



## **Shell Withdraws 2007-09 Plan of Exploration; Will File Reduced Plan of Exploration For 2010**

May 6, 2009

Good Morning,

On May 5, 2009 Shell informed the Minerals Management Service (MMS) of its withdrawal of its 2007-2009 Plan of Exploration. The plan expires by its own terms at the end of 2009.

The plan, which has been the subject of litigation through the 9<sup>th</sup> Circuit Court, no longer represents Shell's current exploration drilling objectives for offshore Alaska.

"Over the last three years, Shell's Beaufort Sea drilling objectives have become more focused with the acquisition and analysis of additional seismic data," said

Pete Slaiby, Shell Alaska General Manager. "As a result, the 2007-2009 plan no longer represents Shell's current drilling approach."

"We have listened closely to stakeholders and particularly the concerns around the size and pace of exploration plans, and we have adjusted our plans accordingly," Slaiby added.

Shell will soon be filing new exploration plans for 2010 that reflect Shell's current drilling plans for Camden Bay - a plan that specifically addresses concerns articulated by North Slope stakeholders related to the pace of Arctic drilling.

"Our new Plan of Exploration will reflect a strategy that meets our business objectives of responsible development and also takes into account stakeholder concerns," said Slaiby.

Significant changes from Shell's 2007-2009 Plan of Exploration include a one-year drilling program as opposed to the original three-year plan; one drilling rig instead of two; a goal to drill two wells instead of four and retro-fitting the Frontier Discoverer drilling rig with the best available air emission technology.

"It's my hope this new program will further prove to North Slope stakeholders that Shell values their feedback and respects their ideas and concerns," said Slaiby. "Our new Plan of Exploration makes every effort to address North Slope concerns and we are looking for support on this approach."

Shell's reduced program will, unavoidably, mean fewer jobs and contracting opportunities.

If you have any questions or would like more information, please don't hesitate to contact me. Also, if you would like a picture of the Frontier Discoverer drill ship, I will send you one upon request.

Best,  
Curtis

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