

Mr Peter Voser
Chief Executive Officer
Royal Dutch Shell
PO box 162,
2501 AN The Hague,
The Netherlands

21st October 2013

Cc: Jorma Ollila (board Chair), Ben van Beurden (Incoming CEO), Dick Benschop (CEO Royal Dutch Shell plc, Netherlands) and Harry Brekelmans (Executive Vice President of Russia and Caspian, Royal Dutch Shell plc)

Dear Mr Voser,

As I write, 28 Greenpeace activists and two journalists remain in detention after the illegal seizure of our ship Arctic Sunrise by armed Russian FSB agents in the Pechora Sea. They boarded the ship in international waters while Greenpeace was peacefully protesting against offshore Arctic oil drilling by Gazprom. Our activists and the two journalists now face exceptionally serious charges of piracy, an accusation with no merit in either Russian or international law.

This incident exposes yet again the reputational and governance risks that companies taking part in such controversial projects now face.

In 2012 Shell encountered serious operational difficulties in the Chukchi and Beaufort Seas off Alaska, and subsequently failed to meet US regulatory requirements.[1] This served as a warning to investors and other oil companies of the significant technical challenges posed by operating in the Arctic. Following this experience in Alaska,[2] Shell announced a protocol on global strategic cooperation with Gazprom that included future projects in the offshore Russian Arctic. As your shareholders will carry the bulk of exploration costs in such drilling programmes, you must be particularly concerned about Gazprom's lack of both operational capacity and experience or qualified leadership in offshore drilling.

A strategic partnership in the Arctic with Gazprom will expose Shell to enormous operational and reputational risks. These include poor environmental and safety performance,[3] technical challenges of drilling in ice-infested waters, questionable corporate governance, an unpredictable political, legal and economic regime and a critical lack of corporate transparency. These issues are directly relevant to your company and its shareholders.

Greenpeace believes that the extraction of the oil and gas resources of the Arctic is incompatible with avoiding catastrophic climate change. Perhaps more pertinently for Shell, however, is that your new partnership with Gazprom could well become a corporate millstone to rank alongside others your company has faced in areas such as the Niger Delta.

It is in the interests of our planet, as well as the direct interests of your company and its shareholders, to avoid this scenario. I call on you to end your Arctic relationship with

Gazprom, a company that cannot meet the environmental, operational, or reputational challenges of working in the far north.

We reiterate our view that the upper arctic should be declared a global sanctuary and that there should be no oil drilling in the region. We thank Jorma Ollila for his support and request that you stand with us in calling for the release of our 30 activists.

I look forward to discussing these issues with you.

Yours sincerely,

Kumi Naidoo
Executive Director
Greenpeace International

[1] <http://www.platformlondon.org/wp-content/uploads/2013/01/Arctic-Briefing-Key-Questions-0113.pdf>

[2] http://www.greenpeace.org.uk/sites/files/gpuk/Investor_report_Arctic_risks_2013.pdf

[3] <http://www.ria.ru/ocherki/20121218/915223252.html>