Group Investment Proposal

GIP Lite for proposals **< USD 75 mln** Shell share, aligned with the Business Unit Manual of Authorities

Business unit	Upstream International Operated, Nigeria/Gabon, *OU name*
Shareholders / partners	Shell *Asteric*
Amount (Shell share) MOD, 50/50	**USD 15 Mln** *Capex* (x Mln Functional Currency[1]) *If Revision/Supplement GIP, indicate amount previously supported*
Project	***eIP Basic Test***

Summary Economics	NPV (USD mln)	RTEP (%)	VIR
Project title	**eIP Basic Test**		
Base case	Ensuring other roles cannot view all eip		
Low case	Na		
High case	NA		

Proposal Management Summary

1.1 Management Summary

*** Enter not more than 100 Words

> This proposal seeks approval for xxxx project, which will…describe objectives, i.e. what the project will deliver towards Roadmap priorities. Summarise any proved reserve booking in MMboe GES and timing. If no associated booking, also explain. Total Shell share Capex is USD xx mln (50/50, MOD). Explain any delta vs. BP or prior GIP (if Revision), and indicate Contingency levels. This proposal seeks approval for xxxx

1.2 Project background – 2500 characters

*** Enter not more than 250 Words

> This proposal seeks approval for xxxx project, which will…describe objectives, i.e. what the project will deliver towards Roadmap priorities. Summarise any proved reserve booking in MMboe GES and timing. If no associated booking, also explain. Total Shell share Capex is USD xx mln (50/50, MOD). Explain any delta vs. BP or prior GIP (if Revision), and indicate Contingency levels. This proposal seeks approval for xxxx

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[1] *Quote exchange rate – and assumptions*

1.3 Targets – 3-row tabular grid

Capex (MOD)	Prior	2012	2013	2014	2015	2016	later
Commitment Phasing							
BP'XX Capex Phasing							

Value Proposition and Economics Summary

Include sensitivities only on exception basis (using RV-RT). Project Economics; include Value of Information for Appraisal activity.

PV Reference Date: 1/7/2013	NPV (S/S $ mln)		VIR	RTEP	UTC (RT $/bbl or $/mln btu)		Payout-Time (RT)	Maximum Exposure (RT)
Cash flow forward from: 1/1/2013	0%	7%	7%	%	0%	7%		
Base Case								
SV ($XX/bbl or $YY/mln btu)								
RV ($ZZ/bbl or $WW/mln btu)								
HV ($AA/bbl or $BB/mln btu)								
BEP (RT $/bbl or $/mln btu)								

Round off the entries above to <mark>one</mark> *decimal point, two for VIRs.*

Risks and Alternatives

Risks	Alternative	Remarks

Carbon Management

The proposal will not add appreciable amounts of flare gas hence Carbon Management effects have not been considered. *(Delete if not applicable)*

Corporate Structure and Governance

*** Enter not more than 100 Words

Text as appropriate. Text as appropriate.Text

Group and Business Standards

There are no significant accounting and/or reporting risks or opportunities associated with this proposal. *(delete if not correct)*

Project Management, Monitoring and Review

State any Project Mgt, Monitoring & Review process in place wrt to this project.

Budget Provision

*** Enter not more than 100 Words *Example text: the costs have increased/ decreased by xx%, with yy% caused by changes in market conditions (e.g. increased rig rates, steel prices and service costs) … etc etc.*

The project was included in the BPX-1 base plan with a 50/50 Capex estimate of USD xx Mln (Shell Share). Shell share of the capital expenditure will be met by Shell s and Shell Upstream own resources. Expenditure related to this project will be accounted for in line with Group Policy. The project was included in the BPX-1 base plan with a 50/50 Capex estimate of USD xx Mln (Shell Share). Shell share of the capital

Group Financial Reporting Impact

*** Enter not more than 100 Words

This section is not required for intra-Group transactions. Show the effect on Group financial statements and consistency with the forecast in the Group plans, using the table below. The Deputy Controller must be consulted in case of uncertainty. Comment

USD mln	Year 1	Year 2	Year 3	Year 4	Year 5
Commitment phasing (un-geared Shell share)					
Profit & Loss (NIBIAT)					
Balance sheet (capital employed impact, debt assumed)					
Cash flow: Cash from operations Capital investment					

Divestment receipts Revenue expenditure					
ROACE (if material impact on the Group)					

Disclosure

*** Enter not more than 100 Words

State if any. State if any.State if

Financing

Shell share of the capital expenditure will be met by OU's own resources. Expenditure related to this project will be accounted for in line with Group Policy.

Taxation

Indicate if any extraordinary tax issues will arise from this proposal.

Final Signature (Optional – all support and approvals done in eIP)

for : Astric			*for : Bemuda*	
Name:Moris Brown	*Name: Ted Rob*		*Name: Calgary Jim*	*Name:Cage Bird*
Date: 11/03/2016	*Date:*		*Date: 11/03/2016*	*Date: 11/03/2016*
Approved: MB	*Approved TR*		*Approved BA*	*Approved CB*

Appendix A - Detailed Project Parameter Data

appropriately rounded figures

Project Focal Point / Indicator	
DRB: Decision Executive if applicable	
DRB: Members if applicable	

Performance Parameters	Unit	*BPX-1*	GIP	Variance details
Total GIP Capex (Shell share)	USD Mln			*State the contingency % included in the Headline*
FID Date	MMM/YY			*Deviations from BP explained*
First Oil/Gas Date	MMM/YY			

Performance Parameters	Unit	*BPX-1*	GIP	Variance details
Proved Developed Reserves (GES[1] @ RV-RT)	MMboe			
Expectation Developed Reserves (GES or SWIS[2])	MMboe			
UDC [3] (MOD)	USD/boe			
Oil - Initial Rate (100%)[4] Gas - Capacity (100%)[4]	b/d – Oil MMscf/d- Gas			

NOTES: Conversion of gas volumes to boe: use SIEP standard conversion of 1 Bcf = 0.1724 MMboe

[1] GES: Group Entitlement Share

[2] In PSC environment quote SWIS.

[3] UDC: SS Project Capex/GES Developed Expectation Reserves (or SWIS in PSC environment)

[4] Initial stable oil flow or first 3 months average production rate.

Major Milestones

at least five (5) for most projects … specific dates (month/year) included for securing key materials, meeting key dates prior to FID, between FID and 1st Oil, etc.

Date	Description
1	
2	
3	
4	
5	