

### **Cautionary note**

The companies in which Royal Dutch Shell plc directly and indirectly owns investments are separate legal entities. In this presentation "Shell", "Shell group" and "Royal Dutch Shell" are sometimes used for convenience where references are made to Royal Dutch Shell plc and its subsidiaries in general. Likewise, the words "we", "us" and "our" are also used to refer to Royal Dutch Shell plc and its subsidiaries in general or to those who work for them. These terms are also used where no useful purpose is served by identifying the particular entity or entities. "Subsidiaries" and "Shell subsidiaries" and "Shell companies" as used in this presentation refer to entities over which Royal Dutch Shell plc either directly or indirectly has control. Entities and unincorporated arrangements over which Shell has joint control are generally referred to as "joint ventures" and "joint operations", respectively. Entities over which Shell has significant influence but neither control nor joint control are referred to as "associates". The term "Shell interest" is used for convenience to indicate the direct and/or indirect ownership interest held by Shell in an entity or unincorporated joint arrangement, after exclusion of all third-party interest.

This presentation contains forward-looking statements (within the meaning of the U.S. Private Securities Litigation Reform Act of 1995) concerning the financial condition, results of operations and businesses of Royal Dutch Shell. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements include, among other things, statements concerning the potential exposure of Royal Dutch Shell to market risks and statements expressing management's expectations, beliefs, estimates, forecasts, projections and assumptions. These forward-looking statements are identified by their use of terms and phrases such as "aim", "ambition', "anticipate", "believe", "could", "estimate", "expect", "goals", "intend", "may", "objectives", "outlook", "plan", "probably", "project", "schedule", "seek", "should", "target", "will" and similar terms and phrases. There are a number of factors that could affect the future operations of Royal Dutch Shell and could cause those results to differ materially from those expressed in the forward-looking statements included in this presentation, including (without limitation): (a) price fluctuations in crude oil and natural gas; (b) changes in demand for Shell's products; (c) currency fluctuations; (d) drilling and production results; (e) reserves estimates; (f) loss of market share and industry competition; (g) environmental and physical risks; (h) risks associated with the identification of suitable potential acquisition properties and targets, and successful negotiation and completion of such transactions; (i) the risk of doing business in developing countries and countries subject to international sanctions; (j) legislative, fiscal and regulatory developments including regulatory measures addressing climate change; (k) economic and financial market conditions in various countries and regions; (I) political risks, including the risks of expropriation and renegotiation of the terms of contracts with governmental entities, delays or advancements in the approval of projects and delays in the reimbursement for shared costs; and (m) changes in trading conditions. No assurance is provided that future dividend payments will match or exceed previous dividend payments. All forward-ooking statements contained in this presentation are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Readers should not place undue reliance on forward-looking statements. Additional risk factors that may affect future results are contained in Royal Dutch Shell's Form 20-F for the year ended December 31, 2019 (available at www.shell.com/investor and www.sec.gov ). These risk factors also expressly qualify all forward-looking statements contained in this presentation and should be considered by the reader. Each forward-looking statement speaks only as of the date of this presentation, 16 June 2020. Neither Royal Dutch Shell plc nor any of its subsidiaries undertake any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information. In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this presentation.

We may have used certain terms, such as resources, in this presentation that the United States Securities and Exchange Commission (SEC) strictly prohibits us from including in our filings with the SEC. U.S. Investors are urged to consider closely the disclosure in our Form 20-F, File No 1-32575, available on the SEC website www.sec.gov.

### **Speakers**



Hans Wijnbelt
Tail Gas Application Specialist

Shell Catalysts & Technologies



Karl Krueger Senior Research Scientist

Shell Catalysts & Technologies



Michael Huffmaster
Consultant

#### **Outline**

#### WHY?

- The drivers for Shell developing SCOT technology and tail-gas treating catalysts
- Environmental Duty and Technology Advancements

#### HOW?

- Our approach to catalyst development projects, with a specific focus on tail-gas treating catalysts
- The processes, technology, analytics and equipment we use

#### WHAT?

- The catalyst products we have developed
- Key applications

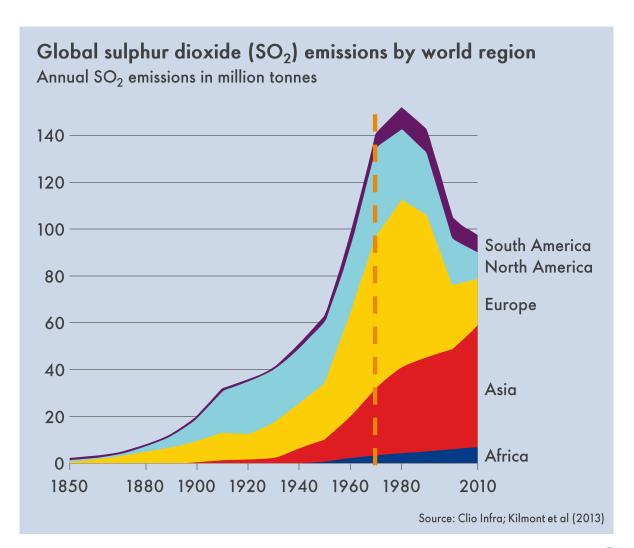
#### 934

- A new state-of-the-art SCOT tail-gas catalyst that sets superior performance standards in low-temperature operation
- Opportunities and the potential value to you

### Shell Claus Offgas Treating (SCOT) process history

- Global initiatives in 1970s legislate reduction in sulphur emissions
- SCOT is the most widely applied TGU technology and catalyst
- 1970 Shell awarded patent for using hydrotreating with amine for tail-gas treating
- 1972 First application (Japan)
- 1975 First US application (Norco)

50 years working on reducing SO<sub>2</sub>



# Why SCOT

### The industry standard

The most commercially proven tail-gas clean-up process when tail-gas recoveries in the 99.9% range are required







**10ppmv H<sub>2</sub>S** specification in the SCOT vent gas can be achieved with Low-Sulphur SCOT

Application in **E&P** and **refining** 



Ultra-high sulphur recovery efficiency:

99.7+% (SCOT)

99.95% (SCOT ULTRA)

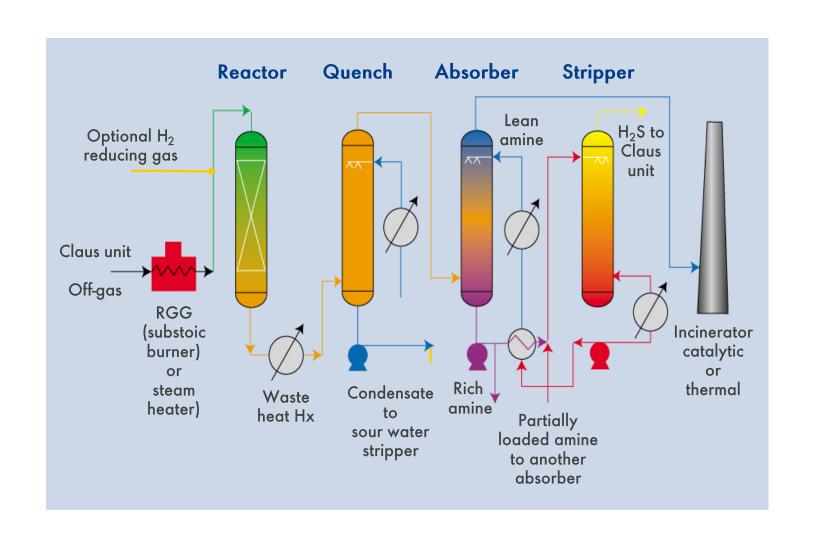


3 t/d to 4000 t/d

sulphur capacities of upstream Claus unit

### SCOT process: Sulphur species in Claus tail gas $\rightarrow$ H<sub>2</sub>S $\rightarrow$ Claus

- High activity, low DP catalyst cobalt/molybdenum on alumina
- Reducing gas generator (RGG) burner for application w/o H<sub>2</sub>
- Standalone amine system
- High reliability 99%+ availability
- Turndown
- Configurations
  - Integrated/cascade
  - Low-Temperature SCOT
  - Low-Sulphur SCOT
  - SCOT ULTRA



# **SCOT process innovation**Continuing improvement across 50 years

#### Conventional

- RGG + Reactor + Quench + standalone amine
- Booster blower when required

#### Quench and amine

- Selectivity CO<sub>2</sub> slip DIPA, MDEA, Specialty solvent
- Pressure drop trays to packing
- Booster blower deleted

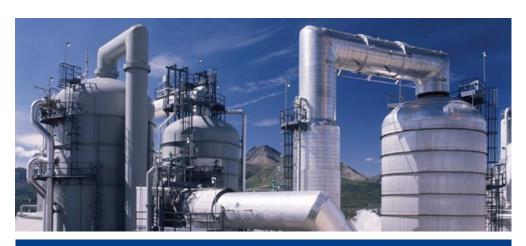
#### Integrated and cascade options

#### Low Sulphur performance

- Super stripper regeneration
- Acid aided regeneration
- Specialty sterically hindered solvent

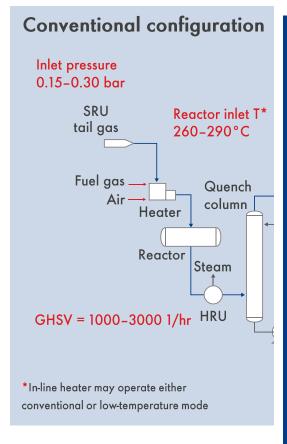
#### Low temperature capability

- Reactor inlet as low as 200°C
- Higher activity catalyst
- Steam preheat and lower CAPEX
- OPEX reduction energy



Design expertise and catalyst development combined with operational experience

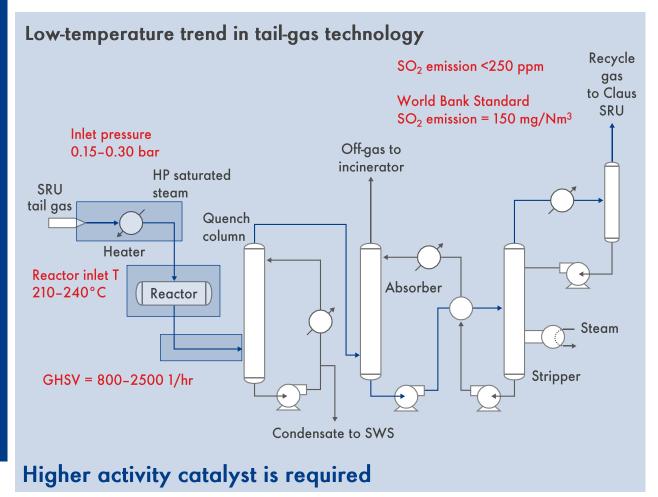
### Sulphur recovery system – Low-temperature tail-gas unit



# Benefits of low-temperature technology:

- Condensing steam preheatvs RGG burner
- HRU deleted
- Reduced CAPEX
- Lower temperatureReduced heat input
- Lower OPEX
- Improved operability
- Needed:

Higher activity catalyst



### Low-temperature effects

#### **Benefits**

- Indirect preheat option (condensing steam)
- Burner and controls are eliminated avoids major causes for catalyst damage
- 10-15% less CAPEX
- Lower fuel rate and less instrument and electrical maintenance means reduced OPEX
- Smaller carbon footprint

#### **Challenges**

- Diminished catalytic activity at low temperature;
   requires more catalyst or higher activity catalyst
- Impact of undesirable reactions,
   COS survival and mercaptan formation
   slip past the amine system and on to incinerator
- Requires a bit higher hydrogen concentration

#### **SCOT** catalyst development

Reactors utilise catalysts with cobalt and molybdenum sulfides on alumina support, active sites for hydrolysis, hydrogenation and water gas shift (WGS)

- First generation: Specifically developed from initial re-purposed hydrotreating catalysts
  - Second generation: developed high activity, high porosity, long life
    - Third generation: High activity contemporary low-temperature catalyst
  - 934 is newest, most active, more effective low-temperature activation

	RIT,°C	RIT,°F	WABT,°C	WABT,°F	aGHSV (1/hr)
First generation (534)	280	540	300-330	570-630	1000-2000
Second generation (234)	240	465	250-300	480-570	2000-2500
Third generation (LT-834)	220	430	230-250	445-480	1500-2000
Latest generation (LT-934)	200	392	210-230	410-445	1500 - 2000

Catalyst products (234, 534, 834 or 934) arise from a continuing commitment by Shell for environmental improvement and a progression of development over 50 years for enhancing performance and activity

#### **Key technology differentiators**

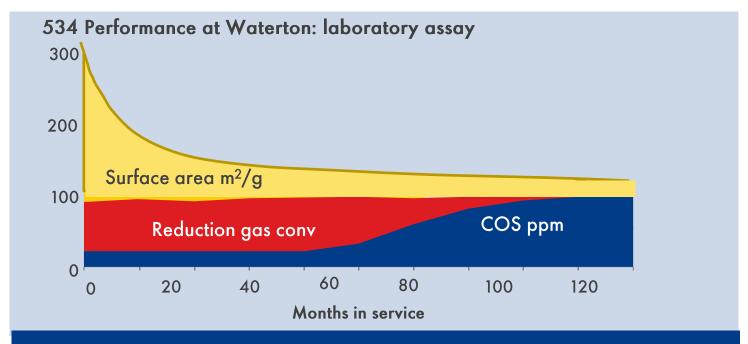
- Advanced low temperature SCOT catalyst means reactor inlet can be as low as 200°C
- Cascaded SCOT unit offering reduces the overall solvent requirement
- SCOT process demonstrates robust operability good overall sulphur recovery even during substantial upsets in the Claus downtime experience is ~0.5% for SCOT units
- SRU can operate on a continuous basis at 10–100% of design capacity
- SCOT can start up with less than 10% of design feed

Catalyst innovations and process technology advancements have enhanced operability and provided significant savings in CAPEX and OPEX

#### SCOT process and operational support

#### **SCOT** catalyst life

- Aging factors include hydrothermal, carbon, sulfation, whacking
- Activity follows surface area, declining to 50% from SOR to EOR
- 4-6 years is typical service life
- 12+ years has been achieved
- Catalyst activity is stronger at higher temperature
- 934 is a more active catalyst, performing at lower temperature, with operating allowance to raise temperature and extend run



#### What we provide

- SCOT catalyst: Selection assistance for best practice in catalyst life
- Assessment: Evaluate catalyst activity from plant performance data,
   Project remaining catalyst life
- SCOT process: Providing operations guidelines, training and advice

#### Drivers for tail-gas catalyst improvement



Shell responding to demand for higher activity catalyst

Industry focus
on further
reducing
OPEX (fuel)
and enhancing
operability

World Bank standards tighter emission requirements

Requirement to operate at lower temperatures



Our new catalyst should offer lower energy consumption, full activation at low temperature, higher activity at low temperature, increased catalyst lifecycle and improved conversion and lower emission of SO<sub>2</sub>, CO and CO<sub>2</sub>

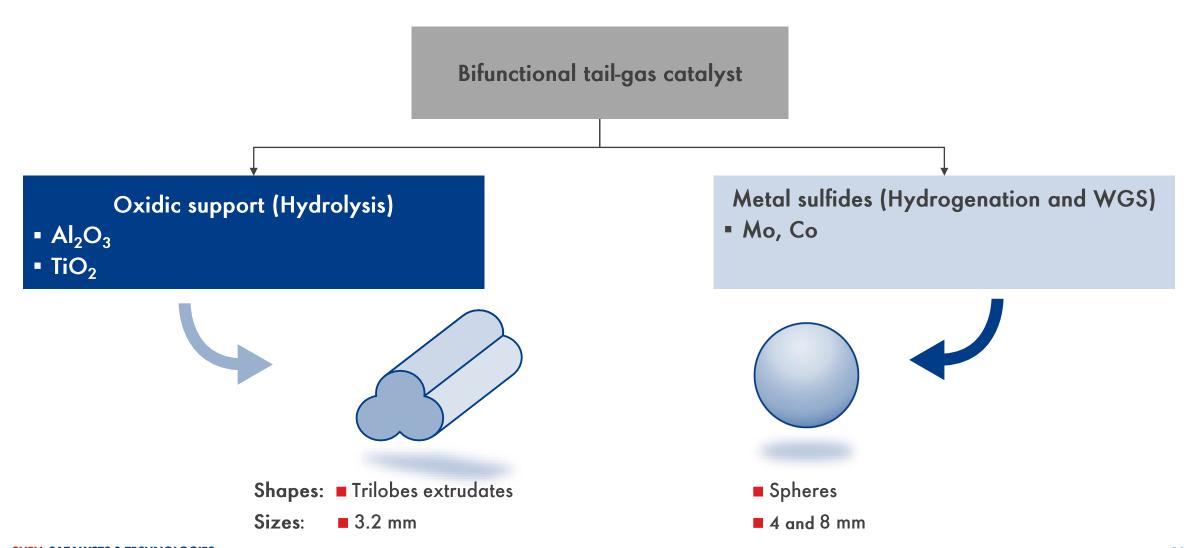
## The catalyst is the key

Low-temperature operation is only possible with high-activity catalysts

Traditional catalysts simply don't perform reactions fast enough to be operated at low temperature

	and the second second	The second secon	AND DESCRIPTION OF THE PERSON NAMED IN COLUMN TWO IS NOT THE PERSON NAMED IN COLUMN TWO IS NAMED	
SO <sub>2</sub> + 3H <sub>2</sub>	<b>→</b>	H <sub>2</sub> S + 2H <sub>2</sub> O	<b>→</b>	SO <sub>2</sub> hydrogenation
SO <sub>2</sub> + 2H <sub>2</sub>	<b>→</b>	S + 2H <sub>2</sub> O	<b>→</b>	SO <sub>2</sub> hydrogenation
S + H <sub>2</sub>	<b>→</b>	H <sub>2</sub> S	<b>→</b>	S hydrogenation
COS + H <sub>2</sub> O	<b>→</b>	$CO_2 + H_2S$	<b>→</b>	COS hydrolysis
CS <sub>2</sub> + 3 H <sub>2</sub>	<b>→</b>	CH <sub>3</sub> SH + H <sub>2</sub> S	<b>&gt;</b>	CS <sub>2</sub> hydrogenation
CS <sub>2</sub> + H <sub>2</sub> O	<b>→</b>	COS + H <sub>2</sub> S	<b>→</b>	CS <sub>2</sub> hydrolysis
CH <sub>3</sub> SH + H <sub>2</sub>	<b>→</b>	$CH_4 + H_2 S$	<b>&gt;</b>	Mercaptan hydrogenation
CO + H <sub>2</sub> O	<b>→</b>	$CO_2 + H_2$	<b>→</b>	CO WGS
	THE RESERVE OF THE PARTY OF THE	The second secon		

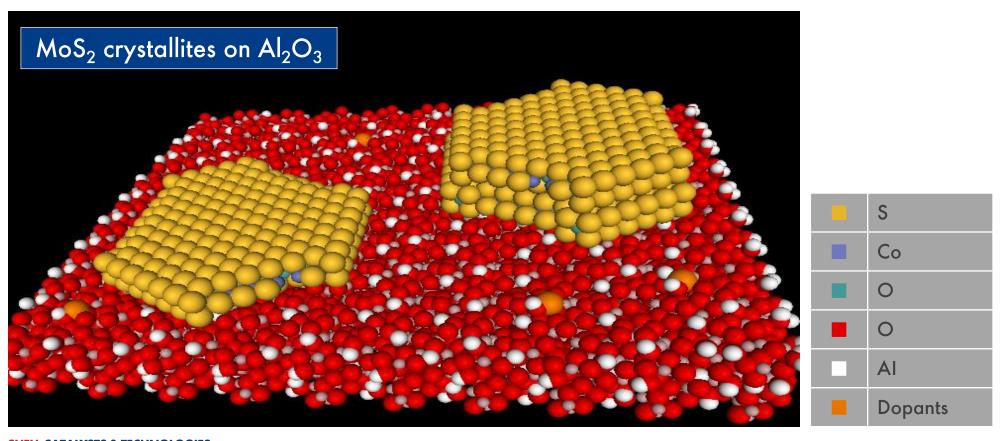
### Composition of commercial tail-gas treating catalysts



### Tail-gas catalyst active sites

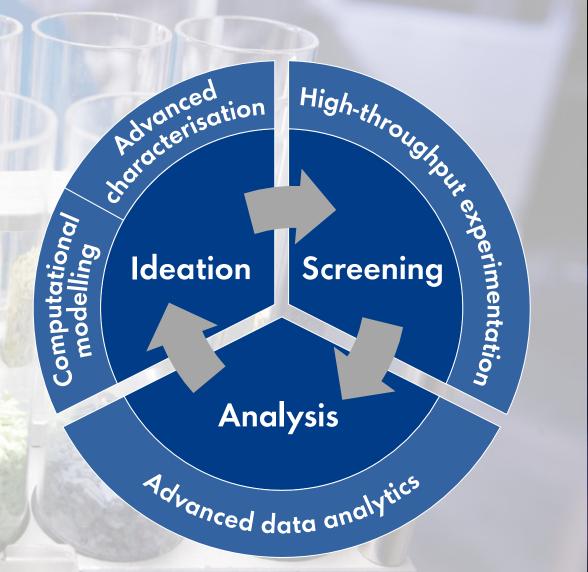
Co-Mo-S phase: Hydrogenation and WGS occur on these slab structures

Alumina: Hydrolysis occurs on the highly porous support (alumina phases affect activity)



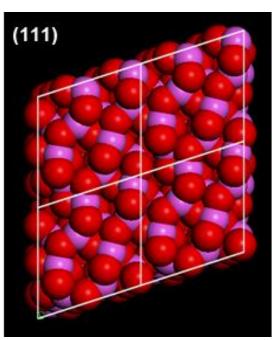
### Shell Catalysts & Technologies' catalyst development process

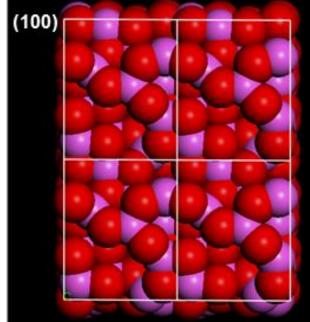
- Parallel workflow: Ideation, screening and analysis occur simultaneously
- Eliminates barriers to invention
- Enabled by major investments in:
  - Computational modelling
  - Advanced characterisation
  - High-throughput experimentation
  - Advanced data analytics
- Recognises the importance of each part of the process

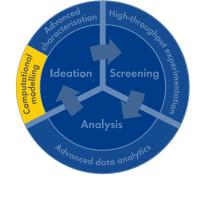


#### **Computational modelling**

- Elucidates key descriptors of catalyst activity
- Allows the optimisation of these descriptors as well
- Synthetic strategies are guided by these learnings
- Fewer physical experiments needed to obtain higher activity







Density function theory calculation to determine optimal aluminum and oxygen placement in the catalyst support

#### **Advanced characterisation**

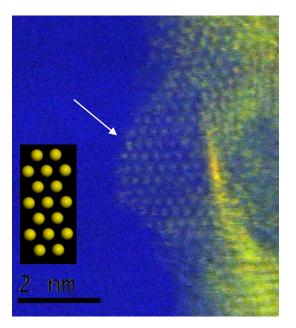
Analysis

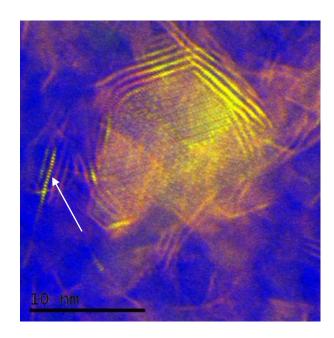
Adameed

Analysis

Analysis

- Provides a fundamental understanding of the structure/function relationship
- These learnings allow the custom tailoring of catalysts for high performance
  - E.g. Incorporating direct and indirect desulphurisation active sites into individual MoS<sub>2</sub> slabs





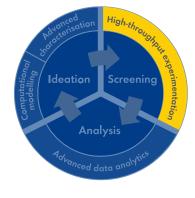
Aberration-corrected transmission electron microscopy allows us to see the active sites of real catalysts operating on customer feedstocks

### **High-throughput experimentation**

- Screen ideas as quickly and accurately as possible
- Funnel systematically sieves through formulations
  - High-throughput catalyst preparation
  - Fit-for-purpose catalyst testing
- Allows ideas to be screened that would normally have been ignored







#### **High throughput funnel**

High throughput catalyst preparation (tens of thousands)

Primary screening (thousands)

Secondary screening (hundreds)

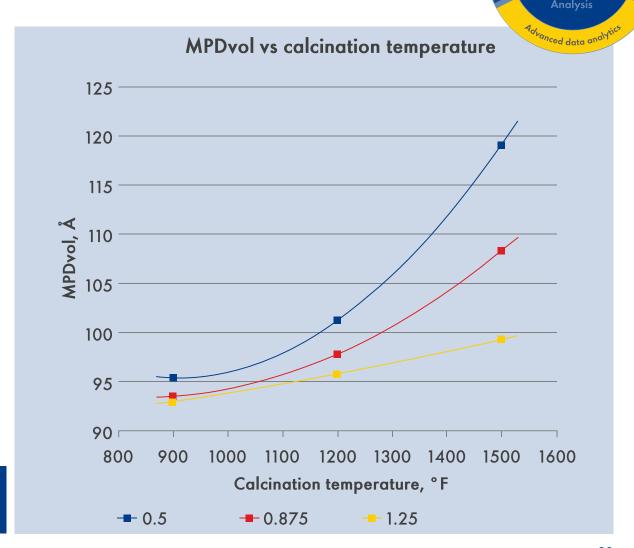
Scale up (one)



### Advanced data analytics

- A natural and essential partner to high-throughput experimentation
- A custom designed software suite encompasses the entire workflow from experimental design to data processing
- Allows the vast data gathered from high-throughput experimentation to be managed and processed
- Statistical models are developed using the entire database rather than incomplete subsets

Statistical analysis finds correlations between variables



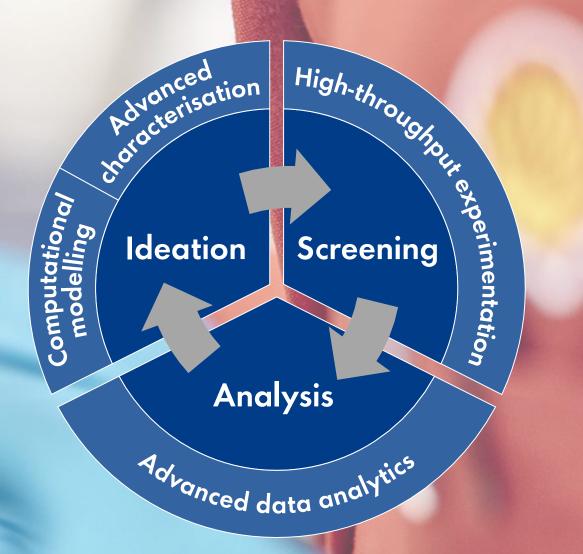
Ideation Screening

### Our catalyst development process helps us to...

...generate ideas with a high probability of success

...screen those ideas as quickly as possible

...extract as many learnings as possible from that data



#### Our tail-gas treating catalyst portfolio



- Operating temperature: as low as 220°C 428°F
- High activity
- Excellent pressure drop performance



- Typical operating temperature: 240°C 465°F
- Balances fill cost and activity
- Excellent pressure drop performance



- Typical operating temperature: 280°C 540°F
- Suitable for in-line burner configurations
- Industry-leading pressure drop performance

#### Our tail-gas treating catalyst portfolio just got better



- Operating temperature: As low as 200°C 392°F
- Highest activity, hydrogenation and hydrolysis performance
- Excellent pressure drop performance



- Operating temperature: as low as 220°C 428°F
- High activity
- Excellent pressure drop performance

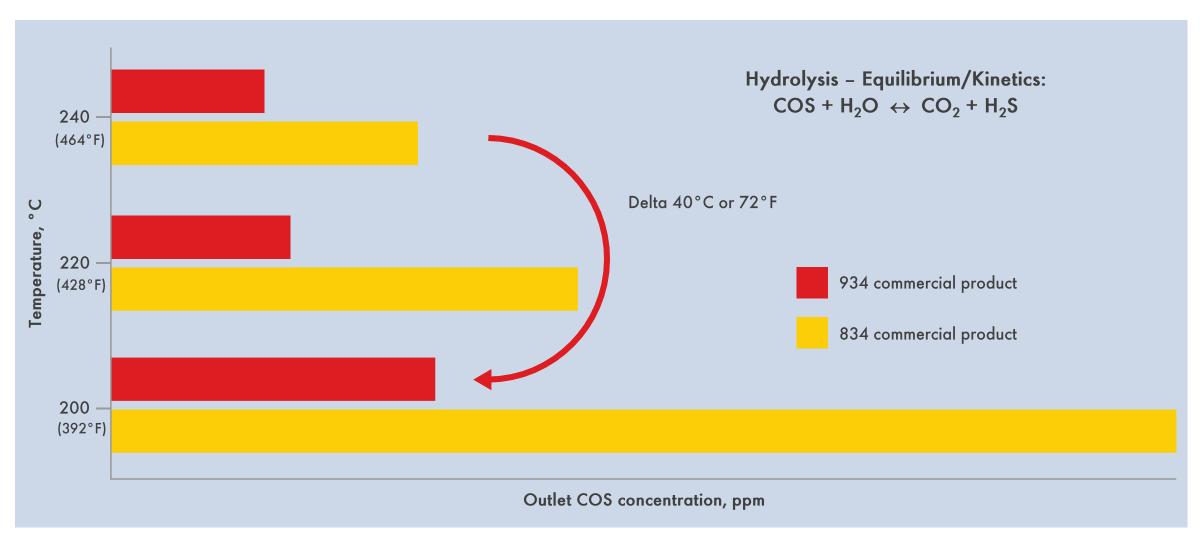


- Typical operating temperature: 240°C 465°F
- Balances fill cost and activity
- Excellent pressure drop performance

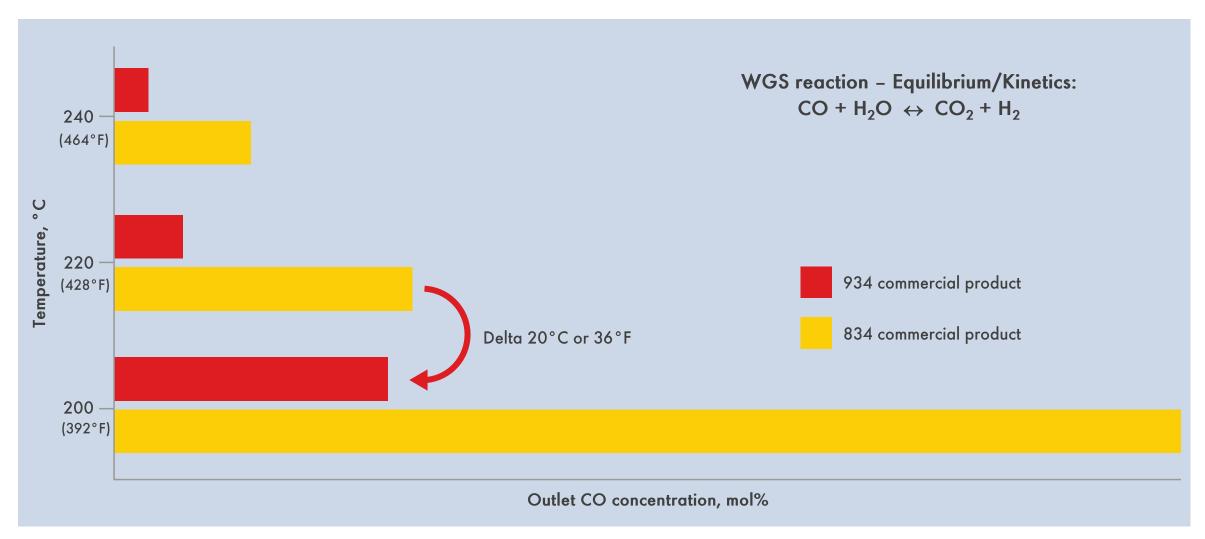


- Typical operating temperature: 280°C 540°F
- Suitable for in-line burner configurations
- Industry-leading pressure drop performance

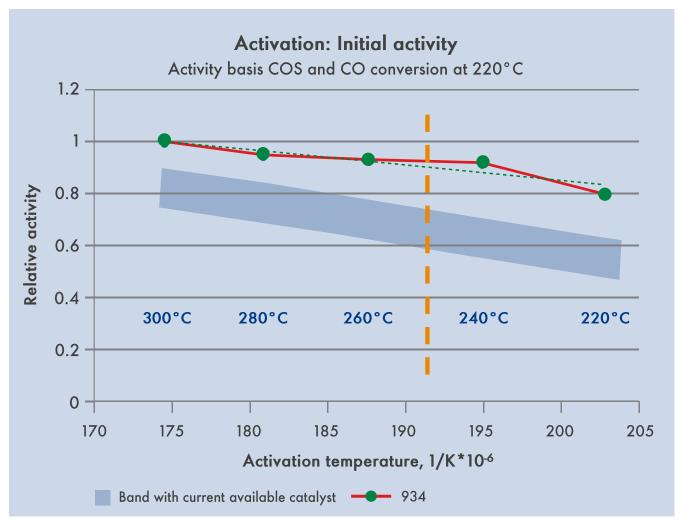
### 934 higher activity and higher selectivity for COS conversion

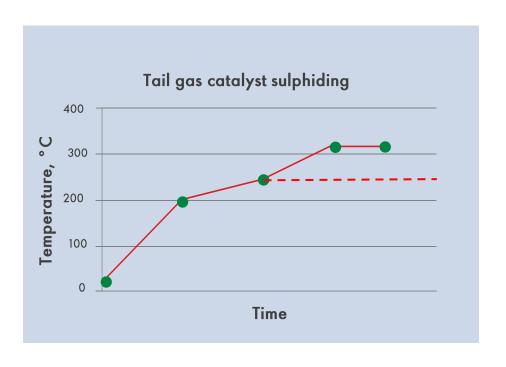


### 934 higher activity and higher selectivity for CO conversion



#### 934 benefits from improved catalyst activation





#### Catalyst Sulfiding

■ CoO + 
$$H_2S$$
  $\rightarrow$  CoS +  $H_2O$ 

$$\rightarrow$$
 CoS + H<sub>2</sub>C

• 
$$MoO_3 + 2H_2S + H_2 \rightarrow MoS_2 + 3H_2O$$

### 934 is likely to be a strong candidate for your unit if you...

... are able to operate at lower temperatures (Energy reduction)

...experience SO<sub>2</sub> emission issues from COS or CS<sub>2</sub> (Emission constraints)

...have tight limits on CO emissions (Emission constraints)

...are designing a new unit that operates at low temperature using steam or electrical heating (Greenfield)



...have an older type unit and the current burner can undergo a basic upgrade for operation at low temperature (Brownfield)

### 934 case study



#### Customer drivers

- Energy reduction target: >10%
   and reduce CO<sub>2</sub>
- OPEX cost reduction target:15%
- COS level EOR max 25 ppm
- Catalyst life cycle of 4 years



#### Results

- System can handle a 210°C RIT using 934
- Even at lower temperature the expected COS value at EOR will be met
- Lowering temperature from 240°C to 210°C reduces Energy consumption



#### **Impact**

- \$221k/y fuel gas savings
- Reduced SOx emissions by lowering COS
- Reduced CO<sub>2</sub> emissions
- Reducing energy use



- Energy savings for four units \$884k/y
- Energy and OPEX saving of 20.5%
- COS at EOR will be lower that 15 ppm



#### The takeaways

WHY?

To help refiners respond to ever-tighter emissions mandates, and other business drivers, we have been developing innovative tail-gas treating catalysts and processes for over 50 years because the environment matters

HOW?

Our catalyst development process is key: It helps us to generate ideas with a high probability of success, screen those ideas as quickly as possible, and extract as many learnings as possible from that data

WHAT?

Our portfolio of 234, 534 and 834 is designed to help meet a wide range of refiners' performance objectives, and we just launched 934, which offers a step change in activity

934

- Operating temperatures as low as 200°C are possible; can help extend cycle life
- Potential energy reductions of 20% (case specific)
- higher hydrolysis performance, higher WGS, low pressure drop

