**HIGHLIGHTS**

- Shell is adding to its established deep-water position with new fields in the Gulf of Mexico and offshore South America. Onshore, Shell has built major acreage positions in liquids-rich shales and in tight gas, and is progressing its potential for an integrated gas value chain.
- Production in the Americas amounted to more than 700 thousand boe/d in 2012.
- After-tax earnings from oil and gas exploration and production operations of our subsidiaries and equity-accounted investments in the region were $0.7 billion.
- We are participating in the development of six key projects in North and South America: AOSP Debottlenecking; BC-10 Phase 2; Cardamom; Mars B, West Boreas & South Deimos; North American tight-gas projects; and North American liquids-rich shales projects.

**KEY FIGURES**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>% of total</th>
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</thead>
<tbody>
<tr>
<td>Total production (thousand boe/d) [A]</td>
<td>725</td>
<td>22%</td>
</tr>
<tr>
<td>Liquids production (thousand b/d) [A]</td>
<td>282</td>
<td>19%</td>
</tr>
<tr>
<td>Natural gas production (million scf/d) [A]</td>
<td>1,728</td>
<td>18%</td>
</tr>
<tr>
<td>Synthetic crude oil production (thousand b/d) [A]</td>
<td>125</td>
<td>4%</td>
</tr>
<tr>
<td>Bitumen production (thousand b/d) [A]</td>
<td>20</td>
<td>1%</td>
</tr>
<tr>
<td>Gross developed and undeveloped acreage (thousand acres)</td>
<td>65,479</td>
<td>24%</td>
</tr>
<tr>
<td>Proved oil and gas reserves excluding non-controlling interest (million boe) [B]</td>
<td>3,432</td>
<td>25%</td>
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</table>

[A] Available for sale.

[B] Includes proved reserves associated with future production that will be consumed in operations.

**NORTH AMERICA**

**CANADA**

We hold more than 2,200 mineral leases in Canada, mainly in Alberta and British Columbia. We produce and market natural gas, natural gas liquids (NGLs), synthetic crude oil and bitumen. In addition, we hold significant exploration acreage offshore. Bitumen is a very heavy crude oil produced through conventional methods as well as through enhanced oil-recovery methods. Synthetic crude oil is produced by mining bitumen-saturated sands, extracting the bitumen from the sands, and transporting it to a processing facility where hydrogen is added to produce a wide range of feedstocks for refineries.

**Gas and liquids-rich shale**

We hold rights to more than 10,000 square kilometres of conventional gas, tight gas and liquids-rich shale acreage. We own and operate four natural gas processing and sulphur-extraction plants in southern and south-central Alberta. During 2012, we continued to develop conventional gas, tight gas and liquids-rich shale fields in west-central Alberta and east-central British Columbia, through drilling programmes and investment in infrastructure facilitating new production.

**Synthetic crude oil**

We operate the Athabasca Oil Sands Project (AOSP) in north-east Alberta as part of a joint venture (Shell interest 60%). The AOSP’s bitumen production capacity is 255 thousand boe/d. The bitumen is transported by pipeline for processing at the Scotford Upgrader, which is operated by Shell and located in the Edmonton area, Alberta. The first phase of the AOSP Debottlenecking project comes online in 2013, and is expected to add an additional 10 thousand boe/d at peak production. We also took the final investment decision on the Quest Carbon Capture and Storage project (Shell interest 60%), which is expected to capture and permanently store more than 1 mtpa of CO₂ from the Scotford Upgrader underground.

Shell also holds a number of other minable oil sands leases in the Athabasca region with expiry dates ranging from 2018 to 2025. By completing a certain minimum level of development prior to their expiry, leases may be extended.

**Bitumen**

We produce and market bitumen in the Peace River area of Alberta, and have a steam-assisted gravity drainage project in operation near Cold Lake, Alberta. Additional heavy oil resources and advanced recovery technologies are under evaluation on approximately 1,200 square kilometres in the Grosmont oil sands area, also in northern Alberta.

**Offshore**

We have a 31.3% interest in the Sable Offshore Energy project, a natural-gas complex offshore eastern Canada. We also have a 100% operating interest in frontier deep-water acreage offshore Nova Scotia, a 20% non-operating interest in an exploration asset off the east coast of Newfoundland, and a number of exploration licences in the Mackenzie Delta in the Northwest Territories.

**UNITED STATES OF AMERICA**

We produce oil and gas in the Gulf of Mexico, heavy oil in California and primarily tight gas and associated liquid hydrocarbons in Louisiana, Pennsylvania, Texas and Wyoming. The majority of our oil and gas production interests are acquired under leases granted by the owner of the minerals underlying the relevant acreage (including many leases for federal onshore and offshore tracts). Such leases usually run on an initial fixed term that is automatically extended by the establishment of production for as long as production continues, subject to compliance with the terms of the lease (including, in the case of federal leases, extensive regulations imposed by federal law).

**Gulf of Mexico**

The Gulf of Mexico is the major production area in the USA, accounting for almost 50% of Shell’s oil and gas production in the country. We have approximately 420 federal offshore leases in the Gulf of Mexico, about one-fifth of which are producing. Our share of production in the Gulf of Mexico averaged almost 190 thousand boe/d in 2012. Key producing assets are Auger, Brutus, Enchilada, Mars, NaKika, Perdido, Ram-Powell and Ursa.

We continued to grow our presence in the Gulf of Mexico, with the addition of two drilling rigs to our contracted offshore fleet in 2012. We also secured 24 blocks in the 2012 central lease sale for a sum of $400 million.
Onshore
We hold more than 15,000 square kilometres of tight-gas and liquids-rich shale acreage. This includes significant holdings in the Marcellus shale, centred on Pennsylvania in northeastern USA, the Eagle Ford shale formation in south Texas, the Sand Wash and Niobrara Shale in north-west Colorado, as well as the Mississippi Lime formation in south-central Kansas. In 2012, we also acquired approximately 2,200 square kilometres of mineral rights, with an additional 300 square kilometres linked to contractual conditions, in the Delaware Permian Basin in west Texas.

California
We hold a 51.8% interest in Aera Energy LLC (Aera), which holds assets in the San Joaquin Valley and Los Angeles Basin areas of southern California. Aera operates more than 15,000 wells, producing about 130 thousand boe/d of heavy oil and gas.

Alaska
We hold more than 410 federal leases for exploration in the Beaufort and Chukchi seas in Alaska. During the 2012 drilling season, we drilled two exploratory wells, one each in the Beaufort and Chukchi seas. These wells are known as top holes as they do not go deep enough to reach hydrocarbon reservoirs. After drilling they were safely capped in accordance with regulatory requirements.

SOUTH AMERICA

BRAZIL
We are the operator of several producing fields offshore Brazil. They include the Bijupirá and Salema fields (Shell interest 80%) and the BC-10 field (Shell interest 50%). We also operate one offshore exploration block in the Santos basin, BMS-54 (Shell interest 80%).

We have interests in two offshore exploration blocks in the Espírito Santo basins, BMES-23 and BMES-27, with interests of 20% and 17.5% respectively. Shell also operates five blocks in the São Francisco onshore basin area. In 2012, we divested our 40% interest in the offshore Block BS-4 in the Santos basin.

We also hold an 18% interest in Brazil Companhia de Gas de São Paulo (Comgás), a natural gas distribution company in the state of São Paulo.

FRENCH GUIANA
We are the operator of an exploration block in the 24,000 square kilometre deep-water Guyane Maritime Permit (Shell interest 45%).

REST OF SOUTH AMERICA
Shell also has interests in Argentina, Colombia, Guyana and Venezuela.