

“Alaska Native Press Briefing Calls on Congress to Protect Native Cultures from Impacts of Oil and Gas Development in Northern Alaska”

Village of Point Pacific Environment and Alaska Wilderness League Press Release

Document Excerpt #1

WASHINGTON, DC - Alaska Natives from the Native Village of Point Hope and the community of Nuiqsut gathered today to voice their opposition to oil and gas development in key Native subsistence lands and waters in America’s Arctic. Close to one year after the first BP oversight hearing in the Senate, this briefing reinforced the need for Congress to address this administration’s headlong leasing of key Native subsistence lands for oil drilling, as well as new concerns regarding the compounding effects of climate change on the future of the Native subsistence cultures in Alaska.

“This briefing is to provide Alaska Native people with the opportunity to voice their concerns about the threats that oil and gas development pose to the future of their cultural traditions,” said Cindy Shogan, moderator and Executive Director of Alaska Wilderness League. “Again, this presents Congress with a real opportunity to preserve what remains of the Alaskan Native cultures in northern Alaska. It is our hope that Congress will protect these cultures rather than let them remain at the mercy of this ‘drill-it-all’ administration.”

“We are concerned in Point Hope that as offshore seismic surveys continue, the animals we hunt and follow through the seasons are frightened and slowly disappearing from our shores, hurting my people’s ability to survive and continue our subsistence traditions and our way of life,” said Earl Kingik, subsistence user and representative for the Tribal Council of the Native Village of Point Hope. “We have passed a resolution that opposes all oil and gas activities on and offshore.”

“Human health effects from oil and gas development continue to rise with higher numbers of asthma-related illnesses in my village of Nuiqsut, where the Alpine oil fields are just 4 miles away,” said Rosemary Ahtuanga-ruak, former Mayor of the City of Nuiqsut, community healthcare practitioner

and board member of the Inupiat Community of Arctic Slope (ICAS). “We are worried about these continuing health issues and the lack of help to address the long-term impacts they pose to our people. As we said last year, we say again, we oppose opening the Teshekpuk Lake area to oil and gas development. ICAS passed a resolution two weeks ago which states we oppose development in Teshekpuk Lake.”

“As a member of the next generation of subsistence whalers and hunters, I’m seeing the effects of climate change in all I do,” said Elijah Lane, a member of the Native Village of Point Hope and Director of its Parks and Wildlife Department. “I have seen the erosion and the disappearing ice in the Chukchi Sea. I have seen the changes in the migrations of animals on the land and in the water as a result of climate change in Alaska.”

“Minerals Management Service has demonstrated to the public that they are an agency with a steamrolling agenda, egged on by an overly-aggressive industry,” stated Rachel James from Pacific Environment’s Alaska Office. “In the process of pushing the expansion of oil and gas industry at ground zero for global warming, they are threatening polar bears, whales, indigenous peoples, and ignoring the realities of climate change. They need to move beyond oil.”

“As a subsistence hunter of the Native Village Point Hope, I continue to hear my community’s concerns about oil and gas development,” said Daisy Sage, council member of the City of Point Hope. “I want my children and grandchildren to have the same traditions now and for thousands of years more but oil and gas development threatens to take that away. I worry for this and all of the future generations.”

In 2005, the Department of Interior (DOI) issued a plan to dramatically increase oil and gas development in the 4.6 million-acre management area of the National Petroleum Reserve Alaska (NPR-A) that includes

the Teshekpuk Lake Special Area, opening over 95 percent of the area to development. The following year, conservationists sued against the plan and an Alaska district court judge ruled that the DOI failed to properly consider the cumulative effects of other North Slope oil and gas activities as part of their original Environment Impact Statement (EIS) and ordered a new EIS. The DOI released their court-mandated supplemental EIS in August, which considered new information, but provided no new alternatives and cited no preferred alternative. Despite continued opposition from Native communities, scientists and conservationists to the plan, DOI appears to be moving down the same industry-first path when dealing with the ecologically significant wetlands of Teshekpuk Lake. There is currently a public comment period open for the EIS, closing on November 6. Over 3.8 million acres have already been leased to oil companies in the NPR-A.

Simultaneously, the DOI is moving forward with massive oil and gas leasing plans throughout the entire 72 million acre Arctic Ocean. This summer, the agency opened over 33 million acres in the Beaufort Sea, over 39 million acres in the Chukchi Sea, and 5.4 million acres in the Bering Sea as part of its new 2007-2012 five year oil and gas leasing program. At the same time, the DOI allowed Shell Oil to move forward with exploration plans in lease areas from the previous 5 year program, starting with exploration activities on lease tracts located offshore of the Arctic National Wildlife Refuge. Conservationists, the North Slope Borough, the Alaska Eskimo Whaling Commission, and the Inupiat Community of the Arctic Slope are challenging the DOI's approval of this exploration plan in the 9th Circuit Court of Appeals. In August, the 9th Circuit granted an injunction of Shell's exploration activities and established an expedited briefing schedule for its consideration of the merits of the case.

The Alaska Wilderness League "exists to lead the effort to preserve Alaska's wilderness by engaging citizens, sharing resources, collaborating with other organizations, educating the public, and providing a courageous, constant and victorious voice for Alaska in the nation's capital."

<http://www.alaskawild.org/about-us/>

"Alaska Native Press Briefing Calls on Congress to Protect Native Cultures from Impacts of Oil and Gas Development in Northern Alaska." Village of Point Hope, Pacific Environment and Alaska Wilderness League Press Release. 23 Oct. 2007 <
http://www.alaskawild.org/wp-content/files/Press_Releases/10-23AKNativepressrelease_FINAL.pdf>

According to the Alaska Community Database Community Information Summary, "Point Hope (Tikeraq) peninsula is one of the oldest continuously occupied Inupiat Eskimo areas in Alaska. Several settlements have existed on the peninsula over the past 2,500 years, including Old and New Tigara, Ipiutak, Jabbertown, and present Point Hope...A federally-recognized tribe is located in the community -- the Native Village of Point Hope. The population of the community consists of 90.6% Alaska Native or part Native. Point Hope residents (Tikeraq Inupiat Eskimos) are dependent upon marine subsistence."
http://www.commerce.state.ak.us/dca/commdb/CIS.cfm?Comm_Boro_Name=Point%20Hope

Pacific Environment "protects the living environment of the Pacific Rim by promoting grassroots activism, strengthening communities and reforming international policies."
<http://www.pacificenvironment.org/article.php?id=58>

“Shell expands Alaska Exploration Portfolio”

Royal Dutch Press Release

Document Excerpt #2

Royal Dutch Shell plc (PLC?) is pleased to be the apparent high bidder on 275 lease blocks in the February 6th, 2008 US Outer Continental Shelf Lease Sale 193 in the Chukchi Sea, offshore northwest Alaska. Shell’s high bids totaled \$2.1 billion USD.

David Lawrence, Shell Executive Vice President Exploration, said, “I am pleased with our results at Sale 193.” Lawrence continued, “We are committed to exploration for new oil and gas in high potential basins. Our entry into the Chukchi Sea, combined with our lease holdings in the Beaufort Sea, further solidifies our position in Alaska, which has the potential to become a new heartland for Shell. These new positions come on top of our previously-announced plans for exploration investment in 2008.”

He concluded, “We believe that success in the Alaska offshore also carries with it great potential for the state, including new job opportunities and new oil for the Trans-Alaska Pipeline. We will continue to apply our experience and technology to safe and responsible exploration in the Alaska offshore. The results of this sale underscore Shell’s commitment to benefit local communities, while respecting their way of life. We can find common solutions to develop this important domestic resource.”

Notes for editors Shell currently holds an equity position in 179 lease blocks in Alaska’s Beaufort Sea. In 2006 and again in 2007, Shell completed seismic programs in both basins, including the first 3-D seismic ever conducted in the Beaufort and Chukchi.

Shell was a leader in the prior exploration activity in the Chukchi Sea in the late 1980s and early 1990s. Shell operated four of the five exploration wells drilled offshore in the area in that period.

Disclaimer statement: This document contains forward-looking statements concerning the financial

condition, results of operations and businesses of Royal Dutch 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 Royal Dutch 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 “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “objectives,” “outlook,” “probably,” “project,” “will,” “seek,” “target,” “risks,” “goals,” “should” and similar terms and phrases. There are a number of factors that could affect the future operations of Royal Dutch Shell and could cause those results to differ materially from those expressed in the forward-looking statements included in this Report, including (without limitation): (a) price fluctuations in crude oil and natural gas; (b) changes in demand for the Group’s products; (c) currency fluctuations; (d) drilling and production results; (e) reserve estimates; (f) loss of market 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, fiscal and regulatory developments including potential litigation and regulatory effects arising from re-categorisation of reserves; (k) economic and financial market conditions in various countries and regions; (l) political risks, project delay or advancement, approvals and cost

estimates; and (m) changes in trading conditions. All forward-looking statements contained in this document 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. Each forward-looking statement speaks only as of the date of this presentation. Neither Royal Dutch Shell 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 document.

The United States Securities and Exchange Commission (SEC) permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. We use certain terms in this presentation, such as "oil in place" that the SEC's guidelines strictly prohibit us from including in filings with the SEC. U.S. Investors are urged to consider closely the disclosure in our Form 20-F, File No 1-32575 and disclosure in our Forms 6-K file No, 1-32575, available on the SEC website www.sec.gov - opens in new window. You can also obtain these forms from the SEC by calling 1-800-SEC-0330.

"Shell expands Alaska exploration portfolio." Royal Dutch Shell Press Release. 7 Feb. 2008
<http://www.shell.com/home/PrintFramework?siteId=usen&FC3=/home/usen/html/iwgen/news_and_library/press_releases/2008/alaska_lease_020708.html>

From Royal Dutch Shell's Who We Are Web page:
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http://www.shell.com/home/content/aboutshell-en/who_we_are/dir_who_we_are_09112006.html

“Norwegian Energy Company Places High Bid on Chukchi Sea”

Tamar Ben-Yosef

The Arctic Sounder

Document Excerpt #3

Unanimous opposition by Alaska Native leaders and conservation groups was not enough to prevent the Chukchi Sea lease sale from continuing successfully in Anchorage on Wednesday, Feb. 6. Seven oil companies bid a record sum of \$3.4 billion on 2.76 million acres of ocean grounds thought to be rich with crude oil and natural gas. Estimates by U.S. Minerals Management Services of 15 billion barrels of conventionally recoverable oil and 77 trillion cubic feet of conventionally recoverable natural gas in the lease area have more international companies drooling over a share of the wealth.

Bidding firms included Norway’s StatoilHydro, Spain’s Repsol E&P, Italy’s Eni Petroleum US LLC, Iona Energy Co. and (U.S.) Limited and North American Civil Recoveries Arbitrage. The recent lease sale is only the beginning of a multi-year process of permitting, environmental assessments and exploration before drilling operations can begin. For some, the battle to oppose oil development in the area is only beginning. Objection to the sale continues to surface.

Perhaps the desire of Norway’s leading oil company, StatoilHydro, to join the race for the Arctic should not come as a surprise, as the firm did declare its intentions to expand operations beyond Norway. But for Rachel James of Pacific Environment’s Alaska office, its bid of nearly \$57 million in cooperation with Italy’s ENI Petroleum was somewhat unexpected. Similar sentiments were expressed by George Edwardson, resident of Point Hope and president of the Inupiat Communities of the Arctic Slope.

Edwardson and James recently returned from the Arctic Frontiers conference in Tromsø, Norway, where they listened to Norwegian Minister of Petroleum and Energy ‘c5slaug Hagagave declare Norway’s strict policy of “placing the environment in the driver’s seat” when it comes to development of the high

North. “I was surprised to see StatoilHydro at the Chukchi sale,” James said in an e-mail interview, days after the sale. “At the Arctic Frontiers conference, I saw that Norway was really proud of their integrated management plan.

The government created ‘no-go zones’ and will not allow industry to drill in ice environments in the northern Barents Sea because industry has not proven that they can clean up oil in sea ice conditions,” she said. All offshore drilling operations in the Barents Sea are done in areas not covered by ice, according to Kjersti Hornnes Torgersen, public affairs manager for Statoil’s Texas office.

StatoilHydro was created in October with the merger of Statoil, the national oil company, and Norsk Hydro, a private company. Both companies’ energy operations date back to the dawn of the Norwegian oil industry, with the discovery of North Sea oil in the late 1960s. Only last month, the company faced difficulties cleaning up about 25,000 barrels-worth of oil spilled into the Norwegian sector of the North Sea at the Statfjord oilfield. Rough weather conditions hindered the cleanup, according to reports by operator StatoilHydro and Norwegian energy officials.

It appears Alaskans aren’t alone in their protest of the Norwegian company’s involvement in the state. “This is completely unacceptable,” World Wildlife Fund Norway head Ingeborg Gj’e6rum told Norwegian Business News Service E24. “It is very sad that Norway is participating in such environmentally damaging activities...This is extremely embarrassing for both Statoil and Norway,” she said. The company claims to have a lot of experience from drilling off the Norwegian continental shelf, according to Torgersen. “We have a long tradition of dealing with these issues and we will work with local community and government,” she said. Torgersen said StatoilHydro is currently in the early stages of getting to know Alaska.

"In September, representatives of the company attended the North Slope Borough Oil and Gas Forum at the invitation of Mayor Edward Itta. We have since invited the mayor to visit our installations in Norway and visit with local communities in which StatoilHydro has a strong presence," she said. "Now that we have participated in the lease sale, and are the apparent high bidder of several blocks, we will develop a more comprehensive approach to stakeholder engagement."

Local representation from the Alaska Native community was minimal at Wednesday's lease sale. "This is the first time I have been in something like this, and it's not good," George Edwardson said while taking a break from listening to the announcements calling out the various bids. With him were George Kingik and Earl Kingik, both of Point Hope. "I am an Inupiaq and I am an endangered species," said George Kingik, Point Hope Council member and former Point Hope mayor, in collaborative release put out by several environmental agencies. "The Bush administration is looking to sell our ocean off to the highest bidder, risking our culture and way of life," he said

All three expressed disappointment at the absence of fellow members of the Native community from places other than the North Slope. Altogether 667 bids were placed on the area for lease. The leases are on federal lands and are not subject to state taxes. Supporters of the lease say Alaska will see economic benefit in the form of new opportunities for local contractors and support businesses.

Ben-Yosef, Tamar. "Norwegian energy company places high bid on Chukchi Sea." *The Arctic Sounder*. 15 Feb 2008

<<http://www.thearcticsounder.com/news/show/1449>>

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<http://www.alaskanewspapers.com/about.asp>

“Shell Bullish on Chukchi Oil and Gas Potential”Yereth Rosen, *Reuters***Document Excerpt #4**

ANCHORAGE, Alaska, April 4 (Reuters) - Alaska's Chukchi Sea, the remote region separating North America's northwestern tip from northeastern Siberia, is one of the “potentially most prolific oil fields” left in the world and could ultimately compare to the Gulf of Mexico as a source of domestic energy, a Shell (RDSa.L: Quote, Profile, Research) official said Friday.

“We estimate maybe 100 different (geologic) plays out there,” Rick Fox, Alaska assets manager for Shell, said in a speech to the World Affairs Council of Alaska. But only a few of them attracted bids in a record lease sale in which Shell put up \$2.1 billion for exploration rights, he said. “Only about 14 of them got attention in the lease sale,” he said. The U.S. Minerals Management Service estimates the Chukchi holds 15 billion barrels of recoverable oil and 76.7 trillion cubic feet of natural gas. The February lease sale held by the MMS, the first for the Chukchi since 1991, drew \$2.66 billion in high bids, the highest total for any Alaska lease sale. Along with Anglo-Dutch Royal Dutch Shell, ConocoPhillips (COP.N: Quote, Profile, Research), Repsol (REP.MC: Quote, Profile, Research), Eni (ENI.MI: Quote, Profile, Research) and StatoilHydro (STL.OL: Quote, Profile, Research) were active bidders in the Feb. 6 lease sale.

Oil exploration is just in its infancy in the Chukchi, Fox said. While 50,000 wells have been drilled in the Gulf of Mexico, only five have been drilled in the comparably sized Chukchi, four of them by Shell in past decades, he said. “If we think of it as a potential replacement for the Gulf of Mexico as a source of oil and gas for the nation, we're just getting started,” he said.

Shell was active in Alaska's offshore provinces until the 1990s, when it sold off its Alaska assets. But now the company expects Alaska to become a key part of its global operations, Fox said. “We rushed back into Alaska with the idea of Alaska as a possible heartland

for us,” he said. By “heartland,” the company means “a long-term investment, a major play, a big part of our business,” he said. Shell hopes to do some exploratory drilling on leases in the Beaufort later this year, Fox said. Earlier plans to drill at the company's Sivulliq prospect were foiled by an environmental lawsuit and court order.

Fox said plans to conduct an on-ice seismic testing program this winter were dashed by poor ice conditions. Shell had planned on-ice seismic work from about February or March, a time when the pack ice was expected to be its thickest, Fox said. “The ice did not cooperate,” he said. Ice is currently very sparse in the Beaufort, so much so that Inupiat Eskimo whalers have started their spring hunt early, he said. In the Chukchi, “There was no good flat spot where we needed it,” he said.

To allow for seismic testing, sea ice has to be flat and thick enough to support work crews and camps, Fox said. But the Chukchi ice that formed was in parts jumbled by the wind and too rough to be safe, and in other places too thin to support such work, he said. Shell has opted for on-ice seismic work rather than open-water testing, in response to concerns from North Slope villagers about potential disturbances to whales and other marine animals, Fox said.

Rosen, Yereth. "Shell bullish on Chukchi oil and gas potential." Reuters.com. 4 April 2008
<http://today.reuters.com/news/articleinvesting.aspx?type=comktNews&storyID=2008-04-05T003257Z_01_N04432058_RTRIDST_0_SHELL-ALASKA.XML&pageNumber=1&imageid=&cap=&sz=13&WTModLoc=InvArt-C1-ArticlePage1>

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