in the area

Wells and drilling

- Conventional drilling methods
- Triple steel casing for groundwater protection

Measurement, Monitoring & Verification

Subsurface and surface monitoring program



Quest CCS Development Activities

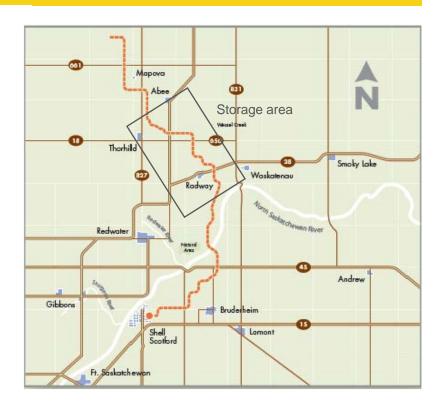
Approximately 85 Million \$ spent on Quest development activities to date

Capture and Pipeline

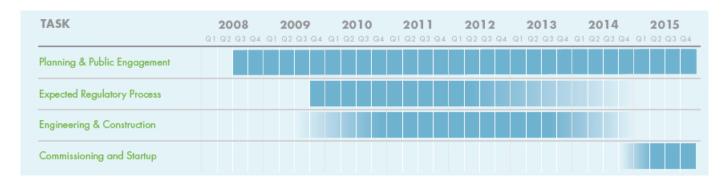
- Capture technology and design selection complete ... front end engineering ongoing
- Pipeline routing and sizing complete
- Landowner consents in place ... land acquisition underway for pipeline

Storage

- Storage appraisal program ongoing since 2008
- Analysis of existing well and seismic data in 2008 complemented by 2 new test wells in 2009
- High resolution aero-magnetic survey completed in Q1, 2010
- 3D seismic survey completed in Q1, 2010 to supplement existing 2D seismic and well data
- One additional test well completed in 2010 and water injection test planned in Q4, 2010



Quest CCS Development Activities



Project Milestones

Complete government funding agreements	End 2010
Regulatory approval	Q1 2012
Design / construct	2012/13/14
Commissioning and Start-up	2015

Public outreach and stakeholder Engagement

- Ongoing consultation with local landowners (over 300 one on one visits to date)
- Ongoing engagement with local governments (mayors, town councils, municipal or county governments)
- Ongoing open houses and workshops in 4 communities
- Broader CCS public outreach and education (Shell, industry groups, government)

Quest CCS Project - Contribution to CSLF

- Demonstration of a fully integrated, commercial scale CCS project
 ... implementation and operating by 2015
- Pre-combustion capture in an industrial application (steam methane reforming) ... applicable to refineries, chemical plants, heavy oil upgrading worldwide
- Deep saline aquifer storage in an onshore consolidated sandstone formation (BCS) characteristic of North America
- Storage site characterization, well spacing and pattern, caprock and salt seal integrity
- Optimum injection rates and capacity for consolidated sandstone formation
- Full MMV program designed for temperate climate in North America, with four distinct seasons
- Public outreach and stakeholder engagement program for a large scale, fully integrated CCS project in Canada
- Global capability, capacity and project management processes for successful implementation





Thank You!

www.shell.ca/quest/