

Business Opportunities

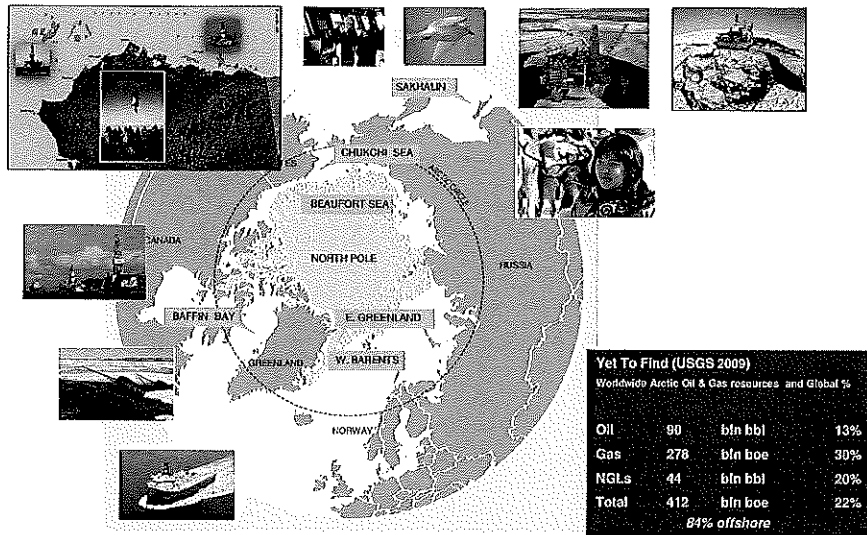
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UK business interests in the Arctic are substantial

- **Oil and Gas**
 - BP, Royal Dutch Shell, Second Tier companies – Cairn Energy
- **Suppliers**
 - Schlumberger, Wood Group, Alstom Power,
- **Defence**
 - BAE Systems and suppliers
- **Metals and Minerals**
 - AngloAmerican, London Mining Company
- **Insurance and Finance**
 - Lloyd's insurance market, Investment Banking, P&I Clubs
- **Shipping**
 - Clarkson's, BMT, BAE Systems, Lloyd's Register, Houlder, Baltic Exchange
- **Consultancy – Engineering and Environmental**
 - Arup, CH2M Hill, Wood MacKenzie, ERM, MRAG, Fugro UK
- **Research Services**
 - BAS, NOC, SAMS, Universities, TSB, Catapult Centres, RCUK
- **Fishing and Fish Processing**
 - Boyd Line, Smales
- **Tourism**
 - UK tour companies specialising in polar expeditions or cruises

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Shell current interests in the Arctic



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BP

- BP operates in the US and Norway (ice-free parts so not really Arctic conditions), holds equity interests in the Beaufort Sea and offshore Greenland, which are non-operated and a long way from development, and has a 19.75% interest in Rosneft the Russian oil company
- Rosneft has extensive exploration licences offshore Russia
- There is no BP operated offshore Arctic oil production in Canada, Greenland or Russia at present. North Slope in Alaska is a mature business.

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Offshore development is not new

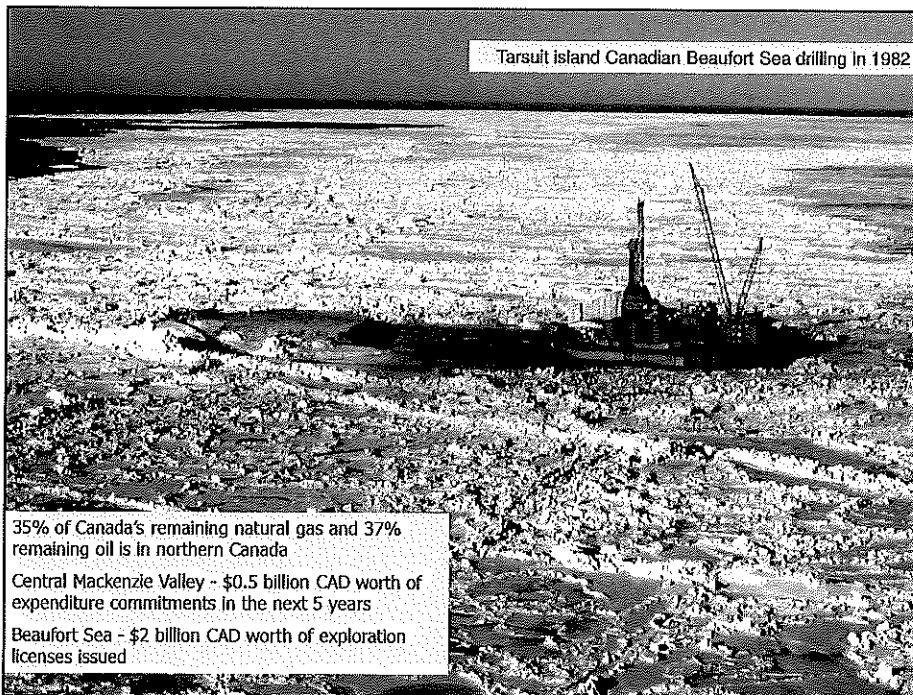


Northstar, North Slope, Alaska

Production began on October 31, 2001, and production reached 70,000 bbls/day by 2003

Ice road support and subsea pipelines for export

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Tarsuit Island Canadian Beaufort Sea drilling in 1982

35% of Canada's remaining natural gas and 37% remaining oil is in northern Canada

Central Mackenzie Valley - \$0.5 billion CAD worth of expenditure commitments in the next 5 years

Beaufort Sea - \$2 billion CAD worth of exploration licenses issued

Exxon Valdez 1989



Significant insurance loss for the London marine insurance market which reinsures the P&I Clubs

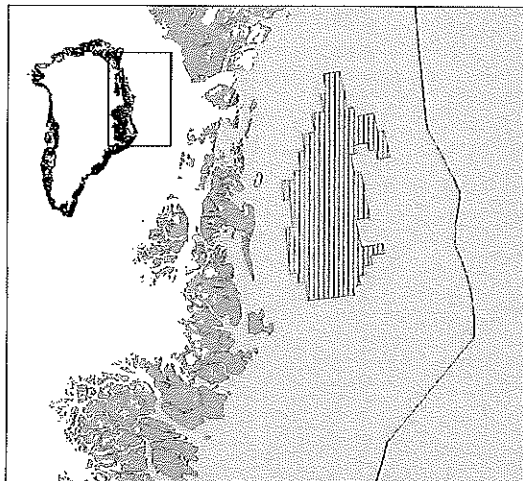
Licence to operate can be lost by one event – one mistake and you are out

Arctic Oil Spill Joint Industry Programme

www.arcticresponsetechnology.org

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Northeast Greenland Licensing Rounds

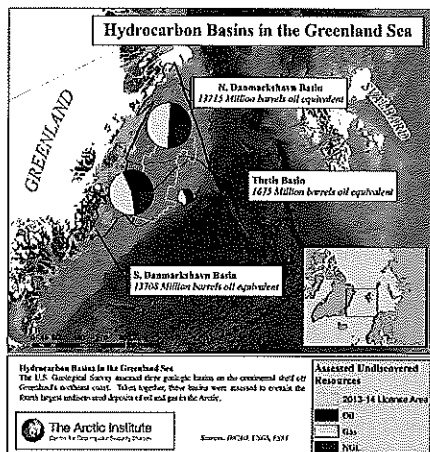


Significant unexplored sedimentary basins exist in many regions of the Arctic

NE Greenland is the most interesting of the unexplored basins

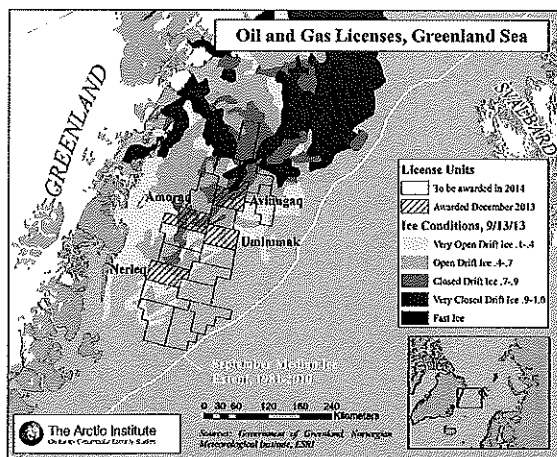
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Northeast Greenland



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Northeast Greenland



Kanumas project:

Shared seismic

ExxonMobil, Statoil, BP, Japan National Oil Company, Texaco, Shell and NUNAOIL

Avinngaq - Statoil, ConocoPhillips and NUNAOIL

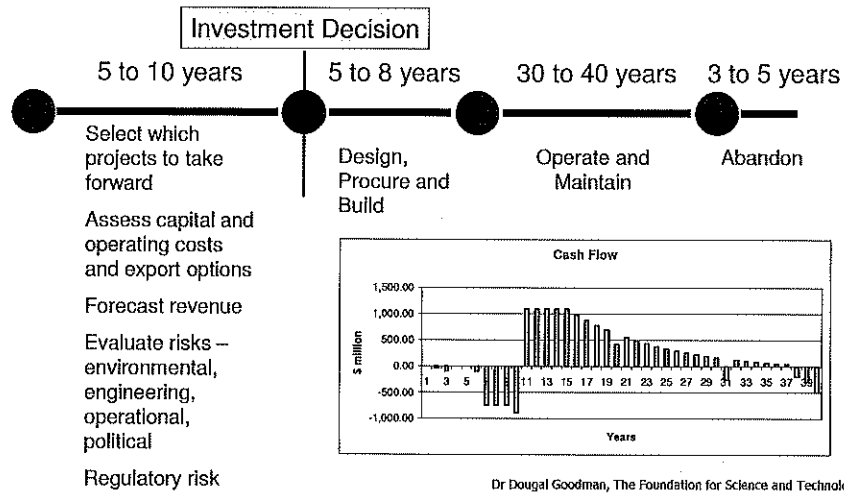
Amaroq - ENI, BP, DONG and NUNAOIL

Umimmak and Nerleq
Chevron, GreenPex, Shell and NUNAOIL

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Project timeline – a long haul

Estimate Net Present Value and Internal Rate of Return with risk sensitivities



Insurance and Finance

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