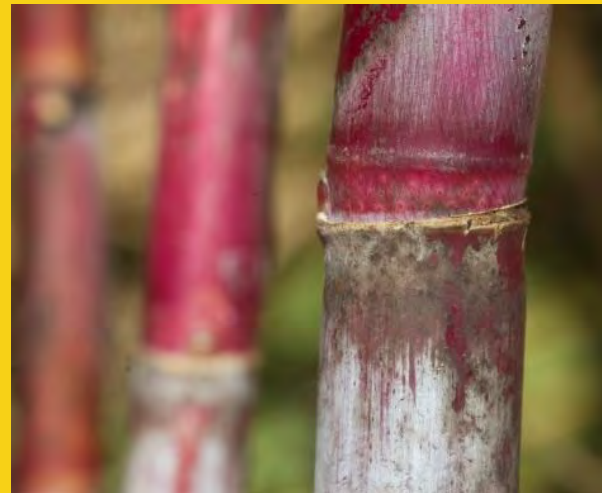




LOW CARBON TRANSPORT OPTIONS

10 July 2015



Roger Hunter
General Manager - Alternative Energies and Fuels Development Strategy

CAUTIONARY NOTE



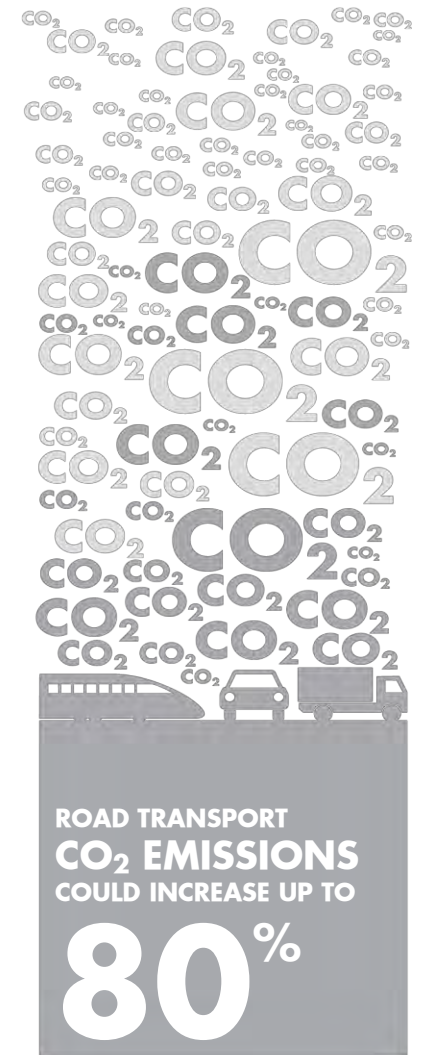
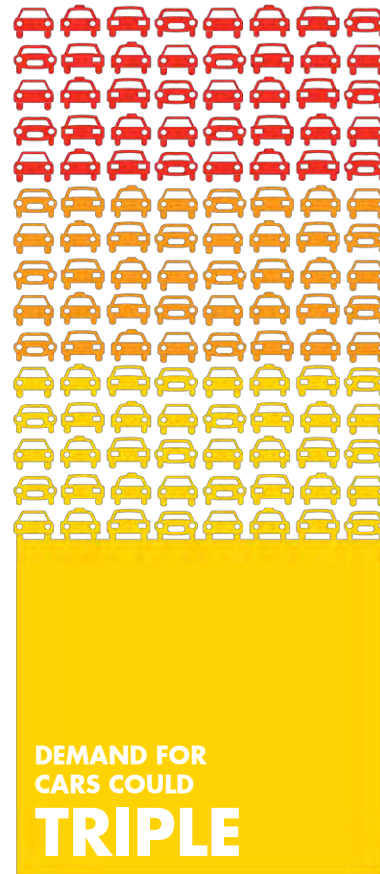
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MOBILITY GIVES ACCESS TO DEVELOPMENT

MOBILITY IS CRITICAL TO OUR DAILY LIVES.

Transport accounts for a quarter of global energy use and energy-related CO₂ emissions



CHANGES IN MOBILITY DRIVEN BY MANY FACTORS

REDUCTION OF GREENHOUSE GAS, LOCAL AND NOISE EMISSIONS

Fuel/vehicle options for lowest GHG and local emissions

WORLD POPULATION GROWTH & URBANISATION

How will mobility & infrastructure concepts change mobility in megacities?

CHANGING CONSUMER VALUES & SOCIAL ACCEPTANCE

New consumer values, e.g. Mobility on Demand. Which factors drive social acceptance and the resulting uptake of new fuel and powertrain solutions?

ACCESS TO ENERGY & FUELS

Which energy sources will meet the growing demand for mobility?

NEW TECHNOLOGY OPTIONS

Autonomous drive and Connectivity, + Safety tech (night vision, active braking, distance control, advanced stability)

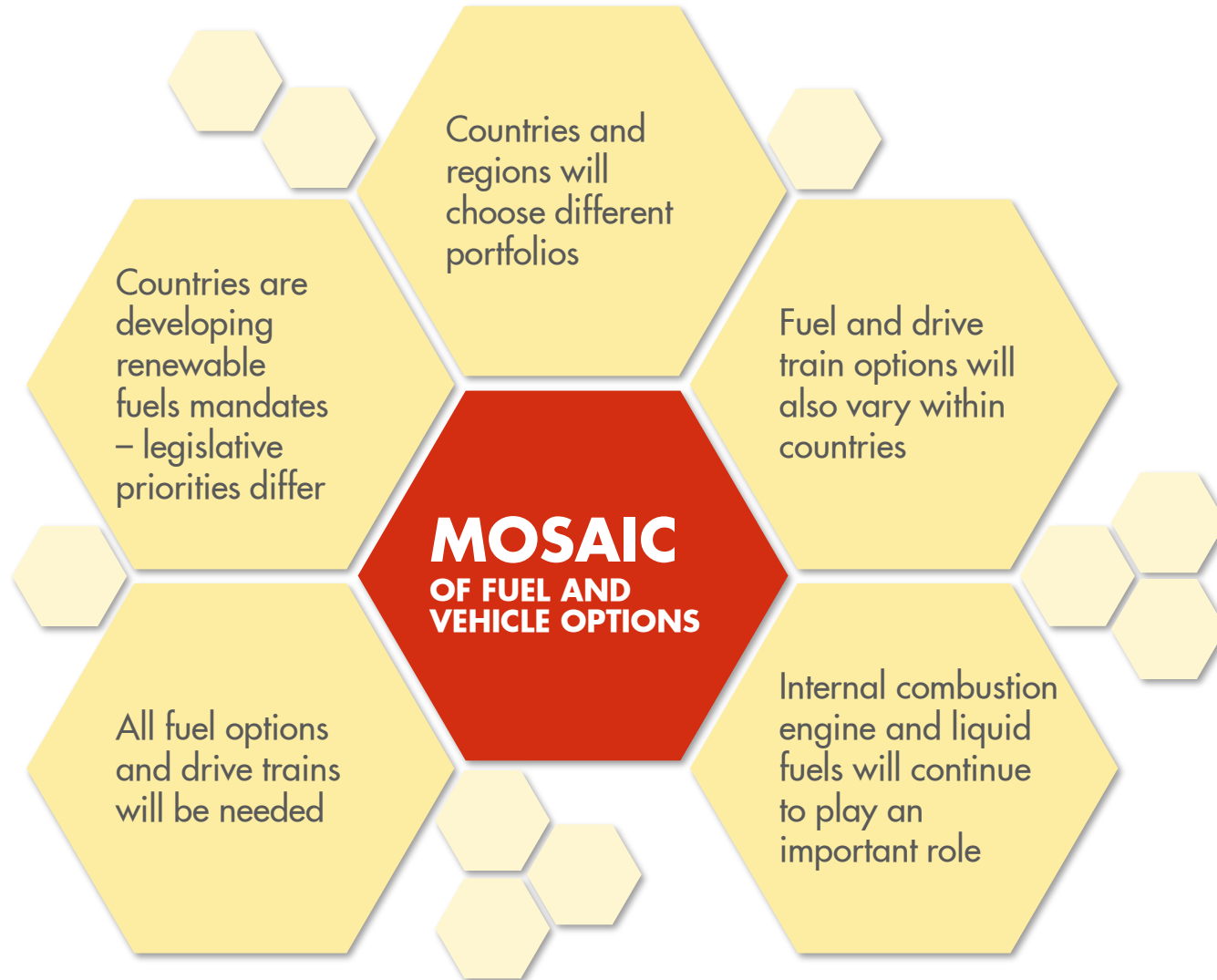
TOTAL COST OF OWNERSHIP

Which fuel/vehicle combination will allow mobility to remain affordable?

NEW MOBILITY POLICY

Taxes & incentives to manage mobility and local entry restrictions (cities)

NO SILVER BULLET / MOSAIC OF SOLUTIONS



FUEL OPTIONS BY TRANSPORT MODE

Feasible Fuel Solutions ¹	2/3 WHEELERS	CARS	MID & HEAVY DUTY	SEA	AIR
ELECTRICITY	Green	Yellow	Yellow	Red	Red
HYDROGEN	Green	Green	Yellow	Red	Red
LNG	Red	Red	Green	Green	Red
CNG	Green	Green	Yellow	Red	Red
ETHANOL	Green	Green	Green	Green	Red
HYDROCARBON	Green	Green	Green	Green	Green

■ WIDESPREAD POTENTIAL
 ■ RESTRICTED USE
 ■ NOT FEASIBLE

¹ Unconstrained potential, practical deployment concepts

BIOFUELS WILL BE PART OF THE FUTURE MOBILITY MIX

CO₂ EMISSIONS REDUCTIONS:
>60 countries have biofuels mandates

HDV, AVIATION & MARINE TIED
TO LIQUIDS FOR MANY YEARS

DIVERSIFICATION AND
ENERGY SECURITY

RURAL DEVELOPMENT OPPORTUNITIES

INTEGRATION WITH EXISTING
INFRASTRUCTURE

SIGNIFICANT BIOMASS POTENTIAL
> 20mboe by 2050



MOST **AFFORDABLE** OPTION WITH **LOWEST ENTRY BARRIERS** TO REDUCE
CARBON IN TRANSPORT ACROSS **ALL MODES** OF TRANSPORT.

BIOFUELS COULD PROVIDE **2/3 ALL TRANSPORT REQUIREMENTS** FOR
LIQUID FUELS BY END OF CENTURY (NLS OCEANS)

SUMMARY

- Global energy demand in transport will **continue to increase** beyond 2030, despite the decline anticipated in many OECD countries
- Vehicle **efficiency** improvements will be essential for reducing emissions
- There is no single “**silver bullet**” fuel option that will deliver sustainable mobility over the coming decades for all modes and geographies
- Electric drive (including Hydrogen FCEV) could provide material contributions on the 2050 decarbonisation timescale but will need **significant government support** and cleaner power
- During this transition, alternative liquid fuels such as **biofuels** will play a key role
- Shell believes that the efficient decarbonisation of road transport requires **collaboration** and an integrated approach

