



NIGERIA BRIEFING NOTES

For 2021 Business Activities

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SHELL'S INTERESTS IN NIGERIA

The Nigeria Briefing Notes provide an overview of the activities of several Nigerian companies owned by Shell or in which Shell has an interest. They offer insight into our business ambitions, how we are contributing to communities and the actions we are taking to prevent and clean up oil spills.

Shell has invested in businesses in Nigeria for more than 60 years and has interests in several companies that produce, distribute and export oil, gas, liquefied natural gas (LNG) and other energy products.

Three businesses are ultimately wholly owned by Shell plc and together are known as the Shell Companies in Nigeria (SCiN):

- The Shell Petroleum Development Company of Nigeria Limited (SPDC) has a 30% share in the SPDC joint venture (SPDC JV) which produces oil and gas in the Niger Delta¹;
- The Shell Nigeria Exploration and Production Company Limited (SNEPCo) produces oil and gas in the deep waters of the Gulf of Guinea²;
- Shell Nigeria Gas Limited (SNG) provides gas to industrial and commercial customers.

In addition, Shell Gas B.V. holds a 25.6% shareholding in Nigeria LNG Limited (NLNG) which produces and exports LNG to European and other markets. SPDC and SNEPCo also own All On Partnerships for Energy Access Limited (All On), a not-for-profit company limited by guarantee for the purpose of improving access to energy in Nigeria.

1 The SPDC JV has 16 Niger Delta onshore oil mining leases (OML) after the completion of the sale of its interest in OML 17 on January 15, 2021. SPDC also has three shallow-water licences (OMLs 74, 77 and 79) and a 40% interest in the non-Shell-operated Sunlink joint venture that has one shallow-water licence (OML 144).

2 SNEPCo has interests in two Shell-operated deep-water blocks: Bonga (OML 118 – 55% interest) and Bolia/Doro (OML 135 – 55% interest). SNEPCo also has an interest in the non-operated deep-water block: Erha (OML 133 – 43.75% interest). SNEPCo's licence for the non-operated Zabazaba block (OPL-245) expired in 2021.

SHELL INTERESTS IN THE NIGERIAN OIL & GAS SECTOR TABLE

	NAME OF COMPANY	DESCRIPTION AND MAIN ACTIVITIES	OPERATING ASSETS
HEARTLAND	The Shell Petroleum Development Company of Nigeria Limited (SPDC)	Supplies onshore and shallow water oil and gas to domestic and export market.	<p>SPDC JV: Operator and 30% participant interest holder in SPDC joint venture:</p> <ul style="list-style-type: none"> 263 producing oil wells (157 West Asset and 106 East asset). 56 producing gas wells (4 West Asset and 52 East asset). 52 producing oil wells and 4 gas wells were divested in 2021. These numbers are separate from the figures above. A network of 3,173 kilometres of operating flow lines and pipelines. 6 gas plants. Two major oil export terminals. One power plant.
DEEP WATER	Shell Nigeria Exploration and Production Company Limited (SNEPCo)	Produces deep-water oil and gas.	<p>SNEPCo: Operator of the Bonga field floating production, storage, and offloading vessel (FPSO). Interests in two Shell-operated deep-water blocks under production sharing contracts:</p> <ul style="list-style-type: none"> Bonga (OML-118 – 55% interest) and Bolia/Doro (OML - 135 – 55% interest). SNEPCo's licence for the non-operated Zabazaba block (OPL - 245) expired in 2021. Erha (OML - 133 – 43.75% interest) operated by Esso under a production sharing contract.
GAS FOR NIGERIA	Shell Nigeria Gas Limited (SNG)	Shell Nigeria Gas Limited (SNG) is the only Nigerian subsidiary of an international oil company in domestic gas distribution and 100% Shell share.	<p>Operator and 100% Shell share:</p> <ul style="list-style-type: none"> SNG is part of the recently launched Shell Energy Nigeria (SEN) line of business. Building on over two decades of SNG carrying out domestic gas marketing and sales business in Nigeria, SEN will provide global support in expanding the role of gas in power generation, local industry and to help provide new energy solutions across the country. Shell Nigeria Gas Limited (SNG), which provides gas to industrial and commercial customers. Two gas trains with a total network distribution capacity of over 150 mmscfd. Pressure reduction and metering stations. Gas transmission and distribution network of approximately 150 kilometres. Serving over 130 industrial and commercial customers, mostly in Ogun, Abia, and Rivers states. Signed commercial agreements with over 165 customers in Ogun, Abia, Rivers and Bayelsa, Oyo and Lagos States.
GAS FOR EXPORT	Nigeria LNG Limited (NLNG)	Processes and exports liquefied natural gas (LNG).	<p>Nigeria Liquefied Natural Gas Company Limited (NLNG) Processes and exports liquefied natural gas (LNG). Shell's shareholding in the NLNG Joint Venture is 25.6%:</p> <ul style="list-style-type: none"> Six LNG trains with total processing capacity of 24.1 million tonnes a year of LNG and up to 5 million tonnes of natural gas liquids (LPG and condensate) from circa 3.5 billion standard cubic feet per day of natural gas.

MESSAGE FROM THE COUNTRY CHAIR

As I look back over 2021, I stand in awe of the sheer grit and determination of our staff and contractors that have enabled us to achieve most of our business goals despite the challenges that we have faced and continue to face. The year has so many success stories, including how we are advancing our ambitions in gas distribution and deep-water exploration and production.

However, Shell Companies in Nigeria, like other operators, have suffered from a growing number of sabotage attacks on our oil wells and pipelines, as well as the rising levels of crude oil theft. This forced us to declare a force majeure on our Bonny export programme, effective March 3, 2022. Now is the time to remind ourselves of a stark reality: the theft of crude oil is also the theft of jobs and opportunity. The illegal actions of third parties are robbing Nigeria's economy of billions of dollars and this must end.

I am also saddened by an unprecedented tragedy. In August 2021, gunmen attacked a convoy of buses carrying workers to the Assa North/Ohaji South gas project. They killed six contract workers and one government security agent. Seven others were injured. My thoughts and those of Shell are with the families who have lost their loved ones. We provided emergency support immediately after the attack and assisted in the investigation. I hope we never again witness such a horrific incident.

We value our communities

Despite the security challenges we face, Shell Companies in Nigeria continue to contribute positively to the communities where we do business. Alongside our long-standing health-care, education, enterprise development and community-led programmes, we have financially supported the purchase of vaccines for Nigeria through COVAX and we have launched awareness-raising and vaccination campaigns.



OSAGIE OKUNBOR

Country Chair of Shell Companies in Nigeria
Port Harcourt, Nigeria

Once again, the highest concentration of direct social investment in 2021 within the Group was made in Nigeria. As a development partner with a strong belief in Nigeria, we will continue to support the country's aspirations towards achieving the UN's Sustainable Development Goals.

We are making advances within the access-to-energy space. All On, a not-for-profit, impact investment company to which SPDC and SNEPCo have committed around \$200 million, has helped renewable energy start-ups to connect 45,000 off-grid customers and aims to increase this to 75,000 in 2022. All On, together with Odyssey Energy Solutions and the Global Alliance for People and Planet also launched a global procurement programme for renewable energy companies to help bring affordable, high-quality solar products to the Nigerian communities most in need.

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Message from the Country Chair

On behalf of Shell Companies in Nigeria, I congratulate All On for winning the 2021 impact investor of the year award in Nigeria conferred by the Impact Investors Foundation.

I am also very proud to announce the completion of the Oloibiri Health Campus in the Ogbia area of Bayelsa State. Oloibiri holds a special place in the heart of Shell Companies in Nigeria because it is where we discovered oil many decades ago. The campus will be commissioned later in 2022 and includes a primary health-care facility and a centre for specialist health services.

Shell's relationship with Nigeria is strong

Shell has announced its intention to review options for its onshore Nigeria portfolio but Shell's relationship with Nigeria remains strong. We may be changing the content of our portfolio but this is because we intend to focus future investment in Nigeria on deep-water exploration and production, and expanding our gas distribution network for domestic and international customers.

In 2021, the Bonga field's oil mining lease (OML) 118 and its production sharing contract (PSC) were renewed for another 20 years. This lease underpins our deep-water operations. Its renewal opens up further opportunities for Shell in Nigeria.

We also successfully launched the Shell Energy Nigeria business line to expand the gas distribution solutions being championed by SNG. I am confident that this move will extend the efforts of Shell in delivering gas for power and industrial use across the country.

Natural gas is a critical component of Nigeria's economy and is very significant for the country's energy transition. The growing global market for LNG is also driving the development of Nigeria LNG's expansion with the construction of Train 7, which will increase production capacity by 35% from the current 22 million to 30 million tonnes a year.

Recognition for Shell Companies in Nigeria

Shell Companies in Nigeria received a number of accolades in 2021. For example, in May, we were named the International Oil Company with the most impactful Local Content Initiatives at the Nigerian Oil and Gas Opportunity Fair. In December, Nigeria's Tertiary Education Trust Fund described the consistent contributions of SNEPCo to education in Nigeria as exemplary and worthy of emulation by other corporates.

Looking ahead, I hope that the business environment remains conducive to existing and new investors. I have no doubt that Nigeria, Nigerians and my colleagues across Shell Companies in Nigeria will face whatever they must with the same compassion, dignity and resilience that they have always shown.

FACT SHEET: 2021 KEY DEVELOPMENTS

FINANCIAL

- Shell Companies in Nigeria spent \$800 million on contracts to Nigerian-registered companies which is the same level as the 2020 spend.
- \$986 million in corporate taxes and royalties paid to the Federal Government of Nigeria (SPDC \$424 million and SNEPCo \$562 million), compared with \$900 million in 2020.
- The SPDC JV, SNEPCo and SNG spent \$33.82 million in direct social investment, compared with \$49.4 million in 2020. The decline is largely because in 2020, significant contributions were made to COVID-19-specific programmes supporting communities impacted by the onset of the pandemic.
- The SPDC JV, in compliance with statutory requirements, paid \$38.7 million in 2021 to the Niger Delta Development Commission (NDDC). SNEPCo and its co-ventures paid \$23 million to the NDDC.
- Combined production from SPDC and SNEPCo (Bonga) declined to 493,000 barrels of oil equivalent, compared with 614,000 barrels of oil equivalent in 2020. The decline was largely a result of divestment action and activity curtailment due to heightened security issues in the Niger Delta.
- Shell Companies in Nigeria directly employed 2,500 people (of whom 97% were Nigerian nationals) with more than 8,500 contractors supporting operations.

BUSINESS DEVELOPMENTS

- Shell Energy Nigeria was established to focus on gas, power, renewables and energy solutions for industrial and commercial customers.
- SNG, the domestic gas distribution entity of the Shell Energy Nigeria business line, continues to expand and has signed agreements to deliver gas to around 165 corporate customers.
- SNG provides gas to more than 130 commercial and industrial customers, at the time of writing. Infrastructure is being built to enable the delivery of gas to new customers.
- SNEPCo, its OML 118 partners and the Nigerian National Petroleum Corporation (NNPC) extended the OML 118 production-sharing contract (PSC) licence for another 20 years, further incentivising development of the OML 118 block and opening opportunities in Nigeria's deep waters.
- NLNG Train 7 early works, including engineering, procurement and construction activities, have ramped up.
- SPDC completed the sale of its 30% interest in OML 17 for \$533 million.
- Shell has announced its intention to reduce its involvement in onshore oil and gas production in Nigeria but will continue to develop its deep-water oil and gas production and its gas supply businesses for domestic use and export.



SOCIAL INVESTMENT

- The All On impact investment company increased the size of its total portfolio of renewable, energy access investee companies from 31 to more than 40, and the All On Hub increased its supported businesses from 41 to 81 ventures.
- All On, together with Odyssey Energy Solutions and the Global Alliance for People and Planet, launched the Demand Aggregation for Renewable Technology (DART) programme to bring affordable, high quality solar products to communities most in need.
- Community Health Insurance Scheme added 8,180 people. More than 85,000 people have been enrolled across the Niger Delta since launch in 2010. The scheme is a partnership between the SPDC JV, Rivers State Government and local communities.
- Health-in-Motion mobile community health outreach programme added 2,451 people. More than one million people across the Niger Delta have benefited since 2010.
- The SPDC JV renewed five Global Memorandum of Understanding (GMOU) agreements to provide secure funding for community-led development programmes and also deployed one new agreement. Over \$98.6 million was disbursed over the last five years.
- The SPDC JV and SNEPCo invested \$6.2 million in education programmes. More than 2,500 secondary school grants, over 3,200 university grants and 900 Cradle-to-Career scholarship grants have been made since 2016.
- The SPDC JV has delivered the first phase of a \$5 million infrastructure project to the Nigeria Maritime University (NMU), Okerenkoko, Warri, Delta State.
- The global Shell LiveWIRE entrepreneurship programme helped 190 Nigerians through training and grants.

SPILLS AND CLEAN-UP

- SPDC JV operational spills: nine¹ incidents of more than 100 kilograms of crude oil compared with 12 incidents in 2020. The total volume of 29 tonnes of spilled crude was slightly less than the 30 tonnes reported in 2020.
- Spills from illegal activities: 106² incidents with volume of 3.3 thousand tonnes, compared with 122 incidents in 2020, with volume of 1.5 thousand tonnes. The doubling of the volume was mainly attributable to one incident, caused by sabotage, which accounted for 2.3 thousand tonnes of crude oil. This was contained and around 90% recovered and returned to the system.
- Ogoniland: Clean-up led by the government agency, Hydrocarbon Pollution and Remediation Project (HYPREP). In 2021, remediation was completed and certified on nine sites; work continues on 11 sites.
- Bodo: By the end of 2021, remediation was completed on 60% of the clean-up area with around 300,000 mangrove seedlings planted so far out of the required 2 million seedlings that are planned by the end of 2025.

1 We have updated the number of operational spills from 10 (as reported in the Annual Report) to nine following a review of data which indicates that a spill previously thought to be operational, was instead residual impact from a previous incident.

2 We have updated the number of sabotage spills from 107 (as reported in the Annual Report) to 106 following a review of data to exclude a spill from OML 17, as the spill occurred after the divestment.

HELPING TO POWER NIGERIA'S ECONOMY

Nigeria's natural resources offer attractive investment opportunities and significant potential for Nigerians to boost their economy.



A 7TH GENERATION, STATE-OF-THE-ART, TWIN-DECKED RIG IS ACTIVE OVER THE SOUTH WESTERN PORTION OF THE BONGA FIELD.

Shell Companies in Nigeria contribute to economic growth in Nigeria by generating revenue for the government through taxes, creating employment opportunities and contributing to the development of local businesses.

In 2021, Shell Companies in Nigeria directly employed 2,500 people, 97% of whom were Nigerian nationals. More than 8,500 contractors supported our operations during the year. Shell Companies in Nigeria awarded contracts worth \$800 million (the same as in 2020) to Nigerian-registered companies, of which 92% was to companies where the Nigerian ownership was at least 51%.

The latest country-by-country tax data available is for 2020 and can be found in the Shell [Tax Contribution Report](#). In 2020, Shell's business in Nigeria collected and paid a total of \$3.5 billion in production entitlements, royalties, fees and taxes. Some tax numbers are available for 2021: SPDC paid \$424 million and SNEPCo paid \$562 million in corporate tax and payments to government.

Shell Companies in Nigeria are investing in expanding offshore oil and gas production and developing infrastructure for domestic and export gas. These projects and assets will continue to bring employment and contract opportunities to Nigerians and their businesses.

SECURITY CHALLENGES ONSHORE PRODUCTION

Shell Companies in Nigeria have a track record of strong production. But in 2021, the combined production from the SPDC JV and SNEPCo (Bonga) fell to 493,000 barrels of oil equivalent per day from 614,000 in 2020.

The SPDC JV produced 383,000 barrels of oil equivalent in 2021, compared with 497,000 barrels of oil equivalent in 2020. The fall in output was largely a result of curtailed oil production because of heightened security issues, such as crude oil theft and illegal oil refining. Production numbers were also down as a result of divestment action, including the sale of SPDC's 30% interest in OML 17 for \$533 million.

In the last quarter of 2021, crude oil theft from pipelines across the region increased ostensibly as a result of rising oil prices, which made the activity more profitable.¹ Security risks have heightened and production in some areas has been put on hold. The situation is impacting operators across the Niger Delta. The Nigerian National Petroleum Corporation (NNPC) has reported that crude thefts in 2021 reached 200,000 barrels per day – a quarter of onshore production.²

1 <https://oilprice.com/Energy/Crude-Oil/Nigerias-Oil-Theft-Epidemic.html>

2 <https://www.spglobal.com/commodity-insights/en/market-insights/latest-news/oil/022521-nigeria-losing-200000-bd-to-crude-oil-theft-as-sabotage-grows-nnpc>

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The SPDC JV declared a force majeure on its Bonny export programme with effect from March 3, 2022. The declaration of force majeure was on account of significantly lower deliveries of crude oil to the Bonny Terminal because of theft from illegal connections to pipelines.

Offshore in the deep waters of the Gulf of Guinea, production at SNEPCo's Bonga field continued steadily but not without its own challenges. Production fell to 110,000 barrels of oil equivalent per day from 117,000 barrels in 2020. This was because of repairs on two production lines in 2021.

The five-year average production for SPDC and SNEPCo is 606,000 barrels of oil equivalent per day.

We have announced our intention to reduce our involvement in onshore oil and gas production in Nigeria and to focus future investment on our deep-water and gas positions. This aligns with Shell's Powering Progress strategy. We are in discussion with the Nigerian government and other stakeholders on how this can be best achieved.

FOCUS ON SAFETY AND SECURITY

Shell Companies in Nigeria aim to consistently apply international safety standards. We work closely with communities, civil society, local businesses, joint- and co-venture partners, as well as federal and state government agencies, to promote a secure and safe environment. Shell Companies in Nigeria aim to achieve no harm to people and no leaks across operations.

Shell Companies in Nigeria also contribute to the safety of communities around their facilities by responding to third-party emergencies in these communities. These incidents include fires near our facilities. In 2021, Shell Companies in Nigeria responded to 32 third-party emergencies.

Tragically, six people working for a contractor company were killed in 2021 when gunmen attacked a convoy of buses travelling to the Assa North/Ohaji South gas development project site.

A government security agent was also killed in the incident and seven other people were injured. This was a truly horrendous event.

SPDC, in its capacity as operator of the SPDC JV, and its employees, feel these losses deeply and, together with government security agencies, learn from such incidents to help prevent them from happening again. SPDC immediately stopped work on the site. Work will resume when we are satisfied that security has been restored around the project site. SPDC has supported the contractor during the emergency response and follow-on investigations.

DEVELOPING GAS OPPORTUNITIES

Nigeria has around 200 trillion cubic feet of proven gas reserves and about 600 trillion cubic feet of unproven reserves.³ However, a lack of adequate power grid infrastructure results in unreliable power supply from the electricity grid and power shortages in urban and rural areas. Development of energy infrastructure is a priority for the country.

Nigeria has declared 2021-2030 the "Decade of Gas Development for Nigeria" and is determined to develop the gas sector to transform the country into an industrialised nation.⁴ Gas has enormous potential to diversify and lift the Nigerian economy.

Shell is investing in a gas portfolio that will increase supply for Nigeria's growing industrial and commercial sectors, as well as to international customers via an expanding network of plants, pipelines and export terminals. Shell has interests in two gas supply operations in Nigeria: NLNG and SNG. Both are supplied with gas by the SPDC JV and SNEPCo.

However, Nigeria needs to create an enabling environment to continue to foster investments in the gas sector. According to Ed Ubong, SNG Managing Director and President of the Nigeria Gas Association, an enabling environment rests on the development of infrastructure across the gas value chain and a predictable regulatory, commercial and legal framework. He also states that all stakeholders

3 https://pwc-nigeria.typepad.com/files/the-petroleum-industry-act-insights-series_august-2021.pdf

4 <https://www.ief.org/news/nigeria-focuses-on-gas-to-drive-future-and-lift-economy>

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need to uphold contracts and that resolving the security challenges in the Niger Delta is critical if Nigeria is to benefit from the "decade of gas".

SHELL ENERGY NIGERIA TO GROW SNG'S CUSTOMER BASE FURTHER

Nigeria has a population of more than 200 million and this is expected to double by 2050⁵, so there is enormous potential to expand businesses within the domestic gas market. In 2021, on the back of the successes of SNG, Shell launched the Shell Energy Nigeria (SEN) business line. SEN aims to grow Shell's natural gas marketing and sales business in Nigeria.

In 2021, SNG supplied more than 400 megawatts (MW) equivalent of gas-generated power in Nigeria. SEN's goal is to distribute 1 billion cubic feet of gas in the domestic market by 2030.

SNG has a distribution network of 150 kilometres and is the only gas distribution company in Nigeria certified according to the ISO14001 international standard for an effective environmental management system. In 2021, it provided gas to more than 130 commercial and industrial customers.

In 2021, SNG signed a 20-year agreement for the domestic distribution of gas to industrial customers and manufacturing plants in Lagos and Ogun States. The new deal with the Nigerian Gas Marketing Company (NGMC) will also enable SNG to extend its distribution network to Badagry to serve a new market in the community that borders the Republic of Benin.

By the end of 2021, SNG had agreements in place with 165 customers across six states: Ogun, Abia, Rivers, Bayelsa, Oyo and Lagos. The agreements will enable the supply of reliable, lower-carbon energy that drives industrialisation, provides employment for both the skilled and unskilled local population, as well as directly improving internally generated revenues in these states. Infrastructure is being built to supply gas to new customers where necessary as SNG was actually providing gas to around 130 customers at the time of writing this report.

GAS PARTNERSHIP WITH GOVERNMENT

The SPDC JV has long produced oil in the Niger Delta but it also supplies about 10% of Nigeria's domestic natural gas. Today, it aims to produce more natural gas and is working with the government and NNPC on developing four of the government's seven designated critical gas supply projects. These are:

- Assa North/Ohaji South field;
- the four unitised gas fields – Samabri-Biseni, Akri-Oguta, Ubie-Oshi and Afuo-Ogbainbri;
- gas supply to Brass Fertilizer Company; and
- Okpokunou/Tuomo West field cluster.

Construction of the Assa North/Ohaji South gas development project in Imo state started in 2019. However, the project was put on hold in August after the security incident described above. Prior to the suspension of the project, Assa North/Ohaji South was expected to be completed in 2023 with a potential capacity for 300 million standard cubic feet of gas per day, one of the largest domestic gas projects in Nigeria.

The other three projects are in early stages and investment decisions have not yet been taken.

In 2021, the SPDC JV-operated AFAM VI power plant in the Oyigbo local government area of Rivers State supplied 7% of Nigeria's grid-connected electricity. AFAM VI has a nameplate capacity of 650 megawatts (MW) but in 2021 operated between 250MW and 350MW depending on grid allocations. The SPDC JV's Gbaran-Ubie gas plant achieved peak production in 2021 with about 182,000 barrels of oil equivalent per day.

ENDING ROUTINE FLARING

Shell Companies in Nigeria are working towards their goal of ending the routine flaring of associated gas from their oil production operations. They have made a series of investments and partnerships over the last 20 years to capture and supply associated gas for domestic and export markets.

⁵ <https://www.statista.com/statistics/1122955/forecast-population-in-nigeria/>

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In 2019, the Southern Swamp Associated Gas Solutions project was commissioned, and the SPDC JV is planning to reduce associated gas flaring further through its Forcados Yokri gas-gathering project, of which large parts are set to be completed in 2022.

Despite such efforts to reduce continuous flaring, unfortunately flaring intensity (the amount of gas flared for every tonne of oil and gas produced) at both SPDC- and SNEPCo-operated facilities increased in 2021 owing to short-term operational issues.

Flaring from SPDC-operated facilities increased by around 5% in 2021 compared with 2020. The increase was primarily because of the extended outage of the gas compression system in SPDC's shallow-water operations. The system was restored and became operational from January 2022.

Flaring at SNEPCo-operated facilities rose by around 160% in 2021 compared with 2020. This was mainly because of an increase in flaring on the Bonga floating production, storage and offloading (FPSO) vessel. Repairs to a flex-joint on the Bonga FPSO's gas export riser in the second quarter took longer than expected, in part because of weather conditions. While repairs were under way, the FPSO continued to produce oil and therefore flaring was necessary for safety reasons. The repairs were safely concluded in July 2021.

Although flaring intensity levels rose in 2021, SPDC and SNEPCo over the last 10 years have almost halved the combined amount of hydrocarbons they flare from 1.5 million tonnes in 2012 to 0.8 million tonnes in 2021. This reduction is the result of a strict flaring reduction management process and both SPDC and SNEPCo will continue to work in close collaboration with joint-venture partners and the government to make progress towards ending routine flaring of associated gas.

NIGERIA LNG EXPANSION UNDERWAY

Global demand for LNG continues to grow as the world increasingly seeks reliable supplies of lower-carbon energy. Shell's investment in Nigeria's gas infrastructure for export is expected to help

the country benefit further from revenues. Shell Gas B.V. and its partners took a final investment decision in 2020 on a new LNG processing unit – known as Train 7 – at NLNG.

The expansion is expected to create around 12,000 jobs for Nigerians during construction and stimulate growth of the local oil and gas service sector, with 55% of engineering and procurement of goods and services being sourced in-country. Train 7 is expected to ensure Nigeria's continued place as a global player in a lower-carbon energy source.

Once operational, Train 7 will add around 8 million tonnes per annum of capacity to the Bonny Island LNG facility, taking the total production to around 30 million tonnes per annum.

In 2021, NLNG began awarding procurement and construction contracts. Early works started at the site. The first phase of the worker village is expected to be ready for occupancy in 2022 and the new material offloading facility ready for use by the end of 2022. NLNG's Train 7 is expected to come onstream in the middle of the 2020s.

KEY LICENCE RENEWED FOR DEEP-WATER

SNEPCo has interests in four deep-water blocks in the Gulf of Guinea, two of which it operates. Today, nearly one-third of Nigeria's deep-water oil and gas production comes from the Bonga and the non-operated Erha fields.⁶

Since production began in 2005, Bonga alone has produced more than 950 million barrels of oil with the 2021 average oil production per day at 105,000 barrels. The Bonga FPSO vessel has a total production capacity of 225,000 barrels of oil per day and 150 standard cubic feet of gas export per day. In 2021, the availability of the FPSO vessel increased to 80% from 70% in 2020.

In addition to Bonga, SNEPCo's exploration activities have led to several significant discoveries of oil and gas over the last two decades, including the Bolia and Doro fields (Shell interest 55%).

⁶ This is according to a data provided by global research and consultancy business Wood Mackenzie.

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In the right investment climate, SNEPCo believes that there are opportunities to expand. In 2021 the OML 118 (Bonga) production sharing contract was renewed and the lease extended for 20 years. Bonga North and Bonga South West Aparo (BSWA) oil fields are two such potential opportunities. Bonga North is a proposed tie-back project to the existing Bonga FPSO with Phase 1 comprising 14 wells. BSWA is a development of a new FPSO with Phase 1 comprising 23 wells.

SUPPORTING RENEWABLE ENERGY START-UPS

Millions of Nigerians are excluded from the country's power grid and Shell Companies in Nigeria have established and provided substantial funding for a not-for-profit, impact-investing company called All On. Operating as an independent company, All On works to bring reliable electricity – often from renewable energy sources – to off-grid urban and rural customers. This support aims to build a solid pipeline of viable businesses that can create the scale required to address Nigeria's access to energy gap.

In December 2019, SPDC and SNEPCo made a significant additional 10-year financing commitment of \$160 million in All On, bringing the total commitment to \$200 million. By the end of 2021, All On had provided investment capital to over 40 renewable energy start-ups in its portfolio – an increase of more than 30% from 2020. One such company is Infibranches Technologies Limited, to which All On has committed \$2 million, which is expected to enable the indigenous technology company to expand sales of solar home systems via its more than 13,000 agent banking partners across Nigeria.

With the support of the Rockefeller Foundation, the All On Hub was established in 2020 to provide non-financial support and build the capabilities of off-grid energy entrepreneurs. In 2021, the hub supported 81 ventures – nearly double the 41 supported in 2020.

Also in 2021, All On, Odyssey Energy Solutions and the Global Energy Alliance for People and Planet launched a \$10 million equipment financing facility as part of the DART pilot programme in Nigeria.

DART will combine demand pooling, aggregated purchasing of solar equipment, and access to affordable finance to unlock economies of scale for solar companies, achieve cost savings for end-users, and accelerate the growth of the renewable energy sector in Nigeria and beyond.

DEVELOPING LOCAL CONTENT AND SKILLS

Shell Companies in Nigeria contribute to the growth of Nigerian businesses that can provide technical and support services to the industry. This includes the manufacture of tools and technical kits, the operation of helicopter flights in the Niger Delta, and strategic partnerships between foreign and local companies to stimulate technology transfer and capacity development.

While there are government-required programmes in some areas, such as the [Nigerian and Community Content Strategy](#) embedded in the Assa North/Ohaji South gas development project, Shell Companies in Nigeria deliberately seek to contract local businesses wherever possible.

In 2021, Shell Companies in Nigeria awarded \$800 million worth of contracts to Nigerian-registered companies. Of these, 92% were companies with at least 51% Nigerian ownership.

SNEPCo has awarded major engineering and construction contracts to companies that are indigenous, have local staff, or possess domestic capabilities in the country. At present, the manufacture and rebuild of hydraulic flying leads⁷ (HFLs) is being carried out in-country by wholly indigenous companies. Pressure Controls Systems Nigeria Limited, another Nigerian company, continues to refurbish old subsea trees.⁸

Sometimes, a lack of access to capital hinders Nigerian companies from competing for and executing contracts effectively. Shell Companies in Nigeria have provided access to nearly \$1.6 billion in loans to 901 Nigerian vendors under the Shell Contractor Support Fund since 2012. These loans help improve their tendering opportunities.

⁷ Hydraulic flying leads support the delivery of hydraulic fluid and/or chemicals between subsea equipment.

⁸ Subsea trees are an assembly of valves and other components used to monitor and control the production of a subsea well.

HELPING BUILD COHESIVE COMMUNITIES

Nigeria is a vibrant country, offering opportunities for people to improve their livelihoods. The government, non-governmental organisations and companies have a role to play in creating these opportunities.

SECONDARY SCHOOL STUDENTS IN PORT HARCOURT. THOUSANDS OF NIGERIAN CHILDREN HAVE BENEFITED FROM THE CRADLE-TO-CAREER SCHOLARSHIPS.

Nigeria consistently attracts the largest concentration of social investment spending in the Group. Through our social investment, we aim to contribute positively to development in the communities where we operate. Shell Companies in Nigeria contribute to programmes in health, education, access to energy, road safety, community skills and enterprise development.

In 2021, the SPDC JV, SNEPCo and SNG spent \$33.8 million in direct social investment, compared with \$49.4 million in 2020. The year-on-year decline is largely because in 2020 significant contributions were made to COVID-19-specific programmes supporting communities which were impacted by the onset of the pandemic.

The SPDC JV, in compliance with statutory requirements, also paid \$38.7 million in 2021 to the Niger Delta Development Commission (NDDC). SNEPCo and its co-ventures paid \$23 million to the NDDC.

Programmes are delivered through collaboration with communities, schools, universities, health services, civil society and often alongside state governments and institutions. Most programmes extend over decades to ensure a sustainable and lasting positive impact.

Shell Companies in Nigeria undertake two types of voluntary social investment activities:

- Direct social investment across Nigeria, which focuses on community and enterprise development, education, community health, access to energy, road safety, and since 2018, biodiversity.

For example, SPDC has partnered with the Rivers State Government, Vieux Manioc BV of the Netherlands, and the Embassy of The Netherlands in Nigeria to develop the [Rivers Cassava Processing Company Limited](#). The company, which was inaugurated in 2021, drives mobile machines to farmers for them to use to process the cassava they grow into flour for market.

- Community-driven development programmes and initiatives in the Niger Delta, which focus on various themes as determined by benefitting communities.

Community-driven programmes have been delivered through a Global Memorandum of Understanding (GMoU), which is an agreement between the SPDC JV and a cluster of several communities. In 2021, five GMoUs were renewed and one new GMoU was deployed. Over the last five years the SPDC JV has spent \$98.6 million on development programmes through GMoUs, benefitting more than 300 communities in the Niger Delta.

In 2021, a community-driven rural electricity project for the Gbarain/Ekpetiama GMoU cluster was completed. It provides reliable power access to over 450 households from the Obunagha and Tunuama communities of Bayelsa state.

RESPONSE TO COVID-19

Since the start of the COVID-19 pandemic in early 2020, Shell Companies in Nigeria have worked to help protect staff, contractors and the communities where we operate, while also supporting the Nigerian state and federal governments. Shell Companies in Nigeria donated ambulances, ventilators, testing machines and kits, medical consumables and personal protection equipment to seven Nigerian states.

Shell Companies in Nigeria have also contributed financially to the purchase of vaccines for Nigerians through the COVAX programme and launched community education and vaccination campaigns in 2021, reaching thousands of people.

AFFORDABLE AND QUALITY HEALTH CARE

Shell Companies in Nigeria have supported community health programmes in Nigeria since the 1980s, benefitting many hundreds of thousands of Nigerians. The SPDC JV and SNEPCo support 19 health-care centres and signature intervention projects throughout Nigeria:

- **The Community Health Insurance Scheme (CHIS)** is a partnership between the SPDC JV, Rivers State Government and local communities. The programme improves people's access to affordable, quality health care. In 2021, the scheme costs individuals \$24 per year (\$27 in 2020) and covers about 95% of health-care needs. Since inception in 2010, more than 85,000 people have been enrolled. In 2021, 8,180 people enrolled in the scheme.
- **The Oloibiri Health Programme (OHP)** is an SPDC JV-sponsored local government initiative in Ogbia area of Bayelsa State. OHP strengthens local health-care systems in the Ogbia area of Bayelsa State by upgrading and integrating facilities, training and supporting local health-care and community workers and helping to ensure a reliable supply of medicines. The programme has seen service utilisation rise to more than 3,600 patients in 2021 from around 800 when it was launched in 2017.

- **The Obio Cottage Hospital** is a specialist maternity hospital in Port Harcourt supporting families at a crucial moment in their lives. It is funded by the Community Health Insurance Scheme. It has specialist pre- and post-natal wards and an operating theatre. More than 34,000 babies have been safely delivered at the hospital since 2010.
- **Health-in-Motion (HIM)** is a mobile community health outreach programme that takes free medical services to where people live and work. Since 2010, more than a million people have benefitted from the programme. In 2021, a further 2,451 people benefited from HIM.

INVESTING IN EDUCATION

Educating Nigeria's young population is critical to the country's development. Since the 1950s, the SPDC JV and SNEPCo have offered thousands of Nigerian children, mostly from poor families in the Niger Delta, the opportunity to receive quality education for free. The SPDC JV and SNEPCo fund secondary and tertiary education scholarships.

In 2021, the SPDC JV and SNEPCo invested \$6.2 million in scholarships. Since 2016, the SPDC JV and SNEPCo scholarship programmes have awarded more than 2,500 secondary school grants, over 3,200 university grants and 900 Cradle-to-Career scholarship grants to students.

Shell Companies in Nigeria also seek to invest in specific initiatives that will benefit the energy sector. For example, the SPDC JV, in collaboration with the University of Benin and Rivers State University, funds a Centre of Excellence in Geosciences and Petroleum Engineering. Working in collaboration with Rivers State University, the SPDC JV funds a Centre of Excellence in Marine and Offshore Engineering. The two centres offer specialised postgraduate degrees. By the end of 2021, over 122 students had graduated from the programmes and over 82% of these graduates have been employed in the oil and gas industry.

Nigeria Briefing Notes

Helping build cohesive communities

In 2021, the first phase of a \$5 million facilities expansion was opened at the Nigerian Maritime University in Okerenkoko, Delta State. The new facilities are being donated by the SPDC JV partners and the first phase included auditoriums and a lecture room.

SUPPORTING ENTERPRISE AND ENTREPRENEURSHIP

Aspiration, innovation and entrepreneurship are drivers of economic growth and Shell Companies in Nigeria work to improve the opportunities for Nigerians to achieve their ambitions. In 2021, 190 Nigerians benefitted from Shell's LiveWIRE youth programme, receiving training in enterprise development and management, as well as business start-up grants. Since 2016, 1,173 Nigerian youths have been trained under the programme.



HIGH SCHOOL GRADUATES FROM SPDC JV SCHOLARSHIP PROGRAMME.

PREVENTING AND CLEANING UP SPILLS

We work hard to prevent spills, responding quickly to any spill irrespective of the cause.



In 2021, SPDC¹ reported nine operational spill incidents of more than 100 kilograms of crude oil, fewer than the 12 reported in 2020. The volume of around 29 tonnes was slightly less than the 30 tonnes reported in 2020. The volume of operational oil spills is far less than the quantities spilled by the illegal actions of third parties.

SPDC regrets these spills and recognises there is still work to do to end operational spills completely. SPDC believes this is possible if it can continue to improve its performance in the areas where it has control. To reduce the number of operational spills in Nigeria, SPDC has an ongoing work programme to appraise, maintain and replace key sections of pipelines and flow lines.

Over the last 11 years, about 1,410 kilometres of pipelines and flow lines have been replaced. This work is organised through a pipeline and flow line integrity management system that seeks to proactively address pipeline integrity. It installs barriers where necessary and recommends when and where pipeline sections should be replaced to prevent failures.

Crude oil theft and illegal refining continue to bring challenges to all operators in the Niger Delta.²

COUNTERING SPILLS CAUSED BY SABOTAGE AND THEFT

Most oil spills in the Niger Delta continue to be caused by crude oil theft, the sabotage of oil and gas production facilities, and illegal oil refining, including the distribution of illegally refined products.

In 2021, all the spills caused by sabotage and theft that were recorded by Shell globally, were in Nigeria. The number of these spills decreased to 106 in 2021 from 122 in 2020, while the volume of these spills increased to 3.3 thousand tonnes from 1.5 thousand tonnes in 2020.

Shell Companies in Nigeria believe that the number of incidents in 2021 continued to decrease because of sustained security deterrence and surveillance. The doubling of the spill volume was mainly because of a single incident, accounting for around 2.3 thousand tonnes of crude oil. The incident resulted from sabotage to a well head where the oil flow had to be stopped before any repairs or recovery could take place. At the site, the well head slot and a natural containment area prevented the oil spill from spreading and therefore more than 90% of the oil was recovered and returned to the system.

1 Unless otherwise stated, all activities reported for or as relating to Shell Petroleum Development Company Limited (SPDC) in this section should be understood as SPDC acting as the operator of the SPDC joint venture (SPDC JV). SPDC, as the corporate entity, owns 30% of the JV and is also operator. The other partners are the government-owned Nigerian National Petroleum Corporation NNPC (NNPC, 55% share), Total E&P Nigeria Ltd (10%) and the ENI subsidiary Agip Oil Company Limited (5%).

2 <https://www.spglobal.com/commodity-insights/en/market-insights/latest-news/oil/022521-nigeria-losing-200000-bd-to-crude-oil-theft-as-sabotage-grows-nnpc>

Nigeria Briefing Notes

Preventing and cleaning up spills

SPDC continues to undertake initiatives to prevent and reduce spills caused by theft from or sabotage of its facilities in the Niger Delta. In 2021, SPDC sustained its on-ground surveillance of its areas of operation, including its pipeline network, to mitigate third-party interference and ensure that spills are detected and responded to as quickly as possible.

There are daily overflights of the most vulnerable segments of the pipeline network to identify any new spills or illegal activity. SPDC has introduced anti-theft protection mechanisms for key infrastructure such as well heads and manifolds. A programme to protect well heads with steel cages continues to help deter theft.

In 2021, a total of 283 cages were installed, including 62 that were upgraded with CCTV. This compared with a total of 364 installed cages by the end of 2020. The year-on-year reduction is a result of the 2021 divestment of SPDC's interest in OML-17. In 2021, 29 breaches were successful, out of around 1,700 registered attempts.

All of these measures significantly exceed the precautions that Shell has to take to prevent illegal actions in other countries where it operates.

RESPONSE AND REMEDIATION

Irrespective of whether the cause of a spill is operational or a result of illegal activities, SPDC responds quickly and works fast to clean up and remediate areas affected by all spills originating from its facilities.

In 2021, the time that SPDC needed to complete the recovery of free-phase oil – oil that forms a separate layer and is not mixed with water or soil – remained at around one week. This is the average time it takes to safely access a damaged site to start joint investigation visits with regulators and affected communities (and, in some cases, with NGOs) to clean up.

When a leak is identified, production is suspended and any spilled oil is contained. In line with government regulations, a joint investigation team visits the spill site to establish the cause and the volume of oil spilled. Once the clean-up and remediation are completed, the work is inspected and, if satisfactory, approved and certified by Nigerian government regulators. Recovered oil is evacuated from the spill site and returned to a production facility.

With operational spills, SPDC pays compensation to affected people and communities. When inspection reveals that a spill was caused by illegal activities, SPDC considers each spill on a case-by-case basis and, where appropriate, provides relief to the communities affected. Relief can include food, health checks and clean water supply.

SPDC has been working with the International Union for Conservation of Nature (IUCN) since 2012 to enhance remediation techniques and protect biodiversity at sites affected by oil spills in SPDC's areas of operation in the Niger Delta. Based on this collaboration, SPDC has launched further initiatives which it believes will help strengthen its remediation and restoration efforts. In 2021, SPDC, IUCN, the Nigerian Conservation Foundation, and Wetlands International worked together on the Niger Delta Biodiversity Technical Advisory Group, which monitors biodiversity recovery at remediated sites.

SPDC also works with a range of stakeholders in the Niger Delta to build greater trust in spill response and clean-up processes. Local communities participate in remediation work for operational spills. SPDC has implemented programmes to raise awareness and counter the negative effects of crude oil theft and illegal oil refining. Examples include community-based pipeline surveillance and promoting alternative livelihoods through youth entrepreneurship programmes.

CLEANING UP SPILLS IN Ogoniland

The SPDC JV has produced neither oil nor gas in Ogoniland since 1993 and has transferred ownership of its assets in Ogoniland to the Nigerian Petroleum Development Company (NPDC), the operating subsidiary of the NNPC. However, the Trans Nigeria Pipeline (TNP), which belongs to the SPDC JV and carries crude oil from various companies, passes through Ogoniland.

The SPDC JV remains committed to the implementation of the 2011 United Nations Environment Programme (UNEP) Report on Ogoniland which assessed contamination from oil operations in the region and recommended actions to clean it up. SPDC has acted on all and completed most of the UNEP recommendations that were specifically addressed to it as the operator of the joint venture.

Nigeria Briefing Notes

Preventing and cleaning up spills

The clean-up efforts are led by the Hydrocarbon Pollution and Remediation Project (HYPREP), an agency established by the federal government. In 2018, HYPREP awarded contracts for the first set of remediation projects. In 2019, 21 contractors started operations on 12 of the 67 polluted sites recorded in the UNEP report. Of those 67 sites, two are waste sites without hydrocarbon pollution.

In January 2020, HYPREP awarded a further 29 contracts for remediation of eight polluted sites. The contractors began remediation activities in the fourth quarter of 2020. In 2021, remediation work on nine sites was completed and certified by the Nigerian government's National Oil Spill Detection and Response Agency (NOSDRA). Remediation work continues to take place on 11 sites.

The UNEP report recommended creating an Ogoni Trust Fund (OTF) with \$1 billion capital, to be co-funded by the Nigerian government, the SPDC JV and other operators in the area. The SPDC JV remains fully committed to contributing \$900 million to the fund as its share over five years, based on the value of work done as per the Government Gazette. So far, the SPDC JV has released \$360 million. HYPREP did not request the release of any funds in 2020. In 2021, HYPREP requested the release of funds for 2020 and 2021.

However, the SPDC JV has agreed to pay only the 2021 installment of \$180 million due to a delayed use of funds by HYPREP. The request for the 2021 payment is being processed. Once the payment is made the total contribution by the SPDC JV will be \$540 million. The SPDC JV will continue to provide contributions towards the clean-up until it has fulfilled its share of the payment.

CLEAN-UP IN BODO

In 2015, SPDC, on behalf of the SPDC JV and the Ogoniland community of Bodo, signed a memorandum of understanding granting SPDC access to begin cleaning up areas affected by two operational spills that occurred in 2008.

After two years of engagement, in September 2017, it was possible to start the first phase of clean-up and remediation activities. The clean-up consists of three phases:

1. Removal of oil from shoreline surfaces and mudflat beds;
2. Remediation of soil and sediments; and
3. Planting mangroves and monitoring.

The first phase was completed in 2018. Procurement contracts for phase two were completed in 2019. Remediation activities in the field started in November 2019. During 2020, work was put on hold because of COVID-19 restrictions. By the end of 2020, remediation work had resumed.

In 2021, the remediation of the soil and sediments at the Bodo project site continued. So far, remediation work has been completed on more than 60% of around 1,000 hectares that have been designated for clean-up. SPDC and its contractors have engaged almost 2,000 community workers in the clean-up. Remediation is expected to be completed by the end of the second quarter of 2023.

The third phase – the planting of mangrove seedlings - started in 2021. Around two million mangrove seedlings need to be planted and survive to 2025. The project's goal also requires these plants to thrive until at least 2028. Monitoring from 2025 will be conducted via satellite pictures. By the end of 2021, about 300,000 seedlings had been planted.

The Bodo remediation work is, however, challenged by the likelihood of re-pollution of the areas if illegal activities continue.

Nigeria Briefing Notes

In conclusion: Nigeria is core to Shell's business strategy

IN CONCLUSION: NIGERIA IS CORE TO SHELL'S BUSINESS STRATEGY

Shell remains committed to Nigeria and its people and has done business in the country for more than 60 years.

Like other multinationals, Shell continually seeks to enhance its portfolio of assets through selective investments and divestments in order to return value to shareholders.

Over the last decade, SPDC has reduced its licences in the Niger Delta by half and in 2021 completed the sale of its 30% interest in Oil Mining Lease (OML) 17 in the Eastern Niger Delta. Options for the remaining onshore portfolio are under consideration.

Security issues, sabotage and crude oil theft in the Niger Delta remained significant challenges to our onshore operations in 2021. We continue to monitor the situation closely and evaluate implications

for the integrity of our infrastructure and the sustainability of the SPDC JV's operations.

We have announced our intention to review material portfolio options for onshore Nigeria, in line with our intent to focus future investment in Nigeria on our deep-water and gas positions. We are in discussions with the Nigerian government and other stakeholders on how this can best be achieved.

Despite the required portfolio rebalancing, which is in line with Shell's Powering Progress Strategy, Nigeria remains core for Shell and we will continue our investments in deep-water and gas.



NLING PLANT SITE. BONNY, PORT HARCOURT.

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Recognition and awards

RECOGNITION AND AWARDS

In 2021 Shell Companies in Nigeria have received numerous awards in recognition of their their contribution to the country. Among these are:

YEAR	AWARDING ORGANISATION	AWARD TITLE/DESCRIPTION	UNIT SCIN COMPANY
2021	NCDMB NOGOF	The most impactful local content in the upstream category.	SCiN
2021	TETFUND	Tertiary Education Trust Fund.	SNEPCo
2021	SAIPEC	Health Safety and Environment (HSE) Company of the Year.	SCiN
2021	NOG	Women in Leadership of the Year Award.	SNEPCo
2021	FIRS (Federal Inland Revenue Service)	Remarkable Performance in Remittance of the various Taxes in 2021 Tax year.	Shell
2021	FIRS (Federal Inland Revenue Service)	One of the best Tax Compliant Organization in Nigeria for 2021 Tax Year.	Shell
2021	NIES	Upstream company of the year 2021.	Shell
2021	Nigeria International Energy Summit (NIES)	Women in Energy award.	SNEPCo
2021	Manufacturers Association of Nigeria (MAN)	In recognition of Shell's contribution to powering industries in Nigeria and for its long partnership with MAN over the years.	SNG

DISCLAIMER

Cautionary Note

The companies in which Shell plc directly and indirectly owns investments are separate legal entities. In this Briefing Notes “Shell”, “Shell Group” and “Group” are sometimes used for convenience where references are made to Shell plc and its subsidiaries in general. Likewise, the words “we”, “us” and “our” are also used to refer to 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 Briefing Notes refer to entities over which 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. “Joint ventures” and “joint operations” are collectively referred to as “joint arrangements”. 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.

Forward-Looking Statements

This Briefing Notes contain 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 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 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”, “milestones”, “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 Shell and could cause those results to differ materially from those expressed in the forward-looking statements included in this Briefing Notes, 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, judicial, 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; (m) risks associated with the impact of pandemics, such as the COVID-19 (coronavirus) outbreak; and (n) 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 Briefing Notes 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 Shell plc’s Form 20-F for the year ended December 31, 2021 (available at www.shell.com/investor and www.sec.gov). These risk factors also expressly qualify all forward-looking statements contained in this Briefing Notes and should be considered by the reader.

Each forward-looking statement speaks only as of the date of this Briefing Notes, 12 May 2022. Neither 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 Briefing Notes.

Shell's net carbon footprint

Also, in this Briefing Notes we may refer to Shell's "Net Carbon Footprint" or "Net Carbon Intensity", which include Shell's carbon emissions from the production of our energy products, our suppliers' carbon emissions in supplying energy for that production and our customers' carbon emissions associated with their use of the energy products we sell. Shell only controls its own emissions. The use of the term Shell's "Net Carbon Footprint" or "Net Carbon Intensity" are for convenience only and not intended to suggest these emissions are those of Shell plc or its subsidiaries.

Shell's net-Zero Emissions Target

Shell's operating plan, outlook and budgets are forecasted for a ten-year period and are updated every year. They reflect the current economic environment and what we can reasonably expect to see over the next ten years. Accordingly, they reflect our Scope 1, Scope 2 and Net Carbon Footprint (NCF) targets over the next ten years. However, Shell's operating plans cannot reflect our 2050 net-zero emissions target and 2035 NCF target, as these targets are currently outside our planning period. In the future, as society moves towards net-zero emissions, we expect Shell's operating plans to reflect this movement.

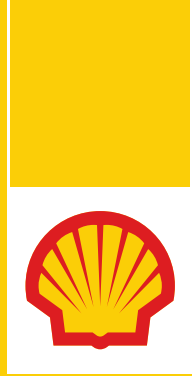
Forward Looking Non-GAAP measures

This Briefing Notes may contain certain forward-looking non-GAAP measures such as cash capital expenditure and divestments. We are unable to provide a reconciliation of these forward-looking Non-GAAP measures to the most comparable GAAP financial measures because certain information needed to reconcile those Non-GAAP measures to the most comparable GAAP financial measures is dependent on future events some of which are outside the control of Shell, such as oil and gas prices, interest rates and exchange rates.

Moreover, estimating such GAAP measures with the required precision necessary to provide a meaningful reconciliation is extremely difficult and could not be accomplished without unreasonable effort. Non-GAAP measures in respect of future periods which cannot be reconciled to the most comparable GAAP financial measure are calculated in a manner which is consistent with the accounting policies applied in Shell plc's consolidated financial statements.

The contents of websites referred to in this Briefing Notes do not form part of this Briefing Notes.

We may have used certain terms, such as resources, in this Briefing Notes that the United States Securities and Exchange Commission (SEC) strictly prohibits us from including in our filings with the SEC. 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.



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More information on the Shell Companies in Nigeria
can be found at www.shellnigeria.com.