

Iraq natural gas joint venture gets final approval

The Hague, 15 November 2011: The Iraqi cabinet today approved an agreement with Royal Dutch Shell ("Shell") and Mitsubishi Corporation, forming a joint venture to gather raw gas from three major oil fields, adding an important domestic energy source for Iraq and offering the potential for gas exports.

The joint venture, held 51% by Iraq's South Gas Company, 44% by Shell and 5% by Mitsubishi Corporation., will be called Basrah Gas Company (BGC) and will gather raw gas that is currently flared because of a lack of infrastructure to collect it.

Shell will provide project management and technical expertise with the intention to facilitate the learning and development of Iraqi staff to progressively assume key positions in the management of the company. "Capturing this gas will create a reliable supply of energy for Iraq while at the same time reducing greenhouse-gas emissions", said Shell Chief Executive Officer Peter Voser. "This also sends a positive signal about the investment climate in the country".

The joint venture will collect and process raw gas from the Rumaila, Zubair and West Qurna 1 and Majnoon fields in the southern part of the country. The primary market for the gas will be Iraq, but any surplus can potentially be exported.

Some 700 million standard cubic feet of gas is currently burned off each day in southern Iraq. At current prices, the gas is worth about \$1.8 billion per year. Burning it creates as much greenhouse gases each year as 3.5 million cars.

In September 2008, Shell signed a preliminary agreement with the Iraqi Ministry of Oil for a gas gathering project. The agreement established the commercial principles to establish a joint venture between Shell and the South Gas Company. An official signing ceremony will be scheduled in the near future.

In Iraq Shell is the operator of a consortium providing technical assistance in the development of the Majnoon field.

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The companies in which Royal Dutch Shell plc directly and indirectly owns investments are separate entities. In this press release "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 press release refer to companies in which Royal Dutch 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 press release, associates and jointly controlled entities are also referred to as "equity-accounted investments". The term "Shell interest" is

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