



Global energy firms announce LNG Canada, consultation begins with First Nations and local communities

Vancouver, British Columbia, May 15, 2012 – Shell Canada Limited, Korea Gas Corporation (KOGAS), Mitsubishi Corporation, and PetroChina Company Limited today announced they are jointly developing a proposed liquefied natural gas (LNG) export facility near Kitimat, British Columbia. The LNG Canada project (www.LNGCanada.ca) brings together the four companies' extensive development experience, technical depth, financial strength and access to markets required to be the leading LNG developer in Canada. LNG Canada would connect the abundant supply of Canadian natural gas to growing markets around the world. This also begins the formal consultation process with First Nations and local community residents regarding the project.

Shell holds a 40-percent working interest, with KOGAS, Mitsubishi and PetroChina each holding a 20-percent working interest. "Our combined expertise, and our focus on technological innovation in delivering safe and environmentally sound LNG projects around the globe, ensures that our LNG Canada project would be well-suited to deliver long-term value for British Columbia and increase access to new export markets for Canada," says Jose-Alberto Lima, Vice President LNG Americas, Shell Energy Resources Company.

The proposed LNG Canada project includes the design, construction and operation of a gas liquefaction plant and facilities for the storage and export of liquefied natural gas (LNG), including marine off-loading facilities and shipping. LNG Canada can create significant economic benefit for the province, First Nations, local communities and the region. Such a project can create thousands of jobs during construction and hundreds of full-time, permanent jobs during operations. Such a significant energy project can also bring indirect economic development opportunities to the region.

A decision to move this project into development would be taken after conducting necessary engineering, environmental and stakeholder engagement work with start up around the end of the decade, pending regulatory approvals and investment decisions.

"As the world's largest LNG buyer and operator of LNG terminals, we recognize the potential value of the LNG Canada project for our company and for British Columbia, and we look forward to conducting business in B.C., with respect for all local residents and their traditions," said Mr. Young Sik Kwon, Vice President of Korea Gas Corporation.

LNG Canada will initially consist of two LNG processing units referred to as “trains,” each with the capacity to produce six million tonnes of LNG annually, with an option to expand the project in the future.

“We have a history of working with our joint-venture partners, as well as conducting business in Canada,” said Junichi Iseda, Senior Vice President, Mitsubishi Corporation. “We look forward to continuing to invest in Canada through this project, creating economic growth and new, important trade links between our two nations.”

The demand for natural gas, the cleanest burning fossil fuel, remains high in Asia and other markets. LNG Canada would deliver a project that offers a new source of LNG to global markets, while providing benefits to Canada, British Columbia and its coastal region.

“This project will contribute to a further strengthening of trade relationships between China and Canada and will help China use clean burning natural gas to fuel its economic growth,” said Bo Qiliang, Vice President, PetroChina Company Limited.

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About Shell

Shell is a global leader in LNG and helped pioneer the liquefied natural gas (LNG) sector, providing the technology for the world's first commercial liquefaction plant in 1964. Shell currently has eight LNG projects in operation with 21 million tonnes per annum (mtpa) operational LNG capacity, in seven countries, one ready for start up and two new projects under construction and 15 mtpa of LNG options. Shell was a partner in the first-ever purpose built LNG carrier and has been delivering LNG safely for nearly half a century. Today, Shell is one of the largest LNG vessel operators in the world, with interests in around a quarter of the LNG vessels in operation. Shell has key positions in North America tight gas, including amongst others the Montney shale development in Canada.

About Mitsubishi Corporation

Mitsubishi Corporation is a global integrated business enterprise that develops and operates business across virtually every sector including industrial finance, energy, metals, machinery chemicals, foods, and environmental business. Since pioneering the first LNG import to Japan from Alaska in 1969, MC handles half of Japan's LNG imports and has successfully built a portfolio of nine non-operated LNG export investments across Australia, Indonesia, Malaysia, Brunei, Oman and Russia, many in conjunction with Shell and is also currently developing an MC-operated LNG project in Indonesia.

About KOGAS

Korea Gas Corporation ("KOGAS") is the world's largest LNG importer. As the nation's sole LNG provider, KOGAS currently operates three LNG terminals and a nationwide pipeline network, supplying natural gas from around the world to power generation plants, gas-utility companies and city gas companies throughout the country. KOGAS has also diversified into LNG swapping and trading, and LNG terminal construction, operations and management.

About PetroChina

PetroChina Company Limited ("PetroChina") is the largest oil and gas producer and distributor, playing a dominant role in the oil and gas industry in China. It is not only one of the companies with the biggest sales revenue in China, but also one of the largest oil companies in the world. PetroChina officially launched three LNG projects in June 2004, two of which have started operations in 2011. PetroChina is jointly developing with Shell the Arrow LNG export project in Eastern Australia.

About LNG

LNG is natural gas in its liquid form. LNG is an odorless, non-toxic and non-corrosive liquid and evaporates quickly and disperses, leaving no residue. Natural gas is converted to LNG by cooling the gas to -162 degrees Celsius, at which point it becomes a liquid. This process reduces its volume by a factor of more than 600, making it efficient to be transported by sea to global markets. Transportation of LNG by marine carriers has a long record of safe operation. In LNG's more than 50-year shipping history, LNG carriers have traveled more than 150 million miles without a major incident.