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# Shell to acquire renewable natural gas producer Nature Energy

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Shell Petroleum NV, a wholly owned subsidiary of Shell plc (Shell), has reached an agreement with Davidson Kempner Capital Management LP, Pioneer Point Partners and Sampension to acquire 100% shareholding of Nature Energy Biogas A/S (Nature Energy) for nearly USD \$2 billion (€ 1.9 billion). The acquisition will be absorbed within Shell's current capital range, which remains unchanged.

Based in Denmark, Nature Energy is a producer of Renewable Natural Gas (RNG) from agricultural, industrial, and household wastes.

By purchasing the shares in Nature Energy, Shell will acquire the largest RNG producer in Europe, its portfolio of cash generative operating plants, associated feedstock supply and infrastructure, its pipeline of growth projects and its in-house expertise in the design, construction, and operation of innovative and differentiated RNG plant technology.

This acquisition will further increase Shell's ability to work with its established customer base across multiple sectors to accelerate its transition to net-zero emissions. It will also support Shell's ambition to profitably grow its low carbon fuels production and customer offering in our world-leading customer-facing Marketing business.

"Shell's competitiveness in low carbon fuels derives from capabilities across the value chain, combining a world-class Trading and Supply organisation with access to differentiated technology and production assets," said Huibert Vigeveno, Shell's Downstream Director. "Acquiring Nature Energy will add a European production platform and growth pipeline to Shell's existing RNG projects in the United States. We will use this acquisition to build an integrated RNG value chain at global scale, at a time when energy transition policies and customer preferences are signalling strong growth in demand in the years ahead."

The transaction is subject to regulatory approvals and is expected to close in Q1 2023. Nature Energy is cash generative, and the acquisition is expected to be both accretive to Shell's earnings from completion and deliver double digit returns.

## Notes to editors

- Nature Energy was founded in 1979 as a natural gas distributor. The company established its first biogas plant in Denmark in 2015 and now has 14 operating plants with associated infrastructure, feedstock arrangements, and current 2022 production of around 6.5 mln MMBtu/yr (3,000 boe/d1).
- The company also has a pipeline of around 30 new plant projects in Europe and North America. More than a third of these projects are in medium to late development stage in Denmark, the Netherlands and France and could deliver up to 9.2 mln MMBtu/yr (4,400 boe/d) by 2030, subject to future final investment decisions and relevant regulatory approvals.
- Nature Energy and its 420 employees located in Europe and North America will operate as a wholly owned subsidiary of Shell, initially under its existing brand.
- This transaction fits Shell's Powering Progress strategy to accelerate its energy transition. Similar to the [Spring Energy](#) transaction earlier this year, this acquisition will be absorbed within our current capital range.
- RNG, also known as biomethane, is chemically identical to conventional natural gas and can be used in existing transmission and distribution infrastructure. This makes it a competitive option to help decarbonise multiple hard to abate sectors including commercial road transport, marine, heating and heavy industry. The sustainability benefits are amplified by the process use of methane that could otherwise be released to the atmosphere from the decomposition of organic by-products at a biogas plant.
- Shell has an existing RNG production business in North America, with one operational site and three\* under construction. Shell is a trader of RNG and has a wide range of RNG and bioLNG customers, including large corporate, road hauliers and marine

customers. (\*This number was corrected from four to three on 20 February 2023)

- Shell has a target to be a net-zero emissions energy business by 2050. This means net-zero carbon emissions from our operations (Scope 1 and 2 emissions) and also net zero from the end use of all the energy products we sell (Scope 3 emissions). In October 2021, we set an additional target to reduce Scope 1 and 2 absolute emissions on a net basis under operational control by 50% by 2030, compared to 2016 levels. This complements our existing targets to reduce the carbon intensity of the energy products we sell by 3-4% by 2022, by 6-8% by 2023, by 9-12% by 2024, by 20% by 2030, by 45% by 2035, and by 100% by 2050. For more information on Shell's Powering Progress strategy, please visit <http://www.shell.com/poweringprogress>.

## Cautionary note

The companies in which Shell plc directly and indirectly owns investments are separate legal entities. In this press release, "Shell", "Shell Group" and "Group" are sometimes used for convenience where references are made to Shell plc and its subsidiaries in general. Likewise, the words "we", "us" and "our" are also used to refer to Shell plc and its subsidiaries in general or to those who work for them. These terms are also used where no useful purpose is served by identifying the particular entity or entities. "Subsidiaries", "Shell subsidiaries" and "Shell companies" as used in this press release refer to entities over which 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. "Joint ventures" and "joint operations" are collectively referred to as "joint arrangements". 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 an entity or unincorporated joint arrangement, after exclusion of all third-party interest.

## Forward-Looking Statements

This press release contains forward-looking statements (within the meaning of the U.S. Private Securities Litigation Reform Act of 1995) concerning the financial condition, results of operations and businesses of 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 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 "aim", "ambition", "anticipate", "believe", "could", "estimate", "expect", "goals", "intend", "may", "milestones", "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 Shell and could cause those results to differ materially from those expressed in the forward-looking statements included in this press 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, judicial, 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; (m) risks associated with the impact of pandemics, such as the COVID-19 (coronavirus) outbreak; and (n) changes in trading conditions. No assurance is provided that future dividend payments will match or exceed previous dividend payments. All forward-looking statements contained in this press 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 Shell plc's Form 20-F for the year ended December 31, 2021 (available at [www.shell.com/investor](http://www.shell.com/investor) and [www.sec.gov](http://www.sec.gov) ). These risk factors also expressly qualify all forward-looking statements contained in this press release and should be considered by the reader. Each forward-looking statement speaks only as of the date of this press release, 28 November 2022. Neither 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 press release.



## Shell's net carbon footprint

Also, in this press release we may refer to Shell's "Net Carbon Footprint" or "Net Carbon Intensity", which include Shell's carbon emissions from the production of our energy products, our suppliers' carbon emissions in supplying energy for that production and our customers' carbon emissions associated with their use of the energy products we sell. Shell only controls its own emissions. The use of the term Shell's "Net Carbon Footprint" or "Net Carbon Intensity" are for convenience only and not intended to suggest these emissions are those of Shell plc or its subsidiaries.

#### Shell's net-Zero Emissions Target

Shell's operating plan, outlook and budgets are forecasted for a ten-year period and are updated every year. They reflect the current economic environment and what we can reasonably expect to see over the next ten years. Accordingly, they reflect our Scope 1, Scope 2 and Net Carbon Footprint (NCF) targets over the next ten years. However, Shell's operating plans cannot reflect our 2050 net-zero emissions target and 2035 NCF target, as these targets are currently outside our planning period. In the future, as society moves towards net-zero emissions, we expect Shell's operating plans to reflect this movement. However, if society is not net zero in 2050, as of today, there would be significant risk that Shell may not meet this target.

#### Forward Looking Non-GAAP measures

This press release may contain certain forward-looking non-GAAP measures such as cash capital expenditure and divestments. We are unable to provide a reconciliation of these forward-looking Non-GAAP measures to the most comparable GAAP financial measures because certain information needed to reconcile those Non-GAAP measures to the most comparable GAAP financial measures is dependent on future events some of which are outside the control of Shell, such as oil and gas prices, interest rates and exchange rates. Moreover, estimating such GAAP measures with the required precision necessary to provide a meaningful reconciliation is extremely difficult and could not be accomplished without unreasonable effort. Non-GAAP measures in respect of future periods which cannot be reconciled to the most comparable GAAP financial measure are calculated in a manner which is consistent with the accounting policies applied in Shell plc's consolidated financial statements.

The contents of websites referred to in this press release do not form part of this press release.

We may have used certain terms, such as resources, in this announcement that the United States Securities and Exchange Commission (SEC) strictly prohibits us from including in our filings with the SEC. 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](http://www.sec.gov).

<sup>1</sup> All boe/d numbers are based on standard metric conversions



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