



## Shell and the Technip Samsung Consortium sign agreement to strengthen Floating LNG collaboration

December 13, 2012

Shell Gas & Power Developments B.V. (Shell) and the Technip Samsung Consortium (TSC) have signed a heads of agreement to enhance collaboration on the design, engineering, procurement, construction and installation of future innovative FLNG facilities. The agreement builds on the existing relationship, formed in 2009, to ensure the parties can capitalize on insights gleaned from the design and construction of Shell's Prelude FLNG facility and expand the technology offering to the energy market. It will drive a culture of joint delivery, continuous improvement and ensure greater value from the collaboration for all parties.

Mr Thierry Pilenko, Chairman and CEO of Technip, commented: "*Shell's FLNG vision and ambition is gaining momentum and Technip, with its partner Samsung Heavy Industries, is proud to support the additional projects that could be realized under this agreement. Technip has always been a pioneering company, and today we reach another milestone in this fantastic journey, truly supported by the commitment and the passion of all our people.*"

Mr Dae Young Park, President and CEO of Samsung Heavy Industries, said: "*This heads of agreement will enable Samsung, together with partners, Shell and Technip, to further strengthen its reputation as a definite leader in the floating LNG business with the successful completion of FLNG projects to come. As CEO of Samsung Heavy Industries, I am very confident that Samsung is ready to construct multiple FLNGs at its Geoje shipyard and is fully committed to achieving the highest quality and on-time delivery of Shell's FLNG facilities in accordance with the spirit of the partnership .*"

Dr. Matthias Bichsel, Director of Shell Projects and Technology, added: "*Shell is leading the industry in the development of FLNG. Together, Shell and TSC are forging a strong alliance to help ensure we are well positioned to deliver innovative FLNG solutions across a wide range of opportunities in the future. Central to this portfolio expansion are technology designs that cater for a wider range of gas fields. In locations where liquid production is low, for example, Shell's FLNG Lean technology would be able to process additional gas and produce more LNG, opening up new business opportunities for countries looking to develop their gas resources.*"

Global primary energy demand could double in the first half of the 21st century, and meeting this growth in demand will require large scale and sustained investment in all forms of energy. Natural gas, which is the cleanest burning fossil fuel, has an important role to play. Shell expects global natural gas demand to increase by 60% from 2010 to 2030, reaching 25% of the global primary energy mix and within that, strong growth in LNG.

Floating LNG enables the development of gas resources ranging from clusters of smaller more remote fields to potentially larger fields via multiple facilities where, for a range of reasons, an onshore development is not viable. This can mean faster, cheaper, more flexible development and deployment strategies for resources that were previously uneconomic, or constrained by technical or other risks, helping to bring more natural gas to the market.

Shell and TSC are already working together on the world's first FLNG project, Prelude FLNG, which will be moored 200 kilometers off the North West coast of Australia in the Browse Basin. As their experience grows, Shell and TSC perceive that there are many opportunities ahead.

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### NOTES TO EDITORS:

#### ABOUT TSC

The Technip Samsung Consortium draws together two leading companies with complementary skills and specialist areas.

Technip, leader of the consortium, is a world leader in project management, engineering and construction for the energy industry. From the deepest subsea oil and gas developments to the largest and most complex offshore and onshore infrastructures, its 32,000 people are constantly offering the best solutions and most innovative technologies to meet the world's energy challenges. Present in 48 countries, Technip has state-of-the-art industrial assets on all continents and operates a fleet of specialized vessels for pipeline installation and subsea construction.

Samsung Heavy Industries is one of the largest shipyards in the world, boasting three dry docks and five floating docks, all supported by an integrated and automated production system that ensures defect-free production. Most notably, it has achieved unbeatable leadership in the high-tech high-value shipbuilding sector by maintaining the world's No. 1 share in the drillship, ultra-large container ship, LNG carrier and FPSO markets. Since its foundation in 1974, Samsung has attracted orders for 1,023 units of vessels and offshore facilities so far worldwide. SHI's present fabrication capacity is around 1.6 million tonnes, equivalent to about 70 units of conventional vessels and offshore facilities per year and there are 135 units of vessels and offshore facilities currently under construction.

#### ABOUT SHELL

Royal Dutch Shell plc is incorporated in England and Wales, has its headquarters in The Hague and is listed on the London, Amsterdam, and New York stock exchanges. Shell companies have operations in more than 80 countries and territories with businesses including oil and gas exploration and production; production and marketing of liquefied natural gas and gas to liquids; manufacturing, marketing and shipping of oil products and chemicals and renewable energy projects. For further information, visit [www.shell.com](http://www.shell.com).

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.

## **ABOUT PRELUDE**

To meet the world's growing energy demands, bringing new energy supply sources to market is critical. Increasing the supply of natural gas, the cleanest-burning fossil fuel, can help to meet energy demand with less impact on the environment. FLNG is a revolutionary innovation that will allow the production, liquefaction, storage and transfer of LNG at sea, with the aim to bring more natural gas to more markets. Prelude FLNG is the latest in a line of Shell achievements in developing new technologies for the oil and gas industry, reinforcing its leadership in technology and innovation. It is the first of what Shell expects to be multiple Shell FLNG projects.

The Technip Samsung Consortium is the engineering, procurement, construction and installation contractor for the Prelude FLNG facility. Construction is underway on the innovative facility's substructure at the Samsung Heavy Industries (SHI) shipyard in Geoje, Korea, where the first steel-cutting was celebrated on October 18th, 2012. Additional equipment for the facility is being assembled at locations around the world.

Prelude FLNG will be the largest floating offshore facility in the world, with 488 meters from bow to stern - longer than four soccer fields laid end to end. When fully loaded, this revolutionary facility will weigh more than 600,000 tons – roughly six times as much as the largest aircraft carrier. More than 260,000 tons of that weight will consist of steel – around five times the amount of steel used to build the Sydney Harbour Bridge.

For more information about the Prelude project and artist impressions of the FLNG facility, see

[http://www.shell.com/home/content/aboutshell/our\\_strategy/major\\_projects\\_2/prelude\\_flng/](http://www.shell.com/home/content/aboutshell/our_strategy/major_projects_2/prelude_flng/)

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