



Protecting Our Environment

Taking Action On Climate Change

by Sir Philip Watts, Chairman
of Shell Oil Company

(NAPSA)—Some fear melting ice caps and the flooding of large tracts of low-lying land around the globe. Others say the science simply isn't conclusive and there is no need to alter the way we live in the 21st Century. Whatever, the phenomenon of "global warming" or climate change provokes strong feelings and tension between Europe and the United States.



Greenhouse gas emissions from human activities do bring about lasting changes likely to affect the climate. And these green-

house gases come largely from burning fossil fuels—coal, oil and gas—which are the dominant sources of energy.

I accept that there are uncertainties about the risks and the impact there will be from changes in climate. But we cannot wait to answer all questions beyond reasonable doubt and so I say we need to act now.

Responding to the climate threat effectively is made harder by the differences and tensions that exist between the key players. I believe that business can help to bridge the gap and the starting point is that, despite the rhetoric, there is common ground for us to build on. Business is inclined to take action on issues and we gain from cooperating with others as well as competing.

And the great thing is that taking action on climate change does not have to jeopardize prosperity. In fact, I would argue that their action has commercial benefits.

Companies which play their part in improving eco-efficiency within their own operations, will

lower their costs and so make money for their investors. It's simple and it's difficult to argue against.

So how can energy companies help to reduce greenhouse gas emissions? We can cut the unnecessary natural gas flaring where the natural gas associated with crude oil production is burnt off at the well-head.

We can develop and apply technologies and expertise to reduce the impact of our operations and plants.

And we can help our customers to reduce the impact of their energy use and needs. How? By enabling more use of natural gas which produces less greenhouse gas when it is burnt. The U.S. will undoubtedly grow its use of natural gas over the coming years and will have to import more liquefied gas to meet its needs. We can help with that.

And by delivering better fuels and lubricants that can improve motor vehicle fuel economy.

Finally, we can work to commercialize alternative forms of energy like hydrogen. President Bush has announced strong support for research into the use of hydrogen fuel cells for which we see great potential. And renewable energy like wind and solar power will play their part.

These actions have one thing in common: they are business opportunities. Pursuing them is part of the drive to create new, long-term sources of value for shareholders by offering new choices for customers.

So let's end the international fighting and tension on climate change. Let's work together to take practical action. We can't afford not to.

To view the Shell Report, please go to www.shell.com.