

Major Shell Projects- Penguins

In January 2018 Shell took the final investment decision to redevelop the Penguins oil and gas field in the UK North Sea using a floating production, storage and offloading vessel.

Key facts

Location: UK North Sea, 241 kilometres (150 miles) northeast of the Shetland Islands

Depth: 165 metres (541 feet)

Interests: Shell (50% operator) and ExxonMobil (50%)

Fields: Penguins

Average peak production: 45,000 barrels of oil equivalent per day (boe/d)

Project overview

The Penguins field, located northeast of the Shetland Islands in the UK North Sea, was discovered in 1974 and first developed in 2002. At that time oil and gas were pumped from four drill centres that were tied back to the Brent Charlie platform in the nearby Brent field.

In 2017, after over forty years of successful operation, Shell started the process of decommissioning the Brent Field, including the Brent Charlie platform. In 2018 Shell took the final investment decision to redevelop the Penguins oil and gas field in the UK North Sea using a floating production, storage and offloading (FPSO) vessel that would take the place of the Brent Charlie platform.

[Read more about the Brent decommissioning process here.](#)

Redeveloping the Penguins field

As part of the redevelopment process a further eight wells will be drilled and tied back to the FPSO vessel. Oil will be transported via tanker to refineries, and gas will be transported via the Far North Liquids and Associated Gas System (FLAGS) pipeline to the St Fergus gas terminal in northeast Scotland.

This redevelopment is an attractive opportunity with a competitive forward looking break-even price below \$40 per barrel. Once fully functional, average peak production is expected to be approximately 45,000 boe/d.