

Shell winning bids expand pre-salt growth in deep-water Brazil

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RIO DE JANEIRO, Oct. 27, 2017 /CNW/ -- Royal Dutch Shell plc ("Shell") and its partners won today three, 35-year production sharing contracts for pre-salt blocks located in the Santos Basin, offshore Brazil. Shell will pay its share of the total signing bonuses, equating for all bids, of approximately USD \$100-million [R\$ 332.5-million]. Plans for the blocks will then be considered by Shell and its partners.

Today's winning bids for Shell include a block adjacent to Shell's Gato do Mato field (Shell 80% operating, Total 20%), a now unitized area to the Sapinhoá field (Petrobras 45% operating, Shell 30%, Repsol 25%), and the new Alto de Cabo Frio – West block (Shell 55% operating, Qatar Petroleum 25%, [CNOOC Ltd.](#) 20%).

"We are very pleased to expand our number of operated fields in Brazil," said Andy Brown, Upstream Director, Shell. "These winning bids were submitted after our thorough evaluation and add strategic acreage to our already leading set of global deep-water growth options. We will determine our next steps with a focus on continued value to Shell and our shareholders. Our deep-water expertise is well-suited for the opportunities that lie ahead."

Prior to these bidding results, Shell had previously stated plans for \$10-billion investment into the early 2020s for its existing offshore developments in Brazil to support deep water as its Upstream growth priority. Shell first began working under a production sharing contract in Brazil in 2013 when it entered the Libra consortium, led by Petrobras. Shell's history in Brazil covers more than 100-years with businesses in Upstream and Downstream.

Shell pioneered deep-water exploration and production 40-years ago in the U.S. Gulf of Mexico, and together with its partners in Brazil, the company will combine that expertise to grow its offshore production. World-wide last quarter, Shell produced more than 710-thousand barrels of oil equivalent per day (boe/d) from its deep-water business, with approximately 330-thousand boe/d production in Brazil. Other deep-water projects for Shell are in the Gulf of Mexico, offshore Nigeria, and offshore Malaysia.

EDITOR'S NOTES:

- Today's winning bids add more than 1,700 square kilometres to Shell's deep-water Brazil portfolio.
- The newly acquired blocks range 160-310 kilometres from shore.
- Shell currently operates 2 floating, production, storage and offloading (FPSO) vessels in Brazil and is a partner in 10 other FPSOs, operated by Petrobras.

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 announcement 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 "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 announcement 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 announcement, 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 announcement 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, 2016 (available at www.shell.com/investor and www.sec.gov). These risk factors also expressly qualify all forward-looking statements contained in this announcement and should be considered by the reader. Each forward-looking statement speaks only as of the date of this announcement, October 27, 2017. 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 announcement.

This announcement may contain references to Shell's website. These references are for the readers' convenience only. Shell is not incorporating by reference any information posted on www.shell.com.

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