

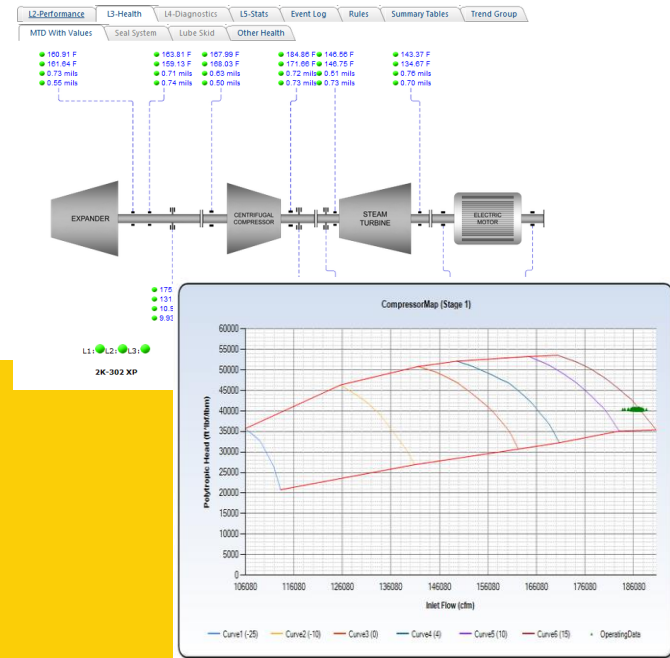


Shell SmartConnect

Improving Reliability and Production in Shell Oil & Gas Facilities

International Gas Turbine
Conference 2016
Brussels, Belgium

Gert Hoefakker
Team Lead Shell SmartConnect



Definitions & Cautionary Note

Reserves: Our use of the term “reserves” in this presentation means SEC proved oil and gas reserves.

Resources: Our use of the term “resources” in this presentation includes quantities of oil and gas not yet classified as SEC proved oil and gas reserves. Resources are consistent with the Society of Petroleum Engineers 2P and 2C definitions.

Organic: Our use of the term Organic includes SEC proved oil and gas reserves excluding changes resulting from acquisitions, divestments and year-average pricing impact.

Resources plays: Our use of the term ‘resources plays’ refers to tight, shale and coal bed methane oil and gas acreage.

The companies in which Royal Dutch Shell plc directly and indirectly owns investments are separate 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 subsidiaries in general or to those who work for them. These expressions are also used where no useful purpose is served by identifying the particular company or companies. “Subsidiaries”, “Shell subsidiaries” and “Shell companies” as used in this presentation refer to companies in which Royal Dutch Shell either directly or indirectly has control. Companies over which Shell has joint control are generally referred to as “joint ventures” and companies 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 a venture, partnership or company, after exclusion of all third-party interest.

This presentation contains forward-looking statements 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 “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “objectives”, “outlook”, “probably”, “project”, “will”, “seek”, “target”, “risks”, “goals”, “should” 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 potential litigation and regulatory measures as a result of climate changes; (k) economic and financial market conditions in various countries and regions; (l) 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. All forward-looking 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 factors that may affect future results are contained in Royal Dutch Shell’s 20-F for the year ended 31 December, 2014 (available at www.shell.com/investor and www.sec.gov). These factors also should be considered by the reader. Each forward-looking statement speaks only as of the date of this presentation, 12-13 October, 2016. Neither Royal Dutch Shell 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. There can be no assurance that dividend payments will match or exceed those set out in this presentation in the future, or that they will be made at all.

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Agenda

- What is SmartConnect?
- Why did Shell develop its own toolkit?
- Levels of “smartness”
- Application on gas turbines
- Future growth

Introduction

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Introduction

- Gert Hoefakker, Team lead Shell SmartConnect
- 26 years in Condition & Performance Monitoring
- 17 years with Brüel & Kjær Vibro
- 9 years with Shell

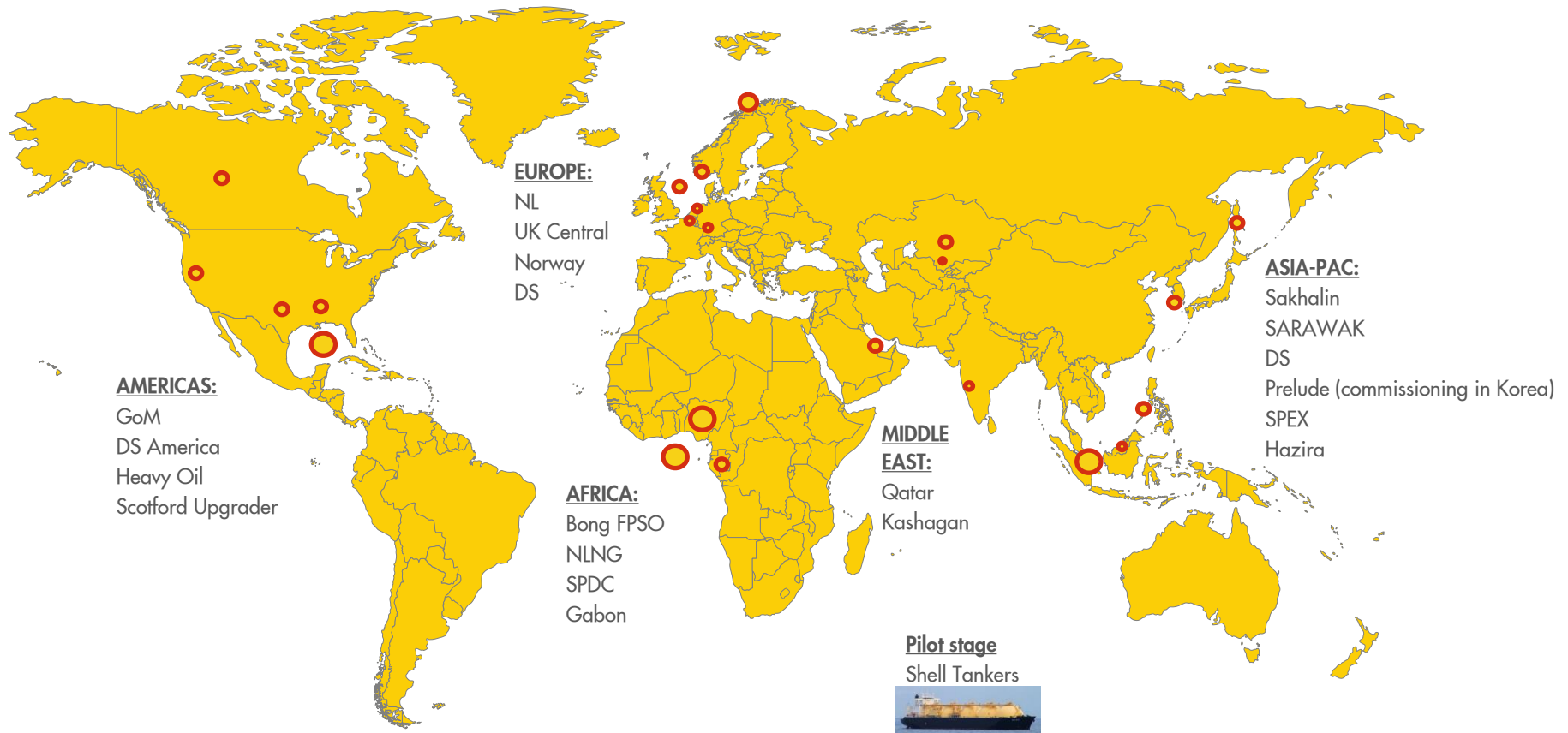
What is SmartConnect



What is SmartConnect

- **What it is:** An integrated, **enterprise-wide** surveillance and condition monitoring system
- **What it does:**
 - Leverages **existing data** and turns it into **actionable information**
 - Predicts and **avoids failures** through real-time decision support and getting more performance from existing operations
 - Integrates **reliability data** to forecast future plant performance (for existing assets and future projects)
 - Integrates other vendor systems to deliver a single analysis of the data through one web portal
 - Uses existing instrumentation, control systems, vibration monitoring hardware, data historians and follows global Shell IT standards
- **Where it's used:**
 - Approximately 6000 rotating pieces of equipment covered to date.
 - Deployed in Downstream, Upstream, LNG/XTL and piloting on Tanker fleet
 - Developments ongoing for non Rotating Equipment

Global presence



Total rotating equipment deployed > 6000

Why did Shell develop its own toolkit?

3

The need for a new approach

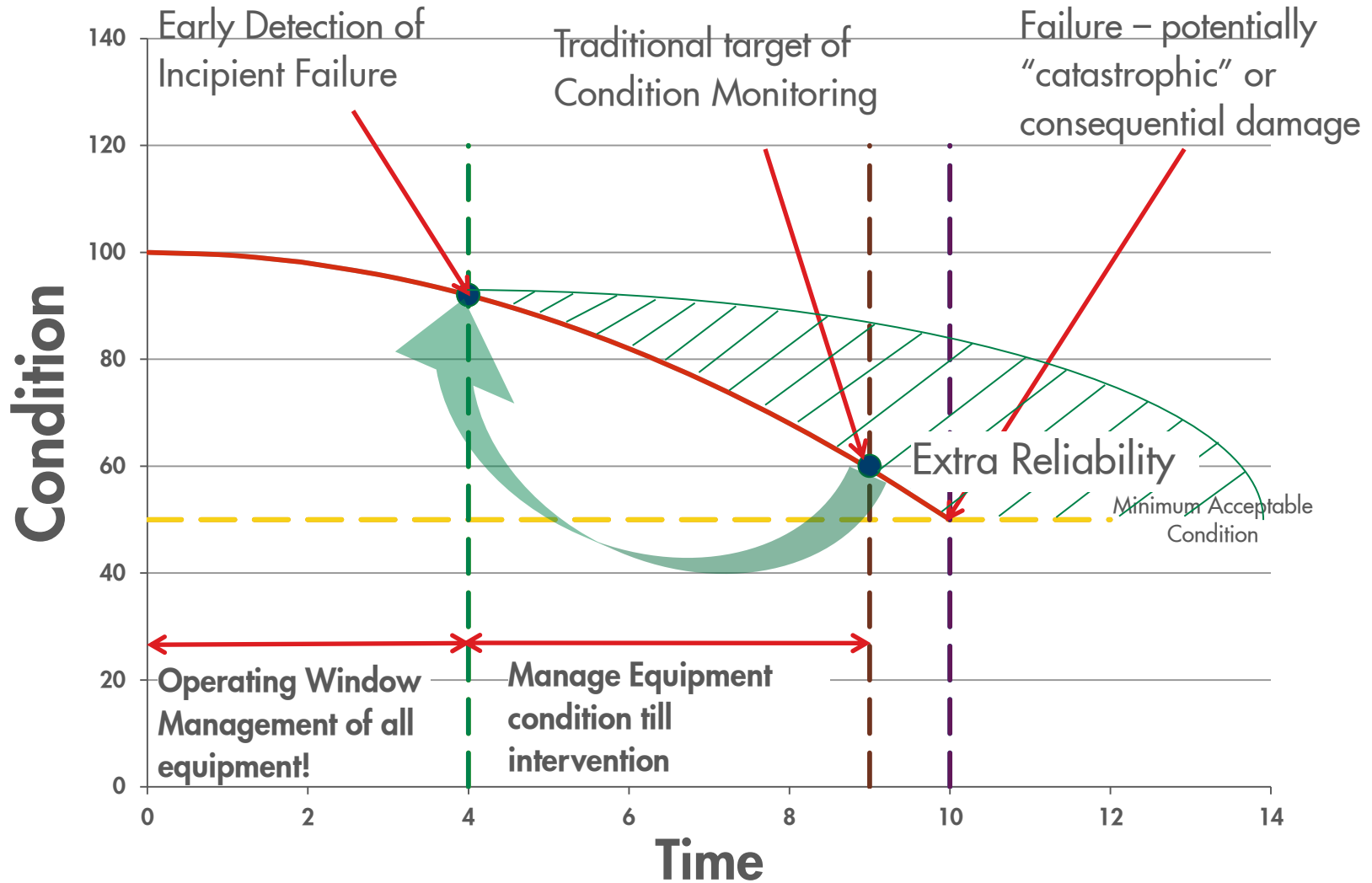
High-technology monitoring systems have been around for years...why do failures still occur?

Traditional systems focus on the damage and are often:

- Overcomplicated and badly embedded in IT infrastructure with poorly understood limitations (Data security and network issues)
- Designed by diagnostic (i.e. vibration) specialists, not facility operators
- Looking for damage, rather than seeking to prevent failure
- Lacking ownership



Remote monitoring & diagnostics target



Levels of “smartness”

4

Level 0 I know Nothing	No Equipment Information Ignorance is Costly !
Level 1 Run Status	Run Status, % Utilization & Reliability tracking Know Your Downtime Dollars !
Level 2 Performance	Actual vs. Potential Performance Improve Your Performance – Maximize Output !
Level 3 Health	Know The Mechanical Health of Your Equipment Optimize Your Maintenance Intervals !
Level 4 Diagnostics	Understand Your Equipments Dynamic Behaviour Enhanced Mechanical Knowledge !
Level 5 Statistics & Assessments	Understand Your Equipment Historic Performance Achieve and Sustain Top Quartile Performance !

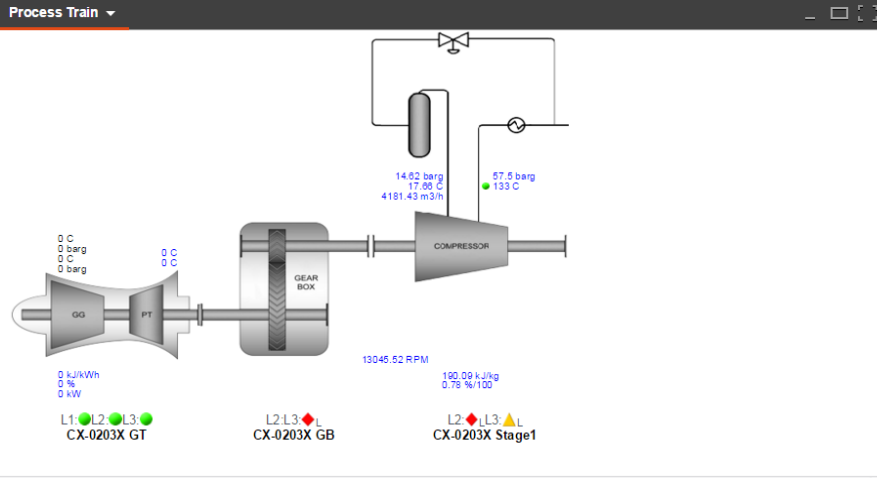
Level 1: Run status

L1-Run Status					
Services					
Service			Train		
Service	<input type="checkbox"/> Uptime % : hrs		Train	<input type="checkbox"/> Uptime % : hrs	
Type: Centrifugal Pump					
◆ CCW2 Circulation Pumps	<input type="checkbox"/> 97.8% :726.9		◆ P-45001A Train	<input type="checkbox"/> 0.0% : 0.0	
			◆ P-45001B Train	<input type="checkbox"/> 0.0% : 0.0	
			◆ P-45001C Train	<input type="checkbox"/> 0.0% : 0.0	
			◆ P-45001D Train	<input type="checkbox"/> 0.0% : 0.0	
◆ CCW3 Circulation Pumps	<input type="checkbox"/> 0.0% : 0		◆ P-45002A Train	<input type="checkbox"/> 0.0% : 0.0	
			◆ P-45002B Train	<input type="checkbox"/> 0.0% : 0.0	
			◆ P-45002C Train	<input type="checkbox"/> 38.8% : 288.0	
			● P-45002D Train	<input type="checkbox"/> 36.1% : 268.2	

Level 2: Performance monitoring

L2 Performance ✓✓○

Performance GT - Performance GT - Temperature Feed Input Summary



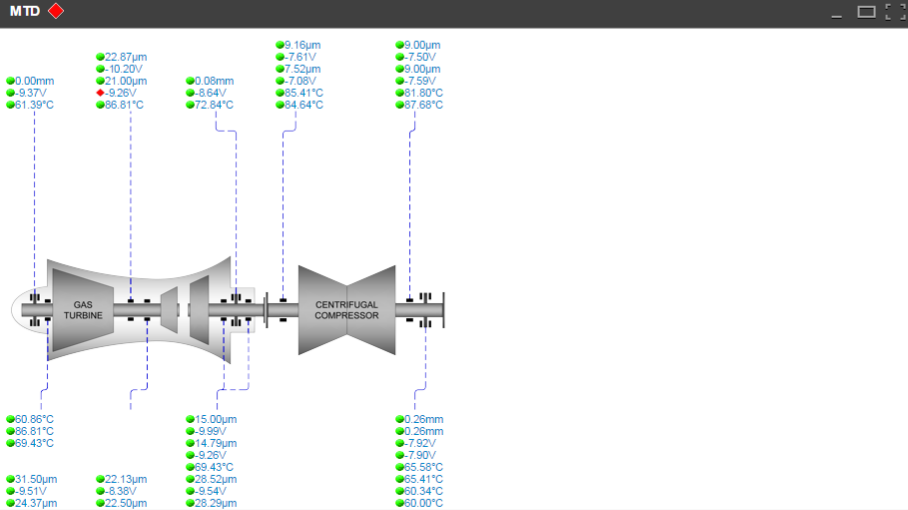
Note: 29-Oct-2014:STL-SMIRK Enabled

Compressor Overall Operating Conditions	Stage 1	
	Actual	Theoretical
Atm Pressure barg	1.01	
Suction Pressure barg	14.62	
Discharge Pressure barg	57.50	60.29
Suction Temperature °C	17.66	
Discharge Temperature °C	133.00	140.60
Standard Flow m ³ /h	66458.77	
Speed Actual RPM	13045.52	
Gas Power kW	3624.71	3783.76
Actual Flow m ³ /h	4166.26	
Polytropic Head kJ/kg	190.09	198.05
Polytropic Eff %/100	0.78	0.78
Act. Flow to Flow Range Ratio %	33.34	
Recycle Valve Position %		
Total Power Analysis		
Gas Power kW	3624.71	3783.76
Driver Power kW	5088.00	



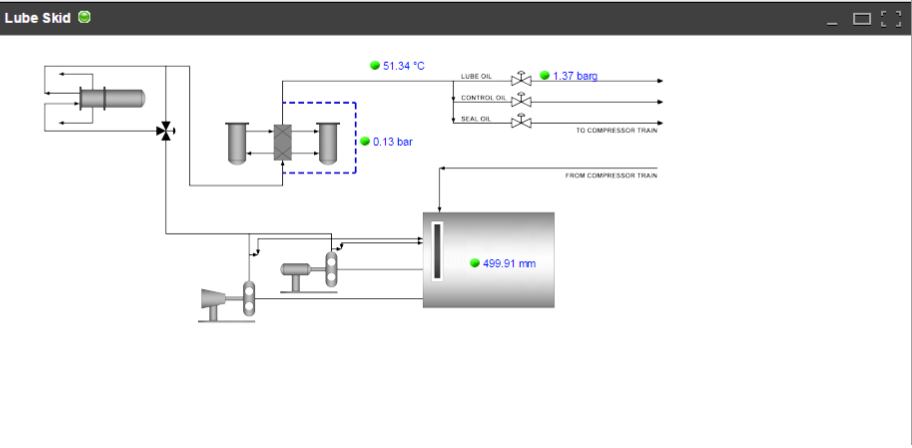
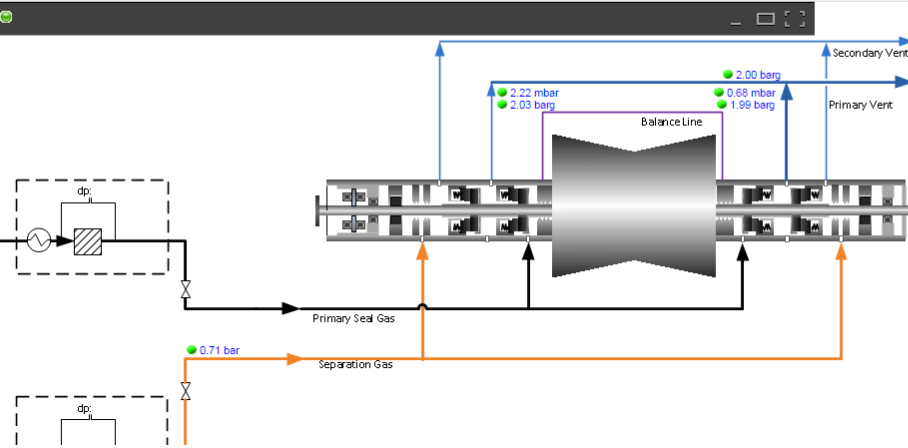
Level 3: Health monitoring

L3 Health Monitoring



Bearings Table

Indicator Group Name	Indicator Name	Pi Tag	LoLo	Lo	Hi	HIHI
Body: K2000 GT						
GG Radial Bearing #1	Radial Vibration Overall X µm	31.50			40	60
GG Radial Bearing #1	Gap Voltage X V	-9.61	-10.49	-10.24	-8.74	-8.49
GG Radial Bearing #1	Radial Vibration Overall Y µm	24.37			40	60
GG Radial Bearing #1	Gap Voltage Y V	-8.55	-9.53	-9.28	-7.78	-7.53
GG Radial Bearing #1	Radial Bearing Temperature 1 °C	60.86			90	100
GG Radial Bearing #2	Radial Vibration Overall X µm	22.87			30	50
GG Radial Bearing #2	Gap Voltage X V	-10.20	-11.22	-10.97	-9.47	-9.22
GG Radial Bearing #2	Radial Vibration Overall Y µm	21.00			30	50
GG Radial Bearing #2	Gap Voltage Y V	-6.76	-14.88	-14.68	-13.48	-13.28
GG Radial Bearing #2	Radial Bearing Temperature 1 °C	86.81			90	100
GG Radial Bearing #3	Radial Vibration Overall X µm	22.13			30	50
GG Radial Bearing #3	Gap Voltage X V	-8.38	-9.55	-9.3	-7.8	-7.55
GG Radial Bearing #3	Radial Vibration Overall Y µm	22.50			30	50
GG Radial Bearing #3	Gap Voltage Y V	-8.83	-10.01	-9.76	-8.26	-8.01
GG Radial Bearing #3	Radial Bearing Temperature 1 °C	86.81			90	100
GG Thrust Bearing	Thrust Position Axial Probe 1 mm	0.00	-0.29	-0.24	0.16	0.21
GG Thrust Bearing	Gap Voltage 1 V	-9.37	-11.56	-11.16	-7.96	-7.56
GG Thrust Bearing	DE Thrust Bearing Temperature 1 °C	61.39			90	100
PT Radial Bearing #4	Radial Vibration Overall X µm	15.00			30	50



Level 4: Diagnostics

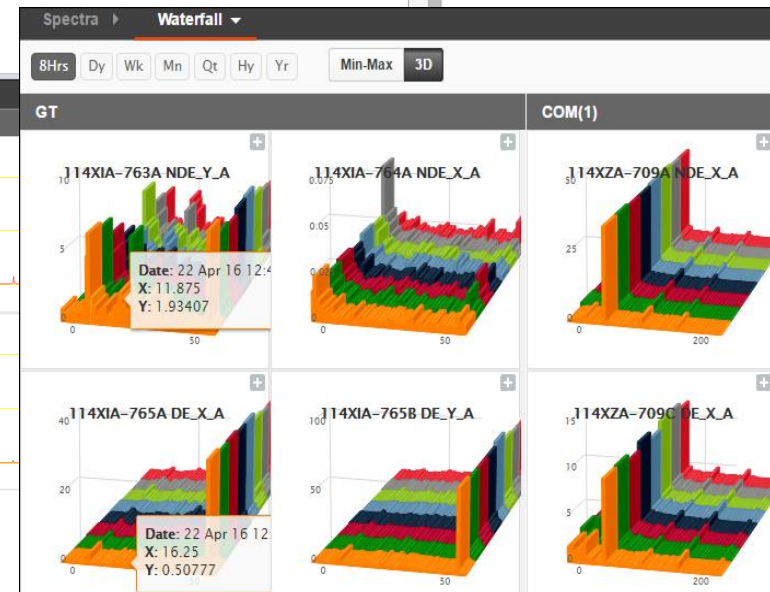
Business Site Plant Train Asset Search 28/Oct/2015 01:44 AM - 28/Oct/2015 09:44 AM

L4 Diagnostics Async Sync

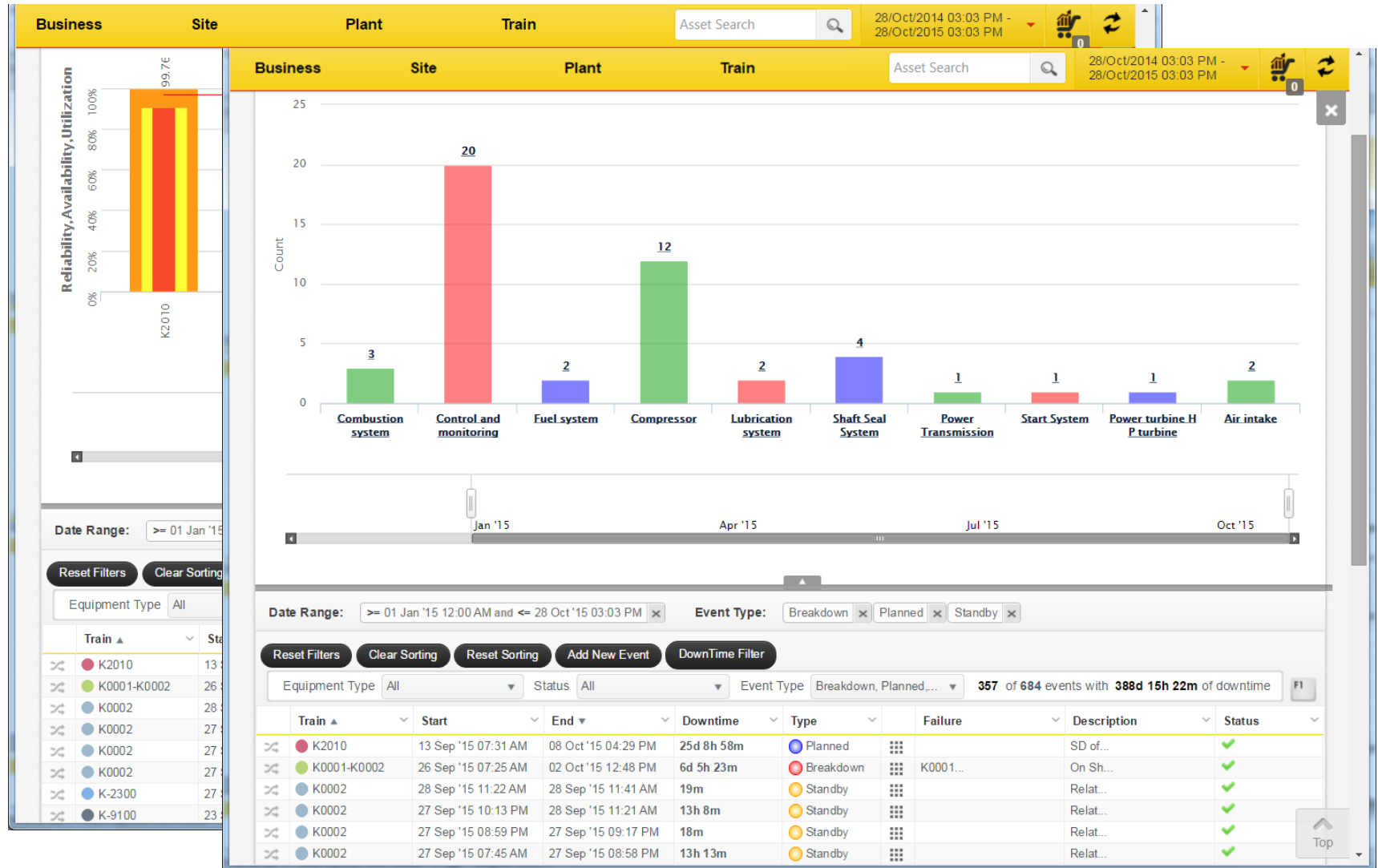
Vibration MTD Health MTD

Vibration Table Date: 17 Sep 15 10:23 AM

Indicator	Speed	Direct	Gap	PIX	A1X	P2X	AZX	N1X
Body: 1:MT								
AVT-221B1 MDEX	2539	0.578	-9.590	211.000	0.284	0.000	0.080	0.179
AVT-221C1 MDEY	2539	0.341	-9.832	354.000	0.221	163.000	0.023	0.153
AVT-221D1 MDEX	2539	0.557	-9.927	147.000	0.448	157.000	0.046	0.181
AVT-221E1 MDEY	2539	0.412	-10.052	260.000	0.294	328.000	0.044	0.162
Body: 2:Pump								
AVT-220A1 PDEX	2539	0.275	-9.179	212.000	0.151	236.000	0.027	0.187
AVT-220B1 PDEY	2539	0.387	-9.673	250.000	0.223	18.000	0.023	0.227
AVT-220C1 PNDEX	2539	0.635	-9.389	338.000	0.456	7.000	0.179	0.303
AVT-220D1 PNDEY	2539	0.561	-9.212	79.000	0.307	192.000	0.244	0.347



Level 5: Statistics and Assessments

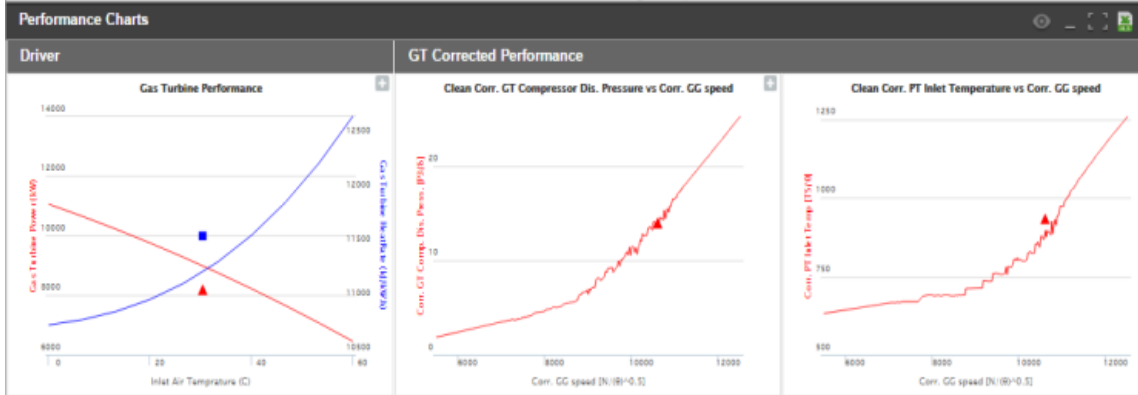


Application on gas turbines

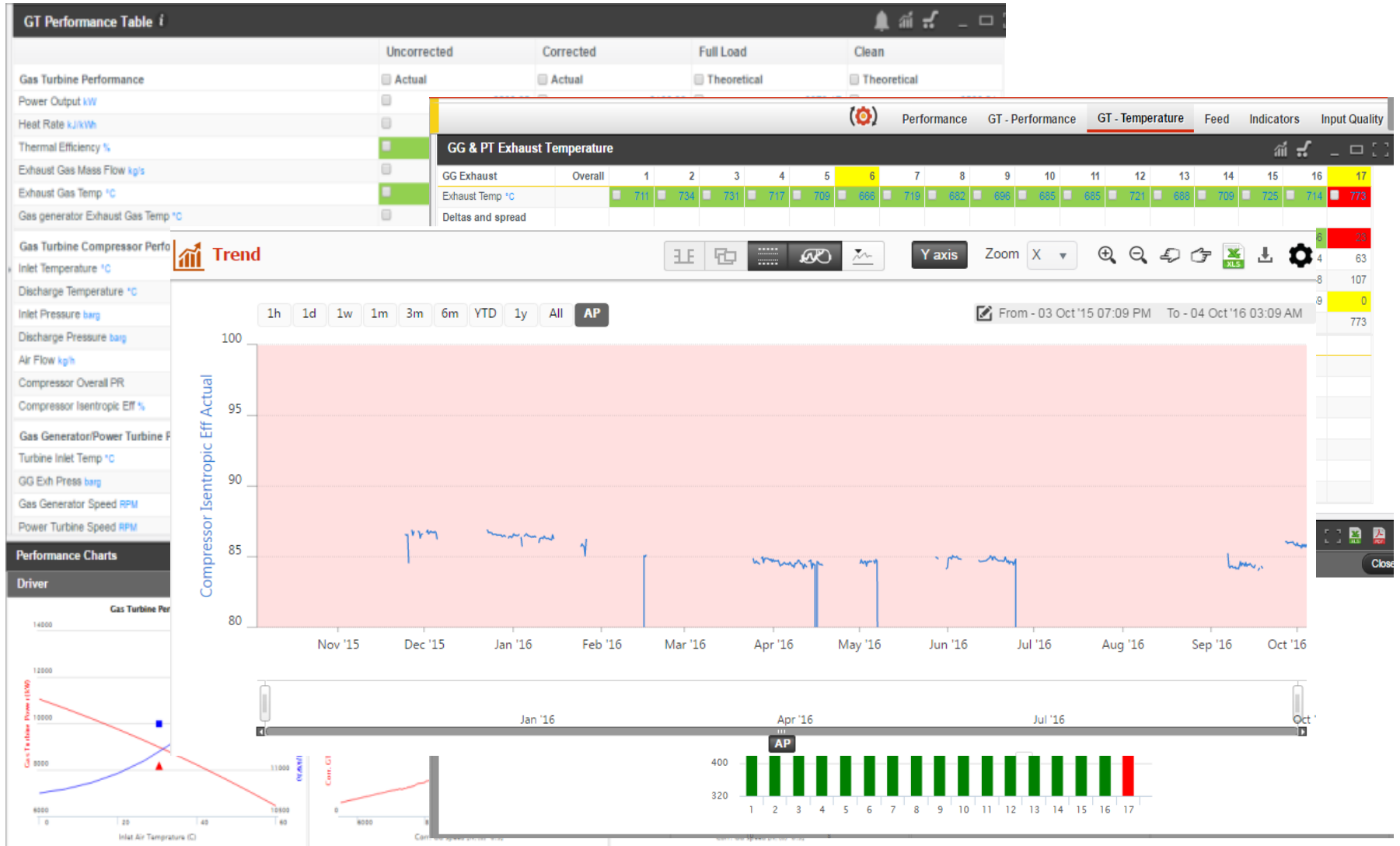
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Gas turbine performance

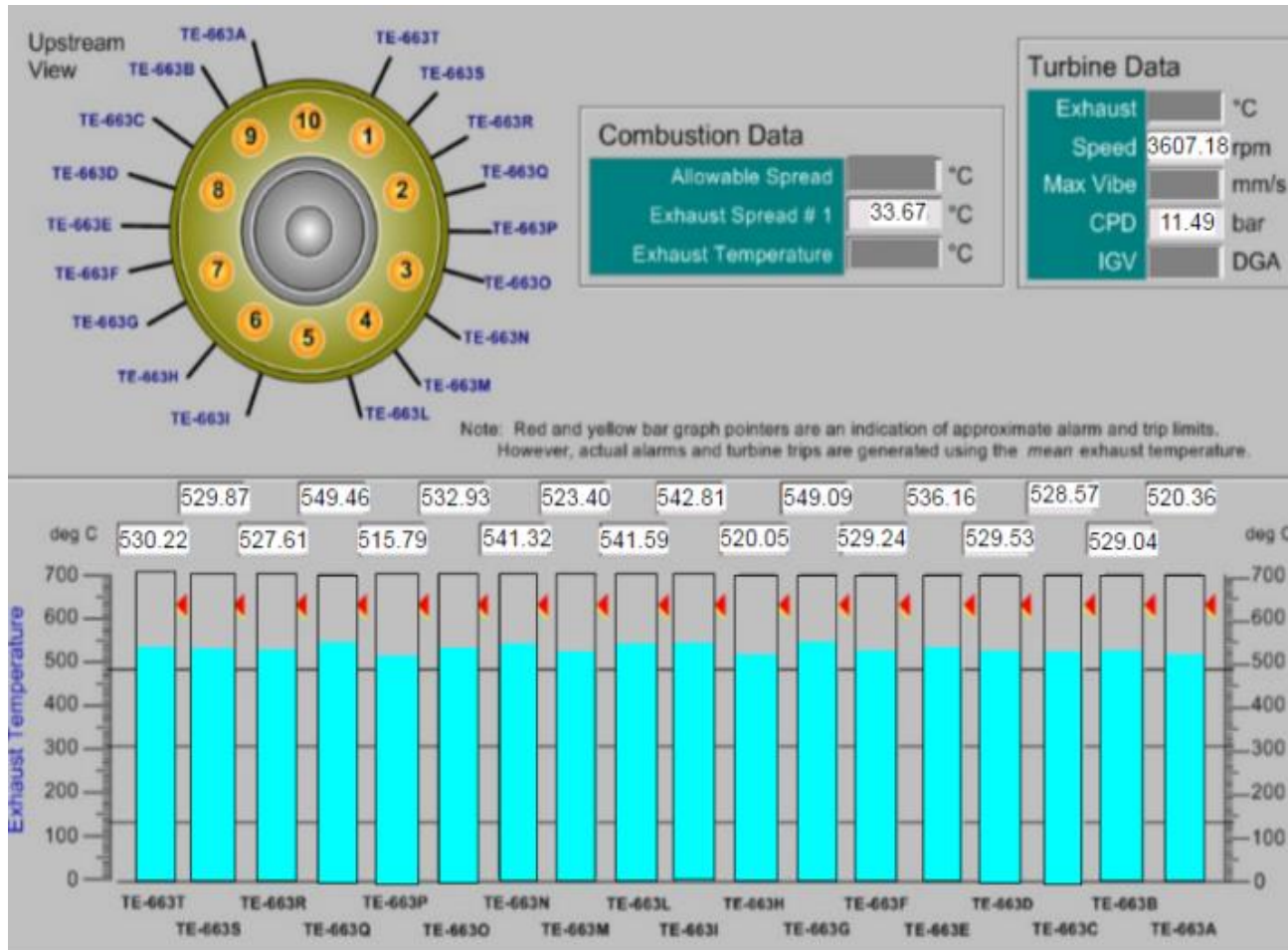
GT Performance Table		Uncorrected	Corrected	Full Load	Clean
Gas Turbine Performance		<input type="checkbox"/> Actual	<input type="checkbox"/> Actual	<input type="checkbox"/> Theoretical	<input type="checkbox"/> Theoretical
Power Output kW	<input type="checkbox"/>	8083.65	8186.38	<input type="checkbox"/>	8973.17
Heat Rate kJ/kWh	<input type="checkbox"/>	11677.39	11601.58	<input type="checkbox"/>	11274.21
Thermal Efficiency %	<input checked="" type="checkbox"/>	30.83		<input type="checkbox"/>	32.34
Exhaust Gas Mass Flow kg/s	<input type="checkbox"/>	35.48		<input type="checkbox"/>	36.96
Exhaust Gas Temp °C	<input checked="" type="checkbox"/>	490.06		<input type="checkbox"/>	467.70
Gas generator Exhaust Gas Temp °C	<input type="checkbox"/>	709.69		<input type="checkbox"/>	670.19
Gas Turbine Compressor Performance		<input type="checkbox"/> Actual	<input type="checkbox"/> Theoretical		
Inlet Temperature °C	<input type="checkbox"/>	30.43			
Discharge Temperature °C	<input type="checkbox"/>	459.27	423.10		
Inlet Pressure barg	<input type="checkbox"/>	0.00			
Discharge Pressure barg	<input type="checkbox"/>	12.90	13.32		
Air Flow kg/h	<input type="checkbox"/>	125671.75	130979.24		
Compressor Overall PR	<input type="checkbox"/>	13.77	14.19		
Compressor Isentropic Eff %	<input checked="" type="checkbox"/>	76.49	85.57		
Gas Generator/Power Turbine Performance		<input type="checkbox"/> Actual	<input type="checkbox"/> Theoretical		
Turbine Inlet Temp °C	<input type="checkbox"/>	1054.07	1003.18		
GG Exh Press barg	<input type="checkbox"/>	2.50	1.96		
Gas Generator Speed RPM	<input type="checkbox"/>	10880.83			
Power Turbine Speed RPM	<input type="checkbox"/>	8345.15			



Gas turbine performance



Gas turbine OEM interfaces in SmartConnect



Future growth



Wear is not the dominant cause of failure

Equipment does not die: it is killed...

Many failures are caused by operating window violations, operational issues and auxiliaries, including those involving:

- ■ fuel quality
- ■ combustion air quality
- ■ Lubrication
- ■ control mismatches
- ■ off-design operation
- ■ contamination (solids)
- ■ seal failures
- ■ liquid carry-over and fouling
- ■ surge control
- ■ valve problems
- ■ **Non core Rotating Equipment Engineer issues, requires multi-disciplinary approach to solve**

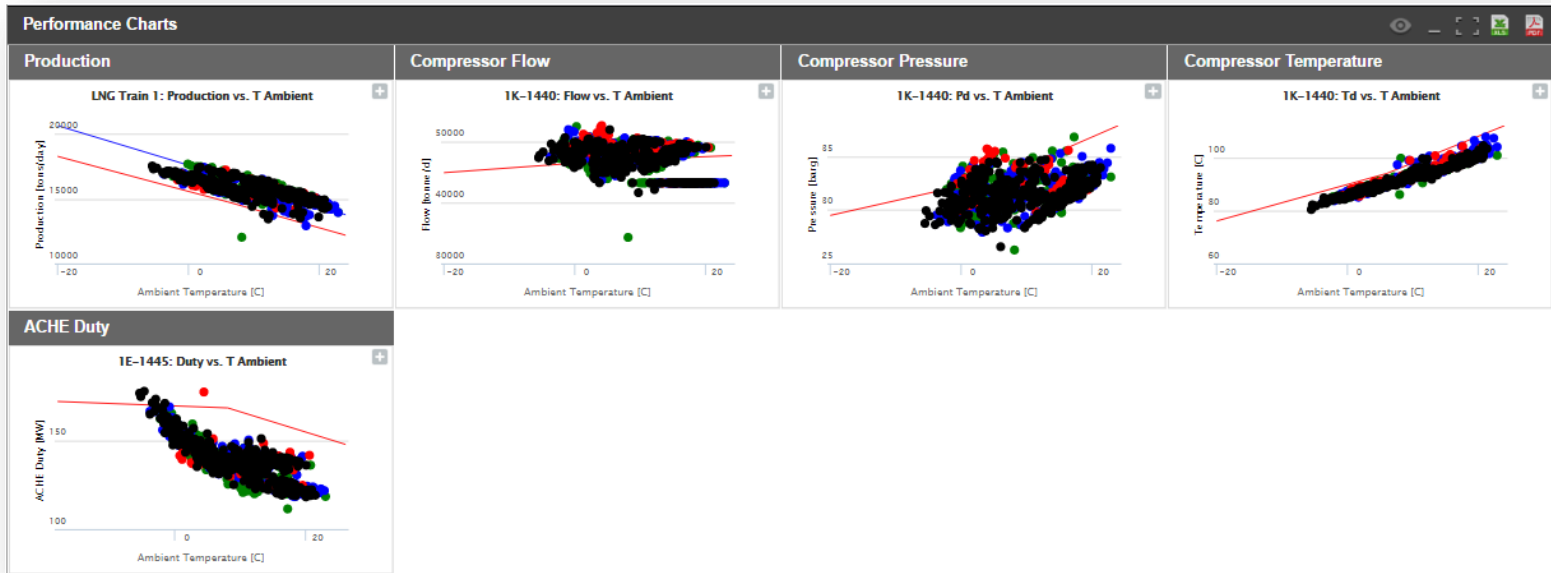
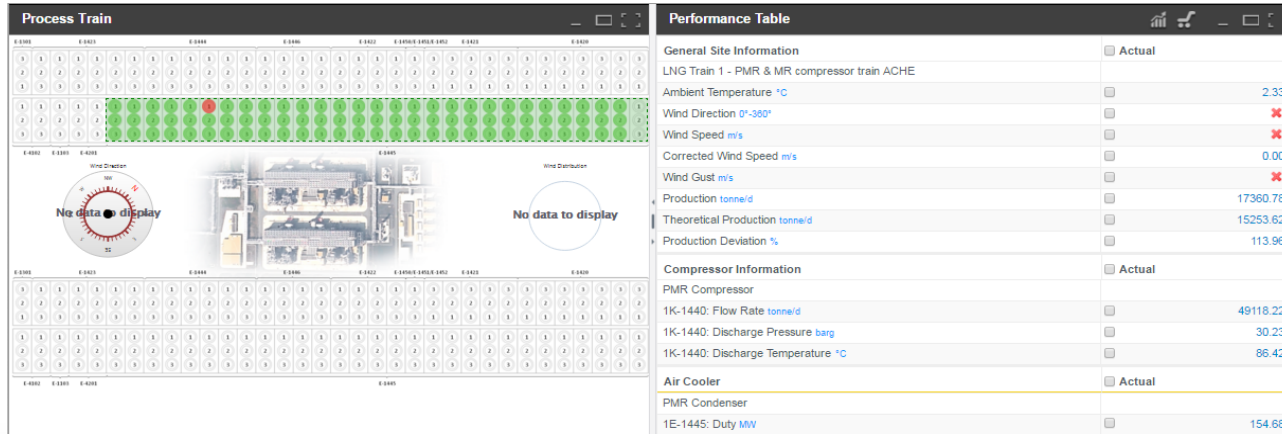


Hot corrosion damage to turbine blade

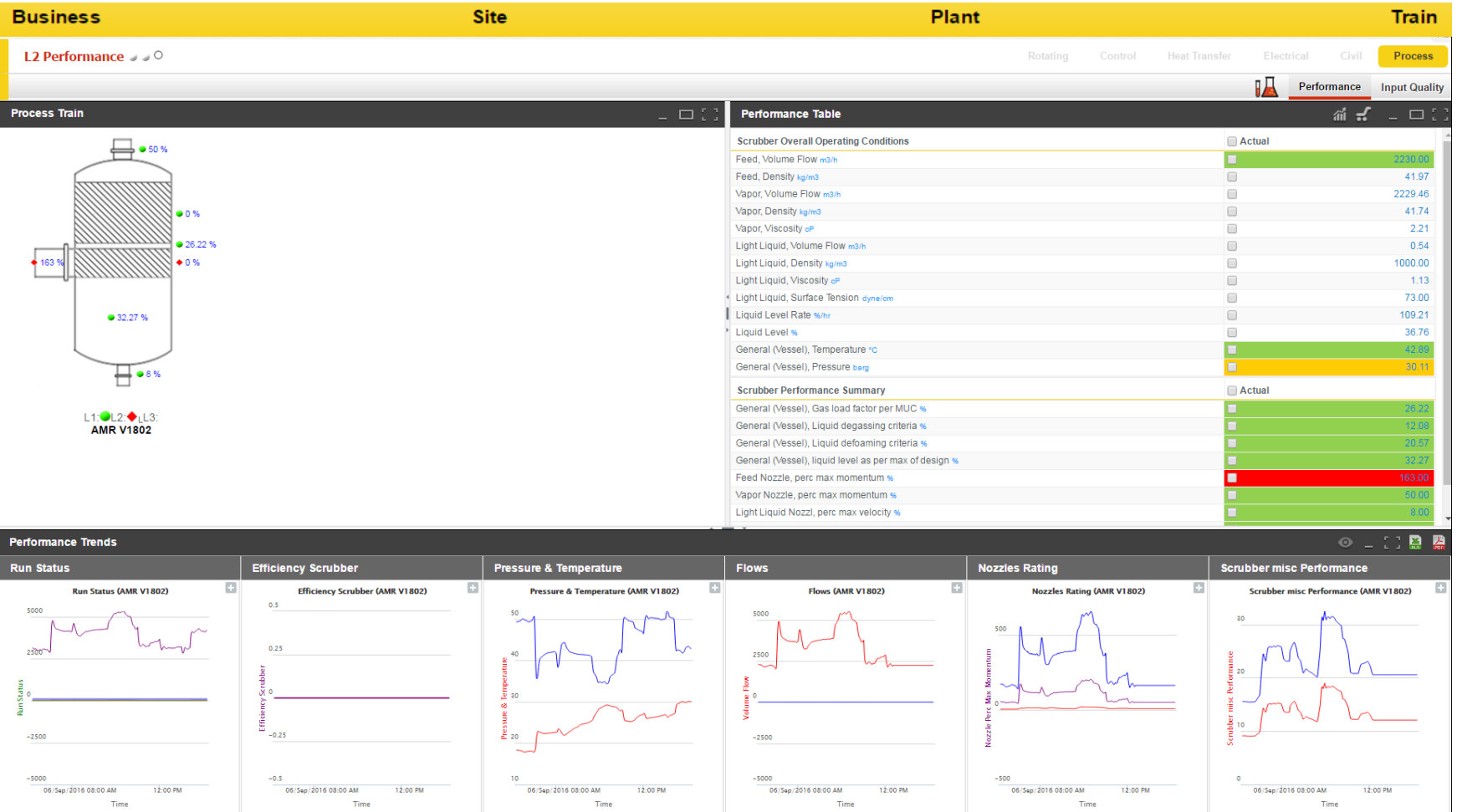


Fuel problem

Air cooled heat exchanger



Pressure Vessels



Questions and Answers

Q&A

