

Nominated for the Public Eye People's Award 2013

by Greenpeace Russia, www.greenpeace.ru



1 In Brief

Shell boasts that it's "Arctic Ready", but an accident prone summer has shown that this will never be true. The Anglo-Dutch company is the first oil 'super-major' to move **into the fragile Arctic to drill the last drops of oil**. The great irony is that Arctic drilling is only made possible by the rapidly melting ice, itself a result of climate change. It's a vicious circle: oil drilling in the Arctic offshore means **new carbon emissions**, which lead to melting ice, which open up the region to reckless companies like Shell. Added to this are **the massive risk of oil spills and** a lost opportunity to redirect investment into green energy. It's now absolutely clear that Shell has no intention of making **renewable energy** a major part of its **long-term strategy**.

Oil exploration in the Arctic also poses huge risks to the four million people and amazing animals who live there. While Shell confidently tells us that it has «made numerous plans for dealing with oil in ice», the company also **admits that the technical and environmental challenges of oil exploration in the Arctic «are immense»**. Specialists believe that «there is really no solution or method today that we're aware of that can actually recover spilt oil from

the Arctic». Shell senses a clear opportunity in Alaska, arguing that «much like landing on the moon, it doesn't hurt to be first.»

2 Shell

- Main Office: Den Haag, Netherlands
- Industry: Oil and Gas
- Revenue / Net Income: 470 billion \$ / 30,9 billion \$
- Owned by: publicly owned
- Employees: 90'000
- President Board of Directors: Jorma Ollila
- CEO: Peter Voser
- Website: www.shell.com

3 Irresponsible Corporate Behavior

Shell is drilling in the ice-bound seas of the Alaskan Arctic. The company also strip mines the boreal forest to access the Canadian tar sands. It operates the world's deepest oil platform over a mile and half deep in the Gulf of Mexico. It spills in the Niger Delta. When it comes to controversial, risky and polluting forms of oil, Shell is always there.

Shell sees the Alaskan Arctic as the next great oil frontier, saying it has «significant untapped potential and will play an increasingly important role in meeting the energy challenge in the future.» The company has confirmed it will return to drill further wells the Beaufort and Chukchi Seas in the coming years, saying «we'll go back and repeat that operation in 2013, potentially 2014, until we really get a feel for how much hydrocarbons are in place». The risks of a spill in this pristine environment are huge, the consequences even more so. This summer alone the company grounded a huge drilling rig off Alaska's coast by mistake – this was after a fire broke out on its other drillship nearby. If it can't control its equipment when it's not even drilling, what chance does it have when the real dirty business begins?

Canada's tar sands are deposits of bitumen mixed with clay, sand and water, which can be processed to make synthetic crude oil. The largest deposits are found in Alberta, Canada, in an area the size of England. The environmental impact of the tar sands industry is staggering.

Nearly 29% of Shell's reserves are in the Canadian tar sands. The company is the third largest operator in the tar sands, responsible for 8% of all Canadian tar sand production, and that proportion is set to grow with the Jackpine mine expansion project. These are astounding figures for a company that would have you believe it is an ally in the movement for sustainability, because the tar sands industry ranks among the most destructive forms of extraction on the planet.

4 Consequences

The ice at the top of the world reflects much of the sun's heat back into space and keeps our whole planet cool, stabilizing the weather systems that we depend on to grow our food. Protecting the ice means protecting us all. In the last 30 years, we've lost as much as three-quarters of the floating mass of ice at the top of the world. The volume of that sea ice

measured by satellites in the summer, when it reaches its smallest, has shrunk so fast that scientists say it's now in a «death spiral». For over 800,000 years, ice has been a permanent feature of the Arctic ocean. The speed of the current melting is closely linked to the use of dirty fossil fuel energy, and in the near future it could be ice free for the first time in thousands of years. Any new oil production in the Arctic means new carbon emissions, which in turn melt more Arctic ice. It's a vicious circle.

Shell – which was recently responsible for significant oil spills in Nigeria and the UK – says it will be able to ‘encounter’ up to 90% of any spilled oil in Alaska – but not actually clean it up. The US Geological Survey estimates recovery levels of just 1% to 20% in the Arctic. Only about 17% of oil was ever recovered after Deepwater Horizon, while the figure for Exxon Valdez was around 9%. Almost no baseline scientific research has been done on the offshore Arctic and we have very little understanding about how this potentially complex ecosystem operates or would respond to serious stress from, for instance, an oil spill. However, it's clear that a major spill, with oil gushing unchecked for months on end in a region that has more coastline than the rest of the USA combined, would very likely have a catastrophic impact on local wildlife and fishing. The region is a vital habitat for species such as polar bears, musk ox, bearded and ribbon seals, bowhead and blue whales, and fish including Arctic char, halibut and salmon shark, while Alaska is home to birds such as the king eider, gyrfalcon, bald eagle and trumpeter swan.

5 Current State and Demands on the Company

Shell must scrap its Arctic plans as well as its Tar Sands project.

6 More Information

Shell Alaska boss: 'There will be spills':

<http://www.telegraph.co.uk/finance/newsbysector/energy/oilandgas/9712687/Shell-Alaska-boss-There-will-be-spills.html>

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Congressmen attack Shell over 'alarming blunders' in Arctic:

<http://www.telegraph.co.uk/finance/newsbysector/energy/9781671/Congressmen-attack-Shell-over-alarming-blunders-in-Arctic.html>

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Cold calling: the lure of Arctic oil:

<http://www.independent.co.uk/news/business/analysis-and-features/hot-spots-to-fan-the-flames-of-oils-critics-8439491.html>

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Hot spots to fan the flames of oil's critics:

<http://www.independent.co.uk/news/business/analysis-and-features/hot-spots-to-fan-the-flames-of-oils-critics-8439491.html>

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Shell to Expand Athabasca Oil-Sands Output:

<http://online.wsj.com/article/SB10001424052702303807404577435032862701706.html>

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Nigeria on alert as Shell announces worst oil spill in a decade:

<http://www.guardian.co.uk/environment/2011/dec/22/nigerian-shell-oil-spill>