

Governor Jindal And Shell Announce Company's Selection Of Ascension Parish For A Potential World-Scale, Gas-To-Liquids Facility

Proposed Gulf Coast GTL project, subject to final approval by Shell, would result in 740 new direct jobs with an expected average salary of \$100,000, plus benefits; Louisiana Hwy. 70 proposed expansion to accommodate potential project

BATON ROUGE, La. – Today, Governor Bobby Jindal and Shell announced the selection of Ascension Parish as the location for a potential natural gas-to-liquids (GTL) facility. According to the terms of an incentive agreement with the state, the company at a minimum would spend \$12.5 billion and create 740 direct jobs, should the project be built. The expected average annual salary of the direct new jobs would be approximately \$100,000, plus benefits. LED commissioned an economic impact analysis from Louisiana State University (LSU) that indicates the 740 new direct jobs would result in approximately 3,900 new indirect jobs, for a total of more than 4,600 new permanent jobs in Louisiana. LSU further estimates the project would produce a total economic impact of \$77.6 billion over the construction period and the first 15 years of operation.

At peak building activity, Shell estimates the project would create up to 10,000 construction jobs. A final decision to build the proposed project would be made after site evaluation and preliminary engineering studies are completed. Construction would follow that decision.

Governor Jindal said, "For more than six decades, Shell has pursued oil exploration and production in both Louisiana and offshore in the Gulf of Mexico, employing thousands of our people with high-paying energy jobs. Today's announcement is a historic new opportunity for Shell to potentially expand its manufacturing operations onshore in a world-class, gas-to-liquids facility in Ascension Parish on the Mississippi River. Here in the heart of Louisiana's world-scale petrochemical industries, the Gulf Coast GTL project would give thousands more of our people an opportunity for a rewarding career right here at home. We know that the final investment decision is yet to come, but we also know that Shell's selection of Louisiana proves once again that there's no better place in the world for major business investment. Shell joins many companies who are expanding in Louisiana because of our strong business climate, outstanding energy and chemical infrastructure and our highly skilled workforce."

Shell's Gulf Coast GTL facility would be one of the first of its kind built to commercial scale in the United States. As a leading producer in the Gulf of Mexico with approximately 150 million barrels of oil each year, Shell also operates extensive onshore facilities in Louisiana, including its Norco and Geismar plants, a major training center in Robert, and corporate offices in New Orleans. If built, the proposed project would use natural gas to create cleaner-burning transportation fuels, such as natural gas-based diesel and jet fuels and other products, such as specialty waxes and the building blocks for lubricants, plastics and detergents. As part of America's energy mix, GTL technology can help the U.S. meet its growing transportation needs while advancing the nation's energy security.

"Selecting a site is an important step that allows us to conduct more detailed planning, technical analysis and begin the permitting process. Should we move forward with the project, we expect project costs to be well in excess of the

minimum spend that was agreed upon with the State of Louisiana,” said Executive Vice President Jorge Santos Silva, who directs Integrated Gas activities for Shell Upstream Americas. “We look forward to working with our prospective neighbors and other interested parties. Through it all, we are committed to keeping people safe, protecting the environment and being a good neighbor.”

An estimated \$32 million in road improvements associated with the proposed GTL project will address traffic generated by the construction and operation of the facility. The Louisiana Department of Transportation and Development will begin moving forward this year with projects that benefit the industry and those who travel throughout St. James and Ascension parishes. Based on the status of its project evaluation, Shell would fund new road projects, including new turning lanes, expansion of Louisiana Highway 22 to four lanes from Interstate 10 to Louisiana Highway 70 and expansion of Louisiana Highway 70 to four lanes from that intersection to the Sunshine Bridge. The improvements currently are targeted for completion in the fall of 2016. Contingent on a final decision to move forward with the Gulf Coast GTL project, Shell would be reimbursed for this total cost from performance-based infrastructure grants provided by the State of Louisiana.

The State of Louisiana offered Shell a competitive incentive package that would include a performance-based grant of \$112 million to reimburse costs associated with necessary public road improvements, land acquisition and other infrastructure costs. Shell also would receive the services of LED FastStart®, the nation’s No. 1-ranked state workforce training program. In addition, the company would qualify for Louisiana’s new Competitive Projects Payroll Incentive (12 percent payroll rebate for each GTL job), as well as the Industrial Tax Exemption Program.

Louisiana has cultivated GTL projects with Shell and other

global energy companies in recent years.

Shell is a demonstrated leader in natural gas-to-liquids, with 40 years of experience and 3,500 patents in development. Shell built the first commercial GTL facility in Malaysia in 1993. In 2011, Shell began production at Pearl GTL in Qatar, a joint venture between Shell and Qatar Petroleum, the world's largest GTL plant. The Gulf Coast GTL proposed project would be located in Ascension Parish near Sorrento, La.

About Gulf Coast GTL

The Gulf Coast GTL project is operated by Gulf Coast GTL LLC, an affiliate of Shell Oil Company and a part of the Royal Dutch Shell PLC group of companies. Shell is exploring the possibility of a GTL facility on the U.S. Gulf Coast, focusing on a site in Ascension Parish near Sorrento, La. Shell is a leader in global natural gas-to-liquids technology, with 40 years of experience and 3,500 patents in development. If built, the proposed Gulf Coast GTL project would use abundant, affordable natural gas in new ways, creating cleaner-burning transportation fuels and other products – typically made from oil – to enhance energy security, broaden the energy mix, deliver jobs, and promote economic growth.