



NATURAL GAS

Building a Cleaner Energy Future

Natural gas potential could provide South Africa with a stable, alternative energy source for power generation that is 40% more energy efficient and emits 50-70% less CO₂ than coal.

Join us in this journey, and learn more about our commitments to the People of South Africa by visiting us at www.shell.co.za/karoo

SHELL AND THE KAROO

A plentiful supply of natural gas – the cleanest of all fossil fuels – may exist in parts of the shale rock formations deep beneath the surface of the South Western Karoo Basin. These can help secure South Africa's energy future, but only if we can preserve the unique character of the area as well.



COMMITMENT

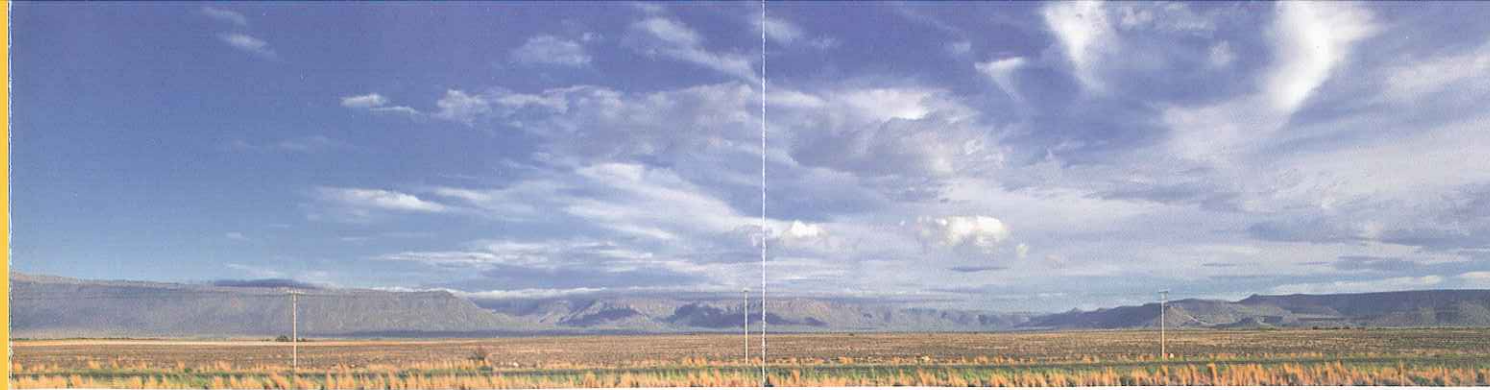
The Karoo is a special place for South Africans. We must preserve it for our future and our children's future. As South Africans we must also secure a sustainable energy future, reducing our dependence on coal by using more environmentally friendly options available in our country, such as natural gas.

There may be large resources of natural gas in the Karoo. These can help secure that energy future, but only if we can preserve the unique character of the area as well.

Shell has applied to explore the area to find out if there are gas resources in the Karoo. If we are granted licences, exploration would involve drilling up to 24 wells over three years.

If we find gas we will continue to work with you to see how we can produce this cleaner energy source for South Africa. Any possible development is at least nine years away. That is how carefully we need to consider this.

We know people are concerned and we are involved in extensive consultations to ensure we listen and reflect those concerns in our exploration plans.



IF WE FIND GAS WE WILL CONTINUE TO WORK WITH YOU TO SEE HOW WE CAN PRODUCE GAS FOR SOUTH AFRICA. ANY POSSIBLE DEVELOPMENT IS AT LEAST NINE YEARS AWAY. THAT IS HOW CAREFULLY WE NEED TO CONSIDER THIS.

Water

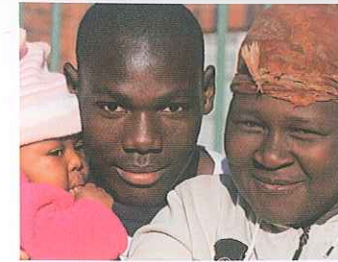
Shell commits not to compete with the people of the Karoo for their water needs. Nobody will go short of fresh water because of our operations either in the exploration phase, or if there is any further development. Further, we will conserve and recycle water wherever possible.

Prior to drilling any exploration well, local experts will be consulted to identify the most suitable water source for development areas. We will develop a water plan for each well or pad (multiple wells at same location) site.



Communities

Shell commits to setting up an independent advisory committee and citizen advisory groups to provide expert advice on environmental and social impacts, including hydraulic fracturing and our use of water. And utilising best practices, we will work with impacted communities and landowners to address how they can receive direct benefits from UCG development.



Environment

Shell commits to lead in the setting of global best practices and operational standards for unconventional gas development in the Karoo, and to implement in our project any relevant recommendations that may arise from a study of hydraulic fracturing by the U.S. Environmental Protection Agency, which is currently under way and will continue until 2014. We also commit to disclose fracturing fluids at each drilling location, and consult with communities as part of the development of hydraulic fracturing plans.

