CNOOC, SHELL AND HUIZHOU GOVERNMENT SIGN AGREEMENT TO FURTHER EXPAND PETROCHEMICAL COMPLEX IN CHINA

May 17, 2020

CNOOC Oil & Petrochemicals Co. Ltd (CNOOC), Shell Nanhai B.V (Shell) and the Huizhou Government today announce a strategic cooperation agreement to further expand the CNOOC and Shell Petrochemical Company (CSPC) 50:50 joint venture in Huizhou, Guangdong Province, China.

Due to COVID-19 travel restrictions, the agreement was signed in a virtual online ceremony, attended by dignitaries including Party Secretary of Guangdong Province Li Xi, CNOOC Chairman Wang Dongjin, Shell CEO Ben van Beurden, CNOOC VP for Downstream Chen Bi and Shell Downstream Director Huibert Vigeveno.

The expansion is planned to serve the growing number of intermediate and performance chemicals customers in the key market of China, supplying products including SMPO, polyols, ethylene glycol, polyethylene and polypropylene. These chemicals are used in a wide range of end products, in healthcare, construction, fabrics, packaging, transport and electronics. For the first time in Asia, Shell would apply its advanced technology for linear alpha olefins. The project is intended to include construction of a new 1.5 million-tonnes-per-year ethylene cracker, with the mega-site bringing economies of scale and enhanced competitiveness.

Thomas Casparie, Executive Vice Present for Shell's global chemicals business, said "Our growth strategy is based on long-term chemicals demand. We are very selective in our investments, and this agreement underlines Shell's confidence in both the chemicals business fundamentals and our strategic partnerships with CNOOC and the Huizhou Government."

The CSPC site currently converts a variety of liquid feedstocks into olefins and derivative products. It has a strong track record of safe, reliable and energy-efficient operations. In January 2020, CNOOC and Shell announced the signature of a Memorandum of Understanding to explore its first commercial-scale polycarbonate production unit at the site.

Notes to Editors

- The two partners signed Memorandum of Understanding on 16 October 2018 to explore expansion of the existing collaboration.
- The start-up of the site's second ethylene cracker was announced on 2 May 2018. The site's second SMPO plant, which will be the largest in China, is currently in construction.

About Shell in China

All of Shell's core businesses have operations in China.
Shell has onshore and offshore gas and oil development projects in partnership with PetroChina and CNOOC, both inside and outside China, including Changbei onshore gas development project, helping to fuel the country's fast-growing economy. Shell is also an LNG supplier to China.
Shell has a large network of more than 1,500 petrol stations in the country, operated through joint ventures and wholly owned companies. Shell is one of the leading international lubricants providers, bitumen manufacturers and marketers in China, with five lubricants blending plants and one grease plant in the country. CNOOC and Shell Petrochemicals Company which is a JV between Shell and CNOOC, operates a world-class petrochemical complex in Daya Bay, Guangdong.
Shell Energy (China) is a new addition to the Downstream businesses in China, engaging in the country's emerging carbon trading business. Shell Ventures has a dedicated team in China participating in the country's start-ups ecosystem and exploring investment opportunities.

About CNOOC

China National Offshore Oil Corporation (CNOOC), the largest offshore oil & gas producer in China.
The company was founded in 1982 and is headquartered in Beijing. After over 30 years of reform and development, CNOOC has become an international energy company with prominent core business, a

complete industrial chain and business spreading across 40 countries and regions. The company has formed five main business segments: oil & gas exploration and development, engineering and technical services, refining and marketing, natural gas and power generation, and financial services.
CNOOC's core operation areas are Bohai, Western South China Sea, Eastern South China Sea and East China Sea in offshore China. Overseas, the Group has oil and gas assets in Asia, Africa, North America, South America, Oceania and Europe. The Company was ranked 63rd in 2019 Fortune Global 500 and 32nd in Petroleum Intelligence Weekly'*s* 2018 World's Top 50 Oil Companies.

About CSPC

CNOOC and Shell Petrochemicals Company Limited (CSPC), established in 2000, is one of the largest petrochemicals joint ventures in China, incorporated by China National Offshore Oil Corporation (CMOOC), Royal Dutch Shell, and Guangdong Guangye Investment Group Company Limited (CPIL), with 50:50 Sino-foreign stakes.
CSPC (Nanhai Project) consists of two phased projects. Phase I started commercial operations in 2006 and Phase II (C2) started in 2018. CSPC increased its ethylene production capacity to 2,200 ktpa after C2's start-up, and it can supply more than 6 million tonnes of high-quality products to the domestic market every year, becoming the biggest single-site ethylene plant operating in China.
Since its establishment, CSPC has committed to implementing a strategy of sustainable development and to fulfilling the commitment of Responsible Care®. CSPC always considers Health, Safety and Environment as the top priority, striving for the vision "To Be the Best Petrochemical Company in China", and maintaining a strong track record of reliable and safe operations, environmental protection, energy saving and social responsibility. While having achieved good business performance, CSPC also makes contributions to social and economic development in local communities.

Cautionary Note

The companies in which Royal Dutch Shell plc directly and indirectly owns investments are separate legal entities. In this 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 release refer to companies over which Royal Dutch Shell plc either directly or indirectly has control. Entities and unincorporated arrangements over which Shell has joint control are generally referred to as "joint ventures" and "joint operations" respectively. Entities over which Shell has significant influence but neither control nor joint control are referred to as "associates". The term "Shell interest" is used for convenience to indicate the direct and/or indirect ownership interest held by Shell in a venture, partnership or company, after exclusion of all third-party interest.

This release contains forward-looking statements concerning the financial condition, results of operations and businesses of Royal Dutch Shell. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements include, among other things, statements concerning the potential exposure of Royal Dutch Shell to market risks and statements expressing management's expectations, beliefs, estimates, forecasts, projections and assumptions. These forward-looking statements are identified by their use of terms and phrases such as ''anticipate'', ''believe'', ''could'', ''estimate'', ''expect'', ''goals'', ''intend'', ''may'', ''objectives'', ''outlook'', ''plan'', ''probably'', ''project'', ''risks'', "schedule", ''seek'', ''should'', ''target'', ''will'' and similar terms and phrases. There are a number of factors that could affect the future operations of Royal Dutch Shell and could cause those results to differ materially from those expressed in the forward-looking statements included in this release, including (without limitation): (a) price fluctuations in crude oil and natural gas; (b) changes in demand for Shell's products; (c) currency fluctuations; (d) drilling and production results; (e) reserves estimates; (f) loss of market share and industry competition; (g) environmental and physical risks; (h) risks associated with the identification of suitable potential acquisition properties and targets, and successful negotiation and completion of such transactions; (i) the risk of doing business in developing countries and countries subject to international sanctions; (j) legislative, fiscal and regulatory developments including regulatory measures addressing climate change; (k) economic and financial market conditions in various countries and regions; (l) political risks, including the risks of expropriation and renegotiation of the terms of contracts with governmental entities, delays or advancements in the approval of projects and delays in the reimbursement for shared costs; and (m) changes in trading conditions. There can be no assurance that future dividend payments will match or exceed previous dividend payments. All forward-looking statements contained in this release are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Readers should not place undue reliance on forward-looking statements. Additional risk factors that may affect future results are contained in Royal Dutch Shell's 20-F for the year ended December 31, 2019 (available at **www.shell.com/investor** and **www.sec.gov**). These risk factors also expressly qualify all forward looking statements contained in this release and should be considered by the reader. Each forward-looking statement speaks only as of the date of this release, 17 May, 2020. Neither Royal Dutch Shell plc nor any of its subsidiaries undertake any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information. In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this release.

With respect to operating costs synergies indicated, such savings and efficiencies in procurement spend include economies of scale, specification standardisation and operating efficiencies across operating, capital and raw material cost areas.

We may have used certain terms, such as resources, in this release that United States Securities and Exchange Commission (SEC) strictly prohibits us from including in our filings with the SEC. U.S. Investors are urged to consider closely the disclosure in our Form 20-F, File No 1-32575, available on the SEC website **www.sec.gov**.

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Shell companies first entered the chemicals industry in 1929, via a partnership in the Netherlands called NV Mekog, which manufactured ammonia from coke-oven gas.

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