Part 9
Impact of WellDynamics on Shell's business

- Shell Explo Gannet-D cost down by 33% ($10 million)
- 850,000 barrels accelerated production

Intelligent gas lift will give 100,000 barrels a day production
- Smart 'connector' wells tie in marginal wells (60% today's cost)

- Smart processing will reduce surface facilities
- Increase reserves via downhole dehydration/compression

Royal Dutch/Shell Group of Companies

NOTES:
WellDynamics

- A Joint Venture between Shell, Halliburton and Petroleum Engineering Services Ltd.

- Will develop the technologies of
  - Shell's Well™
  - Halliburton's SmartWell™

- Combines the complementary capabilities and technologies of
  - A major operator
  - A major service company
  - The market leading innovator of SmartWell™ intelligent completions technology

- Will be a major player in an expected $1 billion p.a. market

Royal Dutch / Shell Group of Companies

NOTES:
Drilling The Limit™

US Deepwater GoM exploration drilling

Depth (ft)

Depth (days)

Industry average '95 - '98

Shell (pre-DTL®)

Shell DTL

1999 Shell DTL wells

NOTES:

FOIA Confidential
Treatment Requested
Realising the Limit - Malampaya

$60 million saved

Malampaya gas project

Royal Dutch / Shell Group of Companies

NOTES:
Realising the Limit

Volumes
Cuts
Value

Capital
to
Value

Producing
the
Limit

Drilling
the
Limit

Royal Dutch / Shell Group of Companies

NOTES:

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