



Shearwater hub development; unlocking developments in the Central Graben Area

SubseaExpo Conference

7th February 2019

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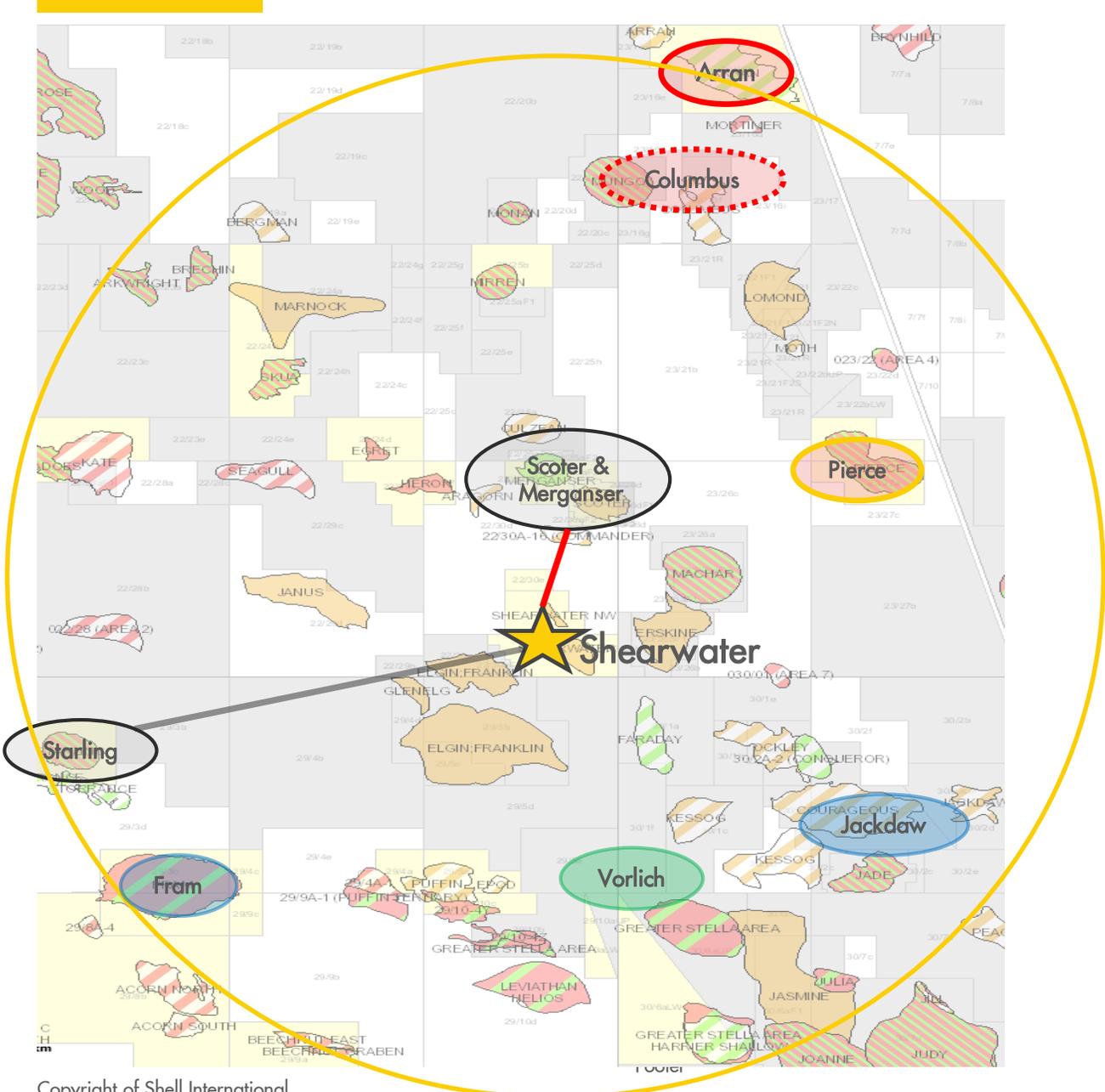


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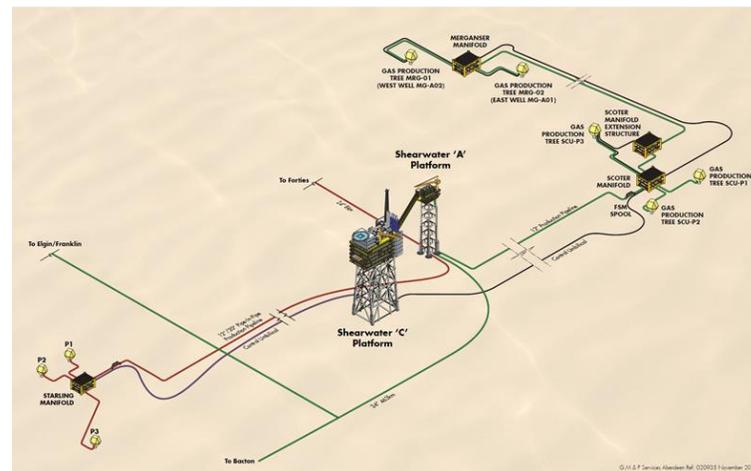


Central Graben

- Shell Central Graben portfolio – on decline
- Fulmar Gas Pipeline (FGL) - utilization opportunity
- Core asset Shearwater – facing late life
- Proved resources within tie-back distance, but marginal

Shearwater Hub Development

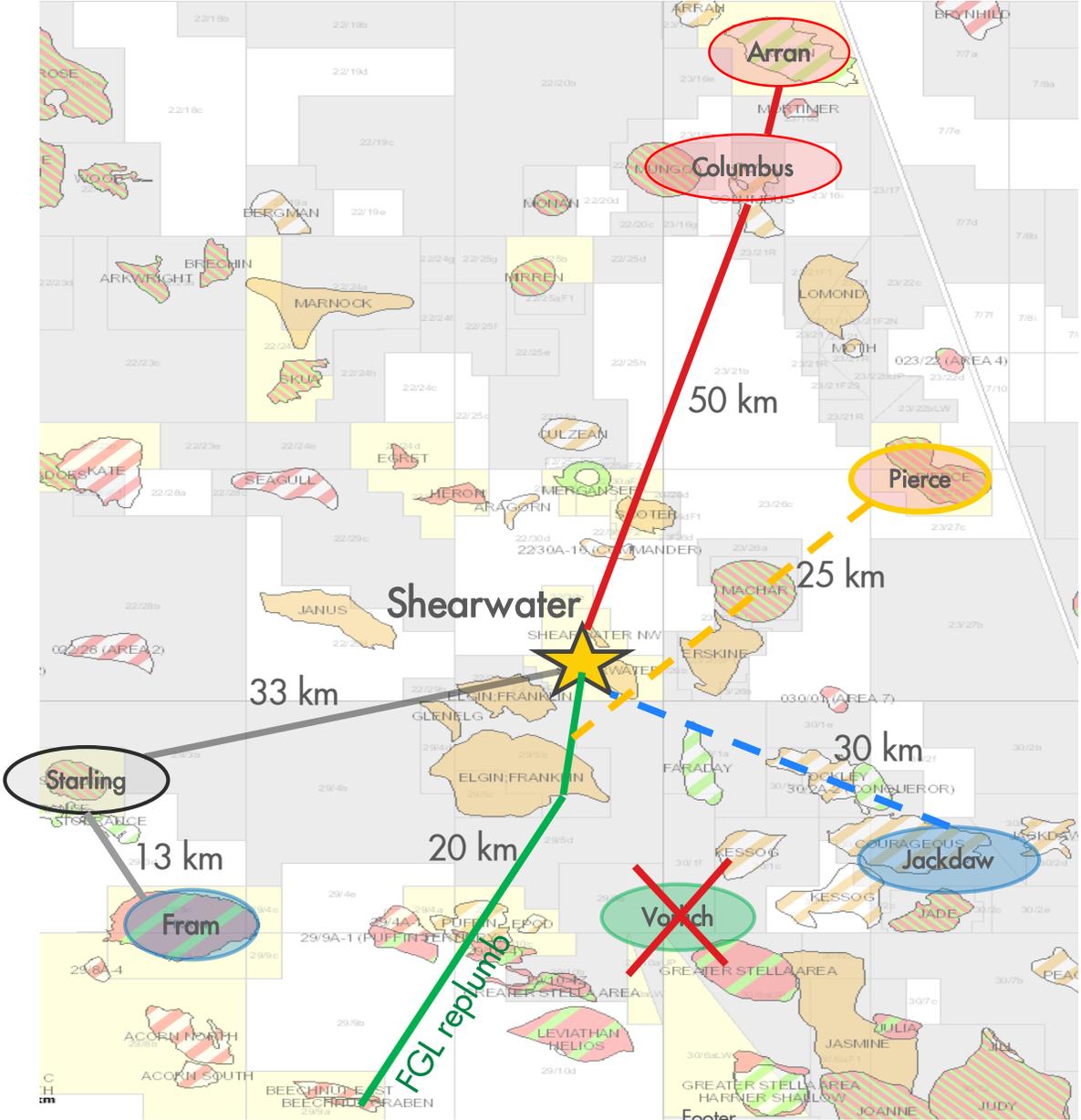
- Secure life extension towards 2030 and beyond through pursuing native growth and third party opportunities.
- To do this Shearwater will:
 - Continue to drill economically & technically justifiable native targets
 - Sustain high levels of production efficiency at optimal cost
 - Pursue 3rd party tieback volumes from the surrounding area



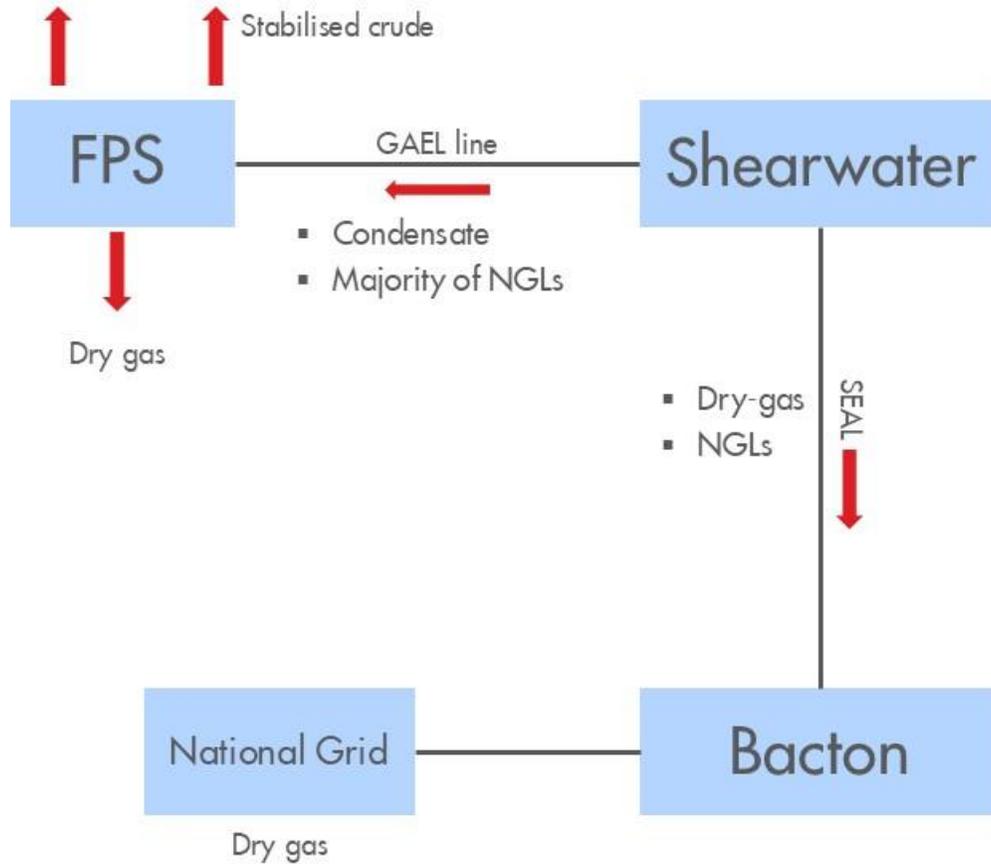
Shearwater Hub Strategy

What has been achieved

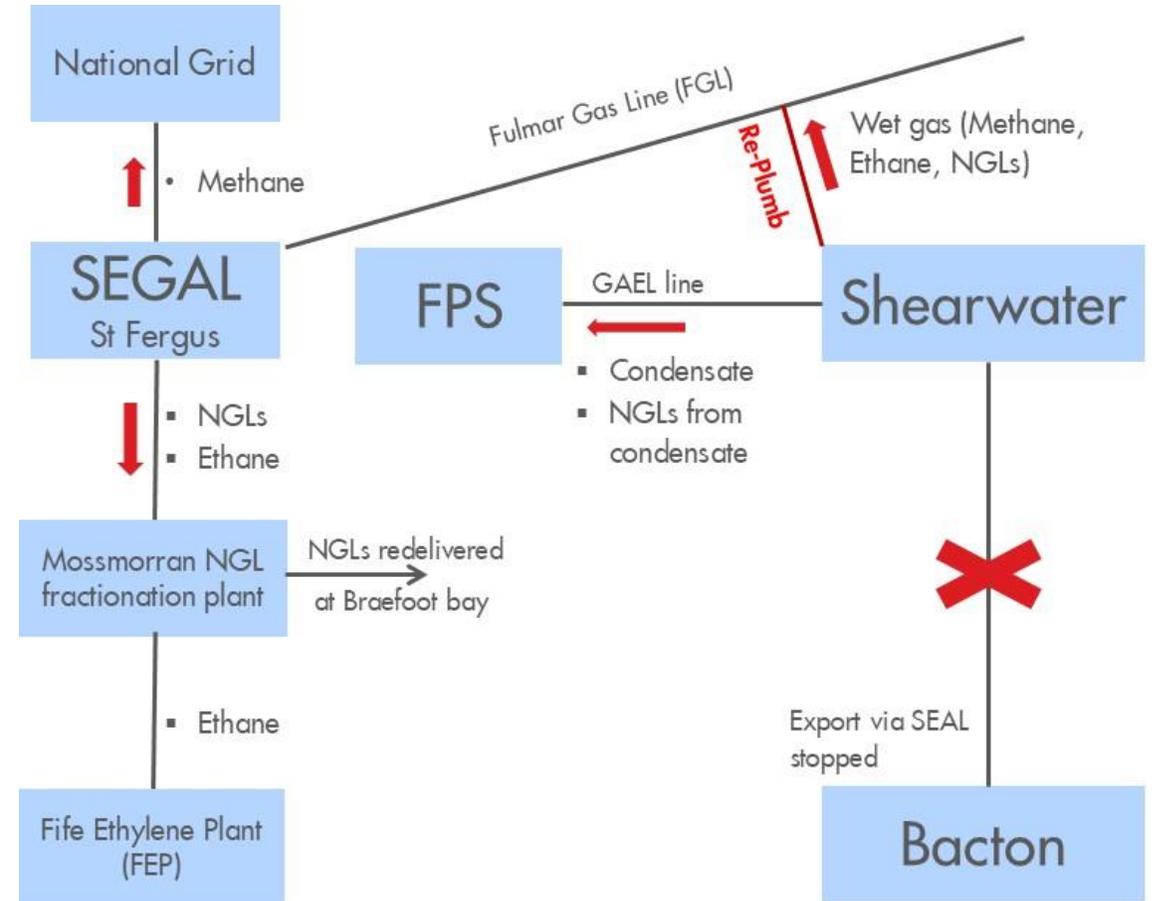
- Replumb project
- Shearwater native wells
- Fram tie-back
- Arran tie-back
- Columbus tie-back



Shearwater export as-is



Future replumb configuration



Arran Commercial Story - Overview

- Discovered in 1985
- Many attempts by various parties to bring to FID
- 2017 - Previous Operator re-opened original concept select decision. Late offer by a potential alternate export host reintroduces competitive tension.
- License expiry September 2018
- FID timing under acute pressure. (Sequence to right)

Resolution

- Shell step in as interim substitute operator to drive forward schedule.
- RockRose and Dyas also step-up to protect project.
- Continued close engagement with OGA.
- Departing parties assist process by exiting efficiently.
- Arran FID delivered per OGA deadline.



Arran – Key Success Factors

Clear Objectives

- Meet License commitment
- Form new fully functioning JV quickly
- Minimise change to FDP

Reach Alignment

- With OGA: Clear responsibilities for ALL parties concerned.
- With new JV: Defining success and priorities.
- With Senior Leaders. Smart and efficient decision making.

Discipline

- Develop the 'rescue plan' and stick to it.
- Drive to deliver simplicity out of complexity.
- Consistency in messaging.

SUMMARY

- Central Graben Area Plan is supported by Shearwater as a robust host-export system.
- Shearwater strategy is underpinned by re-plumb into FGL-SEGAL, enabled by volumes from Fram, Arran and Columbus.
- Longevity of Shearwater facilitate MER UK in the Central Graben.
- Further tie-backs are pursued

