



# Shell in Malaysia and the Energy Transition

**Datuk Iain Lo**  
Shell Malaysia Chairman  
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# Definitions & Cautionary Note

This presentation contains data and analysis from Shell's Sky scenario. Unlike Shell's previously published Mountains and Oceans exploratory scenarios, the Sky scenario is based on the assumption that society reaches the Paris Agreement's goal of holding the rise in global average temperatures this century to well below two degrees Celsius (2°C) above pre-industrial levels. Unlike Shell's Mountains and Oceans scenarios, which unfolded in an open-ended way based upon plausible assumptions and quantifications, the Sky scenario was specifically designed to reach the Paris Agreement's goal in a technically possible manner. These scenarios are a part of an ongoing process used in Shell for over 40 years to challenge executives' perspectives on the future business environment. They are designed to stretch management to consider even events that may only be remotely possible. Scenarios, therefore, are not intended to be predictions of likely future events or outcomes.

Additionally, it is important to note that as of 2 June 2020, Shell's operating plans and budgets do not reflect Shell's Net-Zero Emissions ambition. Shell's aim is that, in the future, its operating plans and budgets will change to reflect this movement towards its new Net-Zero Emissions ambition. However, these plans and budgets need to be in step with the movement towards a Net-Zero Emissions economy within society and among Shell's customers.

Also, in this presentation we may refer to Shell's "Net Carbon Footprint", which includes Shell's carbon emissions from the production of our energy products, our suppliers' carbon emissions in supplying energy for that production and our customers' carbon emissions associated with their use of the energy products we sell. Shell only controls its own emissions. The use of the term Shell's "Net Carbon Footprint" is for convenience only and not intended to suggest these emissions are those of Shell or its subsidiaries.

# FUELLING MALAYSIA'S PROGRESS FOR OVER 125 YEARS



## A PROUD LEGACY

### FIRST DEPOT 1891

Marcus Samuel opened first kerosene depot in Straits Settlements



### FIRST OIL 1910

Shell found Malaysia's first oil on Canada Hill, Miri



### FIRST REFINERY 1914

Shell opened Malaysia's first refinery in Miri



### FIRST OFFSHORE PLATFORM 1963

Shell discovered first offshore oil field in Baram, Sarawak

## A DISTINGUISHED PRESENT

### TRANSPORTING PEOPLE AND GOODS

Shell is the brand and market leader in fuels and lubricants

### INNOVATING GAS TECHNOLOGY

Shell is the only producer of ultra clean gas-to-liquids products

### UNLOCKING RESOURCES IN NEW FRONTIERS

Shell is the largest deep-water oil producer in Malaysia

### DELIVERING BUSINESS SERVICES TO SHELL GLOBALLY

Shell Business Operations Kuala Lumpur provides business services to the Group including Finance, HR, Customer Service, Contracting & Procurement, IT, Trading & Supply, Brand and Legal



POWERING MALAYSIA'S FUTURE WITH CLEANER, INNOVATIVE AND COMPETITIVE ENERGY SOLUTIONS

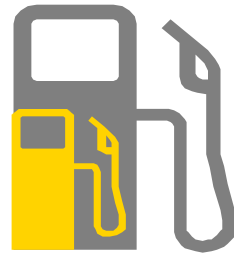
# Energy for a changing world

Today's energy system is the result of many decades of choices by consumers, energy suppliers and governments



## Growing population

Global population is expected to increase from around 7.7 billion today to nearly 10 billion by 2050<sup>1</sup>, with 68% living in cities<sup>2</sup>



## Rising demand

The IEA's Stated Policies Scenario sees global energy demand rise by a quarter to 2040, with an increase in consumption of both oil and gas<sup>3</sup>



## Ongoing supply

By the 2050s solar could emerge as the dominant primary energy source, but oil and gas needs will continue where substitution is difficult<sup>4</sup>



## Mitigating climate change

Shell supports the vision of a transition towards a net-zero emissions world<sup>4</sup>

Sources: <sup>1</sup>UN World Population Prospects (2019 revision); <sup>2</sup>UN World Urbanisation Prospects (2018 revision); <sup>3</sup>IEA World Energy Outlook 2019; <sup>4</sup>Shell Sky scenario: Meeting the Goals of the Paris Agreement (2018)

# Shell's climate ambition

**Net Carbon  
Footprint  
ambition 1.5°C**



**A net-zero  
emissions energy  
business by 2050  
or sooner**



**Net-zero  
emissions  
from own  
operations**



**Partnering for  
decarbonisation  
of energy use**

Changing in step  
with society and  
our customers

# New Energies

## Power



**Power for transport**  
 ▶ Electric mobility  
 ▶ Hydrogen



**Products & services for customers**  
 ▶ Consumer energy ▶ City solutions  
 ▶ Distributed energy



**Power trading & supply**



**Renewable power generation**  
 ▶ Wind ▶ Energy access  
 ▶ Solar

## New Fuels



## Nature based solutions



## Shell Ventures



# New fuels

Shell MDS and Sarawak Energy are **EXPLORING POTENTIAL OPPORTUNITIES IN LOWER COST HYDROGEN PRODUCTION TECHNOLOGY** via electrolysis

## SHELL STARTED OFFERING B10 BIODIESEL IN 2018

We will follow government guidelines for full implementation nationwide



Over time, new fuels will become increasingly important for Shell, including low-carbon biofuels, hydrogen and battery power.

Shell is working with ParkEasy and BMW to **PILOT E-VEHICLE CHARGING BAYS** at selected shopping malls in Kuala Lumpur



# Renewable Power

## SHELL'S FIRST SOLAR POWERED WELLHEAD PLATFORM IN SARAWAK



We partner Swift Energy to provide solar power solutions for SK408

Generate up to **1,200W**  
— enough power for 20 laptops



**ZERO**  **emission**  
— part of Shell's aspiration to reduce GHG emission



Platform is designed for **low power consumption**,  
reducing power consumption by **90%** compared to other facilities

In January 2019, we **ACQUIRED A 49% INTEREST IN CLEANTECH SOLAR**, which provides solar power to commercial and industrial customers across South-East Asia and India.



Power has an increasingly important role to play to provide more and cleaner energy around the world.



### FIRST GREEN BUILDING INDEX CERTIFIED RETAIL STATIONS IN ASIA PACIFIC

Our Damansara Jaya and Taman Connaught stations are the first sites to be Green Building Index certified. GBI elements include the use of solar panels to generate clean electricity, replacement of conventional bathroom fittings with waterless urinals and water saving taps, and monitoring systems to avoid unnecessary wastage of resources.





## Nature knows best

Nature-based solutions, or natural climate solutions, are projects which protect, transform or restore land. Shell plans to invest at scale in forests, wetlands and other natural ecosystems around the world to reduce emissions and capture more CO<sub>2</sub> from the atmosphere.

### BRINGING NATURE TO THE FOREFRONT

In the Netherlands, Shell is investing 17 million euros to plant 5 million trees with the Dutch National Forestry Department. Dutch motorists can now drive carbon neutral by purchasing Shell V-Power or opting to pay an extra 1 cent per litre for Shell FuelSave to offset their carbon emissions. In Spain, Shell will help create a 300-hectare reforestation project in Spain. In Australia, Shell has established an 800-hectare endangered native forest regeneration project.

Shell Malaysia and the Sarawak Government are **JOINTLY STUDYING THE POTENTIAL FOR A NATURE CONSERVATION, RESTORATION AND ENHANCEMENT VENTURE** for Sarawak's natural landscape



