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Chrysaor to establish the leading UK independent E&P Company focused on the North Sea

Acquisition of asset package from Shell for \$3.0 billion

Chrysaor Holdings Limited (“Chrysaor”), the UK oil & gas independent, is to acquire a package of assets in the UK North Sea from Shell U.K Limited and its affiliates (“Shell”) for a price of \$3.0 billion. In addition, future payments may be made between the two companies, contingent upon future exploration results and commodity prices. The transaction is subject to regulatory and partner consents and is expected to complete in the second half of 2017.

The package consists of Shell’s interests in Beryl, Bressay, Buzzard, Elgin-Franklin, Erskine, Everest, the Greater Armada cluster, J Block, Lomond, plus a 10% stake in Schiehallion.

On completion of the acquisition, Chrysaor will become one of the largest producers of oil and gas in the UK. The assets being acquired produced 115,000 barrels of oil equivalent per day (boepd) in 2016. The redeveloped Schiehallion field is expected to add additional production when it is back onstream in 2017. Current unit operating costs across the portfolio are under \$15 per barrel¹. The transaction is expected to comprise around 350 million barrels of oil equivalent proven and probable (2P) reserves¹ as at the transaction effective date of 1 July 2016.

The transaction will see Chrysaor become the UK’s leading independent oil & gas company focused on the North Sea and delivering profitable near-term, medium-term and full cycle growth across the region. Chrysaor intends to grow the assets being acquired, and has identified a number of early incremental opportunities to maximise economic recovery and extend field life. As part of this programme, the company plans to sanction drilling activity and investment that would extend the life of the key operated hubs and will actively encourage third-party business and the acceleration of drilling initiatives elsewhere in the portfolio.

Chrysaor will receive an investment of up to \$1 billion from Harbour Energy, an investment vehicle of EIG Global Energy Partners (“EIG”), together with funds managed by EIG, to support the acquisition and provide future growth capital. EIG is one of the world’s leading providers of institutional capital to the global energy industry. A Reserves Based Loan of up to \$1.5 billion will be provided by a syndicate of leading international banks with considerable North Sea experience.

Shell is providing junior debt financing for the transaction, and the companies have entered into a hydrocarbon lifting and sales agreement covering volumes produced from the licenses being acquired. Shell is retaining a fixed decommissioning liability of approximately \$1.0 billion, reducing Chrysaor’s future decommissioning cost obligations. There are no material

decommissioning costs expected in the near term with cessation of production on some assets forecast to be more than 20 years into the future.

Reflecting the new investment and the ongoing commitment to the UK North Sea's growth, the Chrysaor Board has been further strengthened. Linda Z. Cook, Managing Director of EIG and CEO of Harbour Energy is joining as Chairman. Ms Cook was formerly a Board Director at Royal Dutch Shell plc and a member of its Executive Committee. Other additions to the Board include:

- G. Steven Farris, former Chairman and CEO of Apache Corporation, one of the industry's foremost exponents of late stage basin exploitation
- Dr. Andrew Jamieson, OBE, former Executive Vice President Gas and Projects for Shell
- R. Blair Thomas, Chairman and CEO of EIG

Chrysaor Chief Executive Phil Kirk and Chief Financial Officer Andrew Osborne are both to continue as Board Directors².

Phil Kirk, Chief Executive of Chrysaor, said:

"Chrysaor is acquiring a high quality package of assets which combine low cost production, a substantial reserves and resources base with strong cash flows and a highly competent and skilled workforce. These assets, combined with our own experience and the outstanding team who will transfer from Shell, provide an excellent platform for change and growth in the North Sea. We look forward to working with Shell, with our future colleagues and other stakeholders to complete this transaction."

This acquisition reflects Chrysaor's and Harbour's belief that the UK North Sea has material future potential for oil and gas production. The UKCS has benefited from Government action to improve the regulatory and fiscal environment in the North Sea and we look forward to working with them in the future. We intend to create a UK champion, with the skills and resources of a major independent oil and gas company, to help ensure that the basin's future potential is realised safely, profitably and in alignment with the Government's policy of driving investment and maximising economic recovery".

Linda Z. Cook, Chairman of Chrysaor, said:

"The North Sea has undergone a revolution in recent times with operating costs falling to competitive economic levels, and we believe this signals a moment for a generational change in the basin. Chrysaor, backed by Harbour, will form a platform for significant growth in the region. We look to acquire further assets that are material to our business as we bring to bear energy, skills and additional investment to enable the company to perform to full potential."

Shell employees supporting the assets will enter into consultation with a view to transferring to Chrysaor. Subject to consultation, around 400 employees are anticipated to transfer and the skills, expertise and knowledge that they bring with them will represent a major value-add for Chrysaor as it looks to realise its North Sea growth ambitions. Chrysaor will be maintaining the current terms and conditions of staff who transfer from Shell.

The package of assets being acquired are outlined in the table below.

| Key field areas / hubs | Chrysaor Equity Interest (%) |
|------------------------|------------------------------|
| Beryl Area | 39.4 |
| Bressay | 18.4 |
| Buzzard | 21.73 |
| Elgin-Franklin | 14.1 |
| Erskine | 32 |
| Everest | 100 |
| Greater Armada Area | 76.4 |
| J Block | 30.5 |
| Lomond | 100 |
| Schiehallion | 10 |

BMO Capital Markets Ltd. is acting as financial adviser to Chrysaor Holdings Ltd.

Footnotes:

¹ Operating cost and P50 reserve figures provided are Chrysaor estimates and include projects expected to be sanctioned on or shortly after completion. Chrysaor estimates are supported by an independent Competent Persons Report.

² Board Directors standing down are Francis Gugen, Robert Poddubiuk and Dick Covington.

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Information on Chrysaor and the transaction can be found at www.chrysaor-future.com. Shell's press release can be found at www.shell.com.

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Notes to editors:

Chrysaor

Chrysaor is a private company established in 2007 and focused on generating superior equity returns by developing and commercialising oil and gas incremental resources. The management team has a proven track record of success and seeks to acquire producing fields with associated undeveloped hydrocarbon resources. The company's aim is to become a self-sustaining full cycle E&P company, with a portfolio of assets balancing near term development with production growth, combined with significant gearing to appraisal and exploration success.

Harbour Energy

Harbour Energy, Ltd. ("Harbour Energy") is an energy investment vehicle formed by EIG Global Energy Partners ("EIG") and the Noble Group to pursue control and near control investments in high-quality upstream energy assets globally. Harbour Energy is externally managed by EIG and led by a management team that includes Linda Z. Cook, a 29-year veteran of Royal Dutch Shell, as CEO and Terence Jupp, former Vice President of International Operations for Anadarko Petroleum, as COO. For more information, please

visit www.harbourenergy.com. EIG specializes in private investments in energy and energy-related infrastructure on a global basis and had \$14.3 billion under management as of September 30, 2016. EIG has invested over \$23 billion in more than 310 portfolio investments in 36 countries on six continents. For more information, please visit www.eigpartners.com.

Future Contingent Payments

Future contingent payments between the two companies would occur as follows:

- Shell will make payments to Chrysaor of up to \$100 million between 2018-21 should the average oil price during that time fall below \$52.50 per barrel with full pay-out at \$47.50 per barrel
- Chrysaor would make payments to Shell of up to \$600 million split over the 2018-2021 period contingent on Brent oil prices above \$60 per barrel in 2018-19 with full pay-out at \$95 per barrel, and above \$70 per barrel in 2020-21 with full pay-out at \$95 per barrel.
- Chrysaor would make payments to Shell of up to \$180 million subject to the achievement of certain exploration milestones payable on production

Decommissioning Costs

The decommissioning costs associated with the portfolio are currently expected to be \$2.9 billion (2016 terms). The inflation adjusted equivalent of the \$2.9 billion is estimated to be \$3.9 billion, of which Shell will retain a fixed liability for \$1 billion. There are no material decommissioning costs expected in the near term.

Board Directors' Biographies:

Linda Z. Cook, Chairman, Chrysaor

Linda Z. Cook is currently CEO of Harbour Energy and also a Managing Director and member of the Executive Committee of EIG. Ms. Cook retired from Royal Dutch Shell plc in 2010, at which time she was a member of the Board of Directors and the Executive Committee. During her 29 years with Shell, she held positions including CEO of Shell Gas & Power (London and The Hague); CEO of Shell Canada Ltd. (Calgary); EVP Strategy & Finance for Global Exploration & Production (The Hague); and various U.S. Exploration & Production management, operational and engineering roles.

In addition to serving on Shell's Board of Directors for five years, Ms. Cook has prior experience as a non-executive director for The Boeing Company (over ten years), Cargill Inc., Marathon Oil Co., and KBR Inc. She currently serves as a non-executive director on the board of Bank of New York Mellon. Ms. Cook is also a member of the U.S. National Petroleum Council.

Phil Kirk, Chief Executive Officer, Chrysaor

Phil qualified as a chartered accountant with Ernst & Young in 1991 before joining Hess in 1996. He served in a variety of roles including Head of Finance, North West Europe. He left Hess in 2002 to co-found CH4 Energy with two other ex-Hess colleagues. Phil was joint MD of CH4 which, with financial backing from 3i plc and Trust Company of the West ("TCW") (an EIG predecessor firm), acquired and operated the Markham field and associated satellites on the UK/Dutch median line. Since February 2013 Phil has been a member of the Board of Oil and Gas UK, the leading representative body for the UK offshore oil and gas industry. Phil is currently Co-Chair of OGA UK Exploration Board, one of six boards responsible for driving the industry's response to the OGA strategy. Phil is also a member of the overarching industry body, the MER UK Forum, which includes the

Secretary of State for Business, Energy and Industrial Strategy, Ministers from the same department, HM Treasury, the Scottish Office and the Scottish government.

R. Blair Thomas, Non-Executive Director

R. Blair Thomas is Chief Executive Officer of EIG, as well as Chairman of the Investment Committee and the Executive Committee. EIG was formerly part of Trust Company of the West where Mr. Thomas was a Group Managing Director and a member of the Board of Directors of TCW Asset Management Company. Prior to joining EIG in 1998, Mr. Thomas was a senior investment officer with the Inter-American Development Bank and a project finance attorney at the law firm of Brown & Wood in New York and worked in the White House of President George H. W. Bush as an advisor on energy and budget policy.

G. Steven Farris, Non-Executive Director

G. Steven Farris served as chairman and chief executive officer of Apache Corporation, an oil and natural gas exploration and production company with operations in the United States, Canada, the United Kingdom sector of the North Sea, Egypt, and Australia. Mr. Farris was named chairman of Apache in January 2009, upon the retirement of company founder Raymond Plank. He was promoted to president in 1994 and chief executive officer in May 2002. Mr. Farris joined Apache in June 1988 as vice president of domestic exploration and production and was promoted to senior vice president in May 1991. Prior to joining Apache, Mr. Farris was vice president, finance and business development, of Terra Resources, a subsidiary of Sempra Energy.

Andrew Jamieson, Non-Executive Director

Andrew Jamieson has served as a Director of Höegh LNG since 2009 and previously served on the Board of Woodside Energy. Andrew retired from the Royal Dutch Shell plc in 2009 where he has served as Executive Vice President Gas & Projects and Member of the Gas & Power Executive Committee since 2005. At Shell he held positions in The Netherlands, Denmark, Australia and Nigeria. Andrew holds a Ph.D. degree from Glasgow University

Andrew Osborne, Chief Financial Officer, Chrysaor

Andrew joined Chrysaor as Chief Financial Officer in 2012. Previously he had over 20 years Capital Markets experience in Investment Banking, latterly as a Managing Director responsible for Merrill Lynch's Natural Resources Equity Capital Markets and Broking business. Andrew has worked on a significant number of oil and gas transactions for both public and private companies. He has acted as an advisor to most members of the UK E&P Independent sector and has unrivalled experience in advising early stage E&P companies which went on to create significant returns for shareholders.

Bob Edwards

Bob Edwards currently serves as the Managing Director of NGP Energy Capital and is a former Partner in the Energy Practice at McKinsey & Company and was an Executive at Brown and Root International.

John Hogan

John Hogan has over 40 years of experience in the global oil, gas and oil field services sectors. A geologist by background, he has extensive experience at the Executive level, including at LASMO where he served as Chief Operating Officer.

Mark Brown

Mark Brown led the management buyout of Barclays Natural Resource Investments private equity business, renamed Global Natural Resources Investments. He currently serves as Managing Partner.

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