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A collaborative venture in
petroleum research between
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Shell looks to Saskatchewan, Canada for international research on carbon storage

Shell Canada commits to be a co-sponsor of the final phase of the IEA GHG Weyburn – Midale CO₂ Monitoring and Storage Project

Regina, SK – Shell Canada Limited recently signed on as a co-sponsor of the *International Energy Agency Greenhouse Gas (IEA GHG) Weyburn-Midale CO₂ Monitoring and Storage Project* (Weyburn-Midale CO₂ Project) at the Petroleum Technology Research Centre (PTRC) in Regina, SK.

“Deployment of carbon capture and storage and a wide range of low-carbon technologies will be needed to meet the climate change challenge. Shell’s sponsorship of the Weyburn-Midale CO₂ Project is in step with the carbon capture and storage work we are doing in other parts of the world with research institutions, regulatory agencies, international organizations and other energy companies,” said Dave Collyer, President, Shell Canada Limited.

The Weyburn-Midale CO₂ Project is one of the world’s three largest in-field carbon storage research projects, and the largest CO₂ enhanced oil recovery (EOR) project on land. In its final phase, the \$80 million international study is investigating long-term geological storage of man-made carbon dioxide (CO₂) – used around the world to increase oil production – in mature oil reservoirs. Research from the project is shared with partners on an ongoing basis.

“What makes the Weyburn-Midale CO₂ Project a win-win project for Shell and other industry partners is the potential to store a man-made greenhouse gas in a natural hydrocarbon container, while realizing the economic benefits of increased oil recovery thanks to the CO₂,” said Ray Knudsen, Project Director of the Weyburn-Midale CO₂ Project.

When CO₂ is injected underground in carbon flooding, it helps to thin light to medium oil and move oil that was previously unrecoverable towards production wells. The majority of the CO₂ remains underground and the portion that returns to the surface with the produced oil is captured and returned underground in a closed loop system.

“Shell believes it is important to test and demonstrate the science and methodology of CO₂ storage,” continued Mr. Collyer. “This research will further understanding about the safety and effectiveness of long-term underground storage of CO₂ and enable the public and regulatory agencies to make informed choices.”

Economically feasible storage of CO₂ provides a real tactic to mitigate the environmental impact of oil production. It’s understandable that the environmental potential of the technology is grabbing international attention, while the economic benefits encourage early adoption of the technique.

The final phase of the Weyburn-Midale CO₂ Project, which Shell has committed to co-sponsor, will build on the data gathered in the first phase to further develop the most scrutinized data set for CO₂ geological storage in the world. A key end deliverable for this final phase is also to compile a Best Practices Manual to guide all aspects of future CO₂ storage projects. This Best Practices Manual will address both technical and policy considerations for successful implementation.

About the IEA GHG Weyburn-Midale CO₂ Monitoring & Storage Project

The IEA GHG Weyburn-Midale CO₂ Monitoring and Storage Project researches the geological storage of carbon dioxide (CO₂) at the sites of the commercial enhanced oil recovery (EOR)

operations by EnCana Corporation (Weyburn) and Apache Canada Ltd. (Midale) in Saskatchewan, Western Canada.

In this Final Phase, the technical component of the project will include work on site characterization, monitoring and verification, wellbore integrity and risk assessment. The policy considerations will look at regulatory issues concerning the long-term nature of storage, public communication and outreach, and the means to foster widespread use of CCS through aspects to support the business environment.

The Project is supported by an international collaboration of governments, research institutes and industry. Government sponsors include: Natural Resources Canada, the United States Department of Energy, Saskatchewan Energy and Resources, and the Alberta government through the Alberta Energy Research Institute. Corporate sponsors currently include: Apache Canada Ltd., Aramco Services Company, Chevron, EnCana Corporation, OMV Austria Exploration & Production GmbH, Research Institute of Innovative Technology for the Earth (RITE, Japan), Saskatchewan Power Corporation, Schlumberger Carbon Services and Shell Canada Limited.

About the Petroleum Technology Research Centre (PTRC)

The Petroleum Technology Research Centre (PTRC) is an independent, non-profit corporation based in Regina, Saskatchewan, Canada, whose primary objective is to improve the efficiency and effectiveness of oil recovery in Canada through the development of leading edge technologies and processes. The PTRC manages research projects to this aim, carried out largely but not exclusively by the Saskatchewan Research Council, and the University of Regina. The PTRC is funded by the provincial and federal Governments, industry, and in-kind support from associated research groups. The PTRC has and continues to build connections with leading experts around the world and promotes a collaborative approach to research.

Shell's Work in Carbon Capture and Storage

Shell is a global, integrated energy company committed to serving the needs of its customers for clean, affordable, and convenient supplies of energy.

The world is demanding much more energy for development (which currently means more fossil fuels) and a solution to climate change. It cannot have both unless safe and cost effective ways are found to capture and store CO₂ from coal, oil and natural gas.

Shell is working with national geological services, research institutions and other energy companies to develop the science and methodology needed to ensure the CO₂ stays underground safely, to measure the amount stored, and to monitor and manage any environmental impacts. This work includes:

- In the United States, the West Coast Regional Carbon Sequestration Partnership (www.westcarb.org) and the CO₂ Capture Project (www.co2captureproject.org)
- The Australian based CO₂CRC programme (www.co2crc.com.au)
- The CO₂SINK pilot project in Germany (www.co2sink.org)

Shell recently issued its latest global scenarios focusing on the reconciliation of the twin challenges of rising energy demand and responses to climate change. For more information on these scenarios including Shell's preferred outcome, visit www.shell.com/scenarios.

For more information, or to arrange an interview, contact:

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