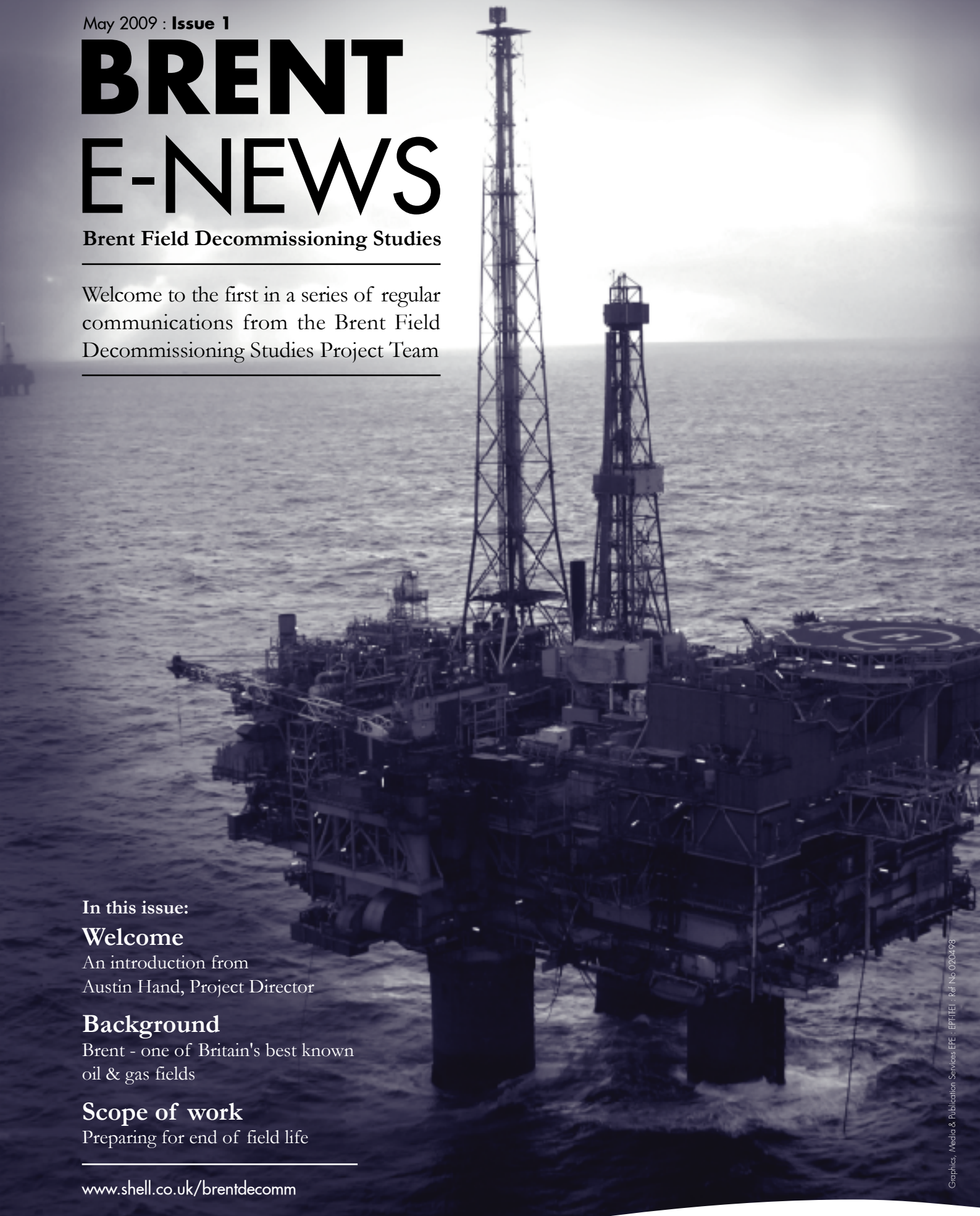
May 2009 : **Issue 1**

BRENT E-NEWS

Brent Field Decommissioning Studies

Welcome to the first in a series of regular communications from the Brent Field Decommissioning Studies Project Team



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www.shell.co.uk/brentdecomm

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BRENT
INTRODUCTION

At the request of you, our stakeholders, and as an important part of our commitment to keeping all interested parties informed about progress, we will be issuing periodic e-newsletter updates on the project. This initial newsletter is intended as a 'scene-setter' for these updates and summarises the background and scope of the project.

In terms of our progress to date, I'm very pleased to say we are now in a position where we have evaluated the challenges we believe could arise in the decommissioning of the Brent Field and are confident that we have a comprehensive understanding of what they entail. At the same time, the initial feasibility study work has been ongoing and we are now starting to converge our thinking and ideas on what we think are practical and acceptable solutions for the possible options on the way forward.

Of course, to qualify as 'practical and acceptable', these solutions must address not only the technical challenges, but also the safety, health, environmental and societal impacts of the proposed work. Cost, too, is a consideration. We appreciate that stakeholders' expectations are high with regard to finding a balance between these key factors. Our own expectations, both as individuals and as Shell representatives, are equally as high!

So far, through early dialogue sessions, we have engaged with our stakeholders with regard to the background, principles and status of the project and to test some concept scenarios as well. We are also taking a more detailed look at the issues around some of the key components of the project. As part of this process we shall be sharing our technical proposals with you and listening carefully to your feedback, so that the project can move forward with inputs from stakeholders assisting us to make sound and balanced decisions.

We thank you for your contributions so far. The engagement sessions facilitated by The Environment Council have addressed to date issues around cell sampling and the gravity base structures, two of the especially challenging aspects of the Brent Decommissioning Project.

As you know, detailed reports of the engagement sessions held so far, produced by The Environment Council and Facilitators UK, are presented in full on our website in the 'Stakeholder Dialogue' section (www.shell.co.uk/brentdecomm).

In the meantime, further stakeholder engagement sessions are planned and these and our e-newsletters will keep you up-to-date with progress.

Austin Hand

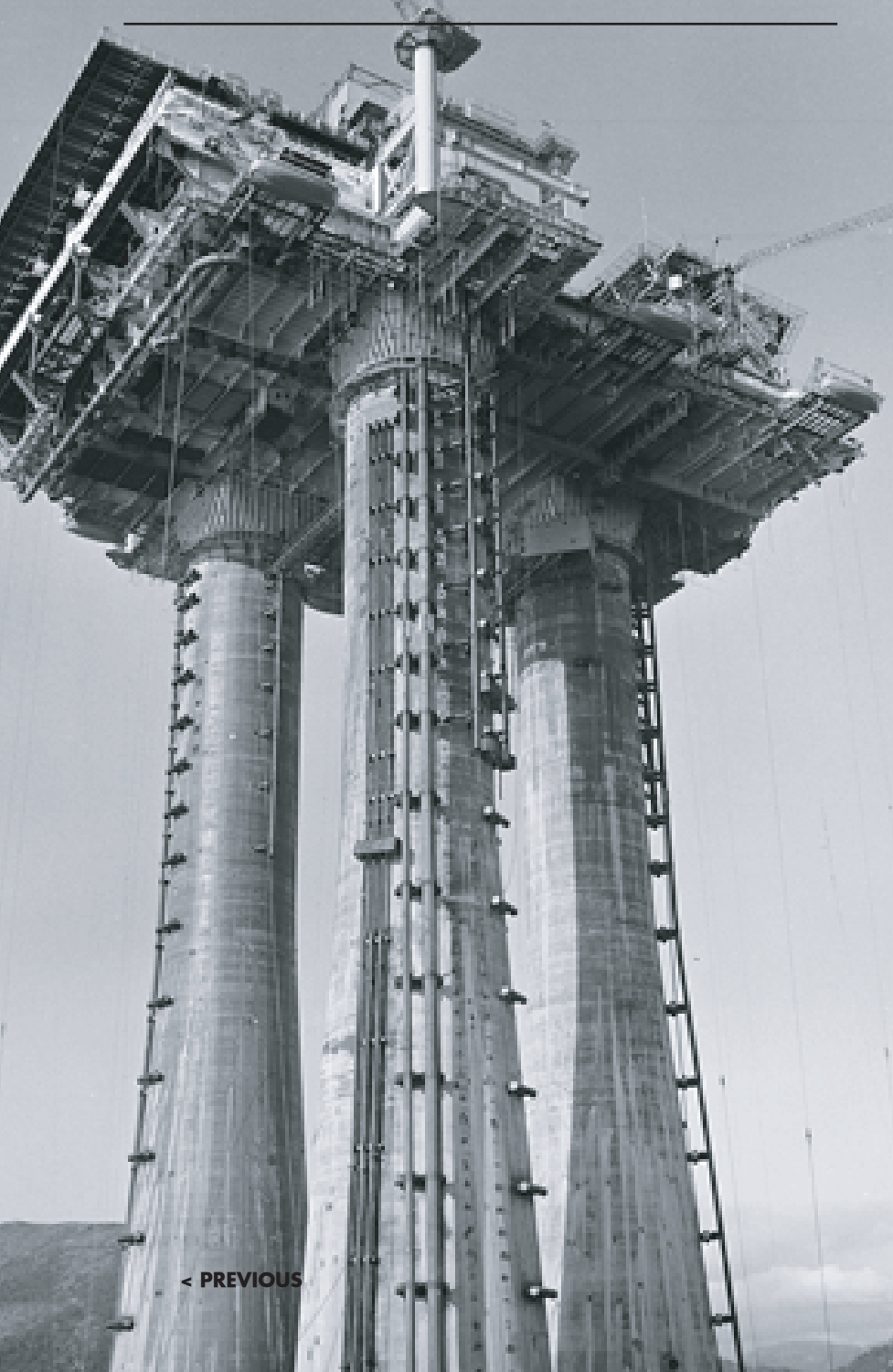
CONTACT US

For further information on the project, please visit www.shell.co.uk/brentdecomm and/or get in touch via the 'Contact Us' link on the website.

BRENT BACKGROUND

With more than three decades of production under its belt and a unique history shaped by innovative thinking, leading-edge technology and inspired teamwork, Brent is one of Britain's best-known oil and gas fields.

As Shell's flagship asset in the UK Continental Shelf (UKCS), it gives its name to a benchmark for crude oil pricing around the world, has provided employment for thousands of people and has contributed many billions of pounds of revenues to the UK government over the years. It has also generated a wealth of oil and gas experience, knowledge and expertise that has brought benefits to the industry throughout the North Sea and beyond.



BRENT FACTS

Discovery:
1971

Co-venturers:
Shell U.K. Limited - 50% (operator); and Esso Exploration and Production UK Limited - 50%

Location:
186km (116 miles) offshore, North-east of Lerwick, Shetland

Water depth:
140m (460ft)

Facilities:
Four large platforms: Alpha (steel piled structure), Bravo, Charlie and Delta (concrete gravity base structures [GBS])

Production start-up:
1975

Production to date:
Oil is around two billion barrels; gas is around 5.7 trillion cubic feet

Development milestones:
The groundbreaking £1.2 billion Long-Term Field Development (LTFD) project during the 1990s transformed Brent from predominantly oil production into predominantly a gas field from 2001. This was the largest and most complex project of its kind ever undertaken in the North Sea.

Use of innovative subsea technology brought the challenging Penguins field into production in 2003 as a 65km-long subsea tieback to Brent Charlie.

Export from field:
Oil is exported via the Brent System pipeline to the terminal at Sullom Voe, Shetland; gas is piped through FLAGS (Far North Liquids and Associated Gas System) ashore to St Fergus Gas Plant, on the North-east coast of Scotland.

Due to natural depletion over the years, production from Brent has moved from providing 10% of the UK's gas consumption to around 1-2%. At some stage the flow of oil and gas from the field will reach a point at which it is no longer viable to run the field.

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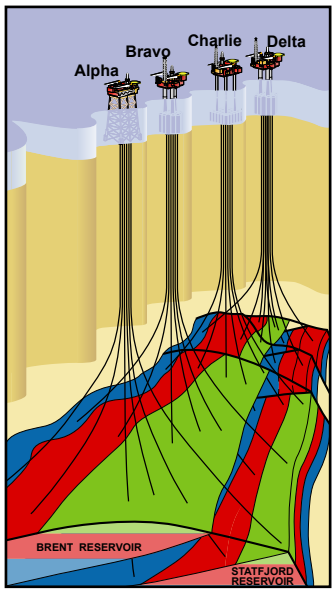
BRENT
SCOPE OF WORK

In 2006, Shell started long-term planning for Brent's Cessation of Production (CoP), abandonment of redundant oil and gas wells and decommissioning of the facilities.

Decommissioning of Brent and Penguins is likely to be the largest project of its kind in the North Sea. The scope includes: all four topsides facilities, approximately 160 wells, Brent Alpha steel jacket, three gravity based structures, drill cuttings piles, approximately 36 pipelines, pipelines reconfiguration (to allow continued FLAGS system operation), Penguins subsea facilities and the Brent South pipelines (remaining after the removal of the subsea facilities).



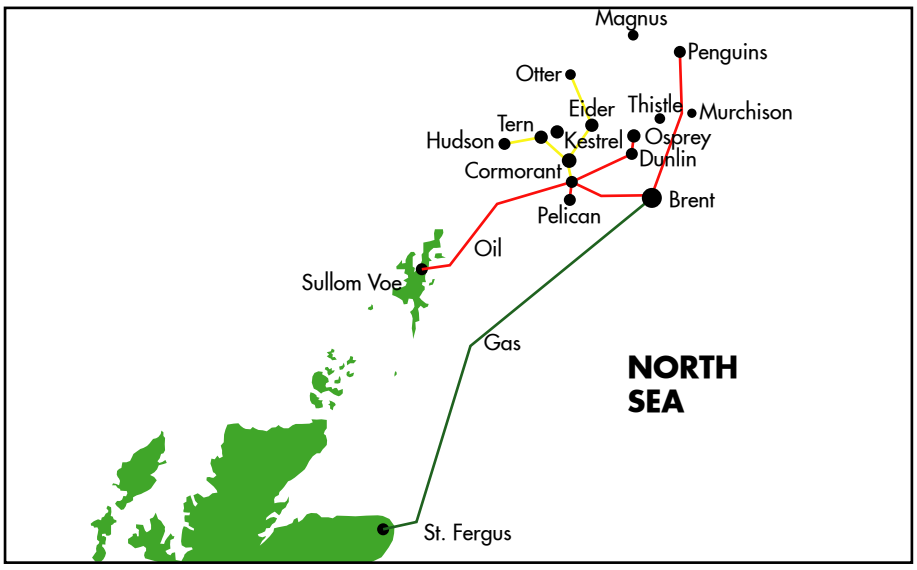
Cessation of Production (CoP) will most likely be phased across the four platforms and decommissioning may span a number of years. Decommissioning all the Brent facilities is going to be a long-term project.

Decommissioning Approach:

The process for decommissioning offshore installations in the UK sector is outlined in the Guidance Notes published by the Department of Energy and Climate Change (DECC). As part of the overall planning process, we are currently consulting extensively with DECC on the Final Field Development Plan for Brent, including the process for CoP.

We will comply with regulatory requirements at all stages and we remain committed to maintaining the integrity of the Brent assets and a safe working environment through to the final decommissioning of the platforms.

The stakeholder engagement process and feedback of information from you is very important to us. Although no decisions have yet been made, we are starting this project early to ensure the best time is made available for studies and to get a wide range of comments and views. A key regulatory milestone will then be the submission of the Decommissioning Programme that is submitted to DECC for approval. This government approval process also involves a period of formal public disclosure and statutory consultation.



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