



Shell awards floating lng contracts to Technip and Samsung

July 28, 2009

Paris, July 28, 2009

The Hague – Shell Gas & Power Developments BV (Shell) today signed a master agreement with a consortium comprising Technip and Samsung for the design, construction and installation of multiple floating liquefied natural gas (FLNG) facilities over a period of up to fifteen years. Shell and Technip-Samsung also signed a contract for execution of the front end engineering and design (FEED) for Shell's 3.5 million tonne per annum (mtpa) FLNG solution.

Shell's FLNG solution has the potential to place gas liquefaction facilities directly over offshore gas fields, thereby precluding the need for long distance pipelines and extensive onshore infrastructure. This innovative alternative to traditional onshore LNG plants provides a commercially attractive and environmentally sensitive approach for monetisation of offshore gas fields..

The broad operating parameters of the Shell design mean it can be redeployed. Shell's standardised "design one – build many" approach allows material repeatability gains to be captured during design and construction phases. After completing the FEED phase, Shell will examine key aspects of each potential FLNG project in its portfolio before considering a final investment decision.

The master agreement and the FEED contract were signed in Paris, France, by Jon Chadwick, Executive Vice President Upstream International, and Matthias Bichsel, Director Projects & Technology on behalf of Shell; Thierry Pilenko, Chairman and CEO, and Bernard di Tullio, Chief Operating Officer, on behalf of Technip; and J. W. Kim, Vice Chairman and CEO, and H. Y. Lee, Executive Vice President and Chief Marketing Officer, on behalf of Samsung Heavy Industries.

Matthias Bichsel commented: "Shell has a long history of technology firsts. The significant and positive progress we have made with our FLNG solution reinforces Shell's position as a leading LNG technology developer."

Jon Chadwick said: "Today marks a milestone in developing Shell's generic FLNG solution. In partnership with various stakeholders, we are progressing several potential applications globally – gas fields for which Shell's FLNG solution is the most viable approach."

Thierry Pilenko of Technip stated: "This project is a true representation of Technip's technological differentiation through the integration of all our core activities: LNG process, offshore facilities and subsea infrastructures. It gives us an opportunity to lead a powerful consortium with Samsung on the frontier areas of the gas business, creating value for Shell through innovation, technical excellence and delivery track record."

J. W. Kim of Samsung Heavy Industries stated: "Based on Samsung's outstanding experience in LNG carriers and offshore projects, we are striving to expand our business to this new Floating LNG market. This large scale FLNG project awarded by Shell is an important milestone for us to launch into this new blue ocean. Samsung, together with its long standing and reliable partner, Technip, will create a distinctive success story in this challenging mega project."

Notes to Editor:

- Shell's invitation to tender was released in June 2008 and was issued to three consortia comprising international engineering and shipyard contractors, selected following an extensive pre-qualification exercise. Bids were received in January 2009.
- The FLNG concept's key dimensions are approximately 450 metres x 70 metres, with a 3.5 mtpa LNG capacity, plus associated LPG and condensate production; taking total liquid production potential to over 5 mtpa. Topsides weight is estimated in excess of 50,000 tonnes. Shell's FLNG design is suitable for more distant offshore fields, designed to operate under harsh metocean conditions and process a wide range of gas compositions.
- An artistic impression of the Shell FLNG design could be sent upon request.
- Technip, leader of the winning consortium, is one of the largest firms in the fields of project management, engineering and construction for the oil and gas industry with 23,000 staff and offices in 46 countries.
- Samsung is the one of the largest shipyards in Korea and amongst the largest in the world with a capacity to build 65 commercial ships and 250,000 tonnes of offshore topside modules each year.

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The Technip share is listed on Euronext Paris exchange and over the counter (OTC) in the USA. ISIN **FR0000131708**