CNOOC and Shell joint venture starts production at new petrochemical units in China

May 2, 2018

China National Offshore Oil Corporation (CNOOC) and Shell Nanhai B.V. (Shell) today announce the official start-up of the second ethylene cracker at their Nanhai petrochemicals complex in Huizhou, Guangdong Province, China.

Several linked derivative units have also started up and the remaining units will start up progressively over the next few weeks. These new units were constructed by CNOOC and are owned and operated by the existing CNOOC and Shell Petrochemical Company (CSPC) joint venture.

The new ethylene cracker increases ethylene capacity at the complex by around 1.2 million tonnes per year, more than doubling the capacity of the complex, and benefits from a deep integration with adjacent CNOOC refineries. The new facility will also include a styrene monomer and propylene oxide (SMPO) plant, which will be the largest in China when it begins operations.

“The start-up of the new ethylene cracker and derivatives units is a significant milestone for Shell,” Graham van’t Hoff, Executive Vice President for Royal Dutch Shell plc’s global Chemicals business, said. “I would like to thank our partner

CNOOC for its excellent project delivery. As the largest single-site ethylene complex in China, CSPC is key to Shell Chemicals' growth ambitions."

He Zhongwen, Chairman and President of CNOOC Oil & Petrochemicals Co. Ltd, said: "The expansion project demonstrates great synergies between CNOOC's engineering, construction and management capabilities, and Shell's advanced technologies in chemicals. It has been recognised by the government as a role model for major industrial projects in China. This shows what we can achieve through effective international partnerships. We can now produce more and better chemical products for the growing domestic market."

The new complex utilises Shell's proprietary OMEGA, SMPO and polyols technologies to produce ethylene oxide, ethylene glycol, propylene oxide and high-quality polyols, as well as advanced technologies for polyolefins, phenol and oxo-alcohols production. It is the first time that Shell's industry-leading OMEGA and advanced polyols technologies have been applied in China.

With a strong track record of reliable and safe operations, the petrochemicals complex produces olefins and derivative products that are used in a wide range of industrial and consumer products, including household appliances, cars, furniture and computers.

Enquiries

Shell Media Relations

International: +44 20 7934 5550
China: +86 10 65295185

Notes to Editors

The new cracker is world-scale, and adds more than 1 million tonnes per annum ethylene capacity to produce high-value petrochemical products.

The complex benefits from deep integration with the adjacent CNOOC refineries. The expansion enables further monetization of advantaged feedstock from nearby CNOOC refineries, responding to the anticipated strong Chinese domestic demand in the long term.

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, which help to fuel the country's fast-growing economy.

Shell's Downstream business in China consists of 11 joint ventures and eight wholly-owned companies. Shell is one of the leading international lubricants providers, bitumen manufacturers and marketers in China. Shell also has a large network of more than 1,300 petrol stations in the country, operated through joint ventures and a wholly owned company. Shell has four lubricants blending plants and one grease plant in the country.

Shell Energy (China) is a new addition to the Downstream businesses in China.

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 30 years of reform and development, CNOOC has become an international energy company with promising primary businesses and a complete industrial chain, and its business covers more than 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.

About CSPC

CNOOC and Shell Petrochemicals Company Limited (CSPC) was established in 2000 and began operations in 2006. It operates a world-scale petrochemical complex (known as Nanhai) in the Daya Bay Economic and Technological Development Zone, Huizhou, Guangdong Province. The joint-venture partners are Shell Nanhai B.V., a company within **the Royal Dutch Shell Group**, with a 50% stake, and CNOOC Petrochemicals Investment Limited (CPIL), also with 50%. CPIL is owned by **China National Offshore Oil Corporation (CNOOC)** (94%) and **Guangdong Guangye Investment Group Company Limited** (6%). CSPC has more than 2,100 employees.

CSPC has been implementing a strategy of sustainable development and delivering a responsible care commitment in operating the complex, while striving to be the best petrochemical company in China. It is a highly successful venture that has been a top performer in health, safety, environment, reliability and operational excellence.

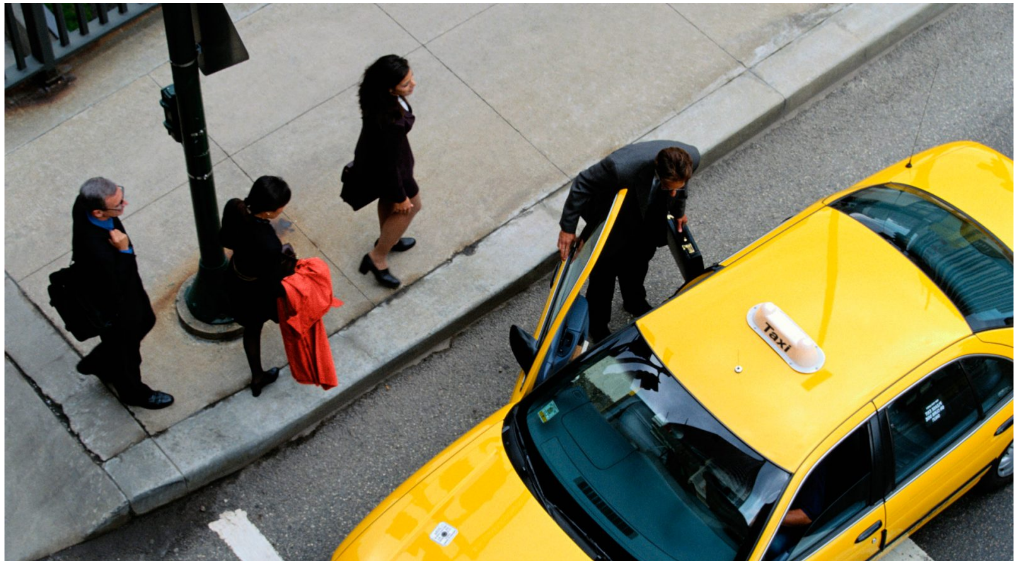
Cautionary Note

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 Royal Dutch 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 release refer to entities 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 an entity or unincorporated joint arrangement, after exclusion of all third-party interest.

This 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 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 “aim”, “ambition’, ‘‘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. No assurance is provided 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 Form 20-F for the year ended December 31, 2017 (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, May 2, 2018. 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.

We may have used certain terms, such as resources, in this release that the 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**.

MORE IN MEDIA



Contact Media Relations

Find out how to contact our Media Relations team across the world.

Follow us

Keep up to date with developments at Shell via email alerts, Twitter and our Investor and Media app.

Media releases

Image and video library

Speeches and articles

Annual Reports and publications

Follow us

Contact Media Relations