

-Original Message-----

> From: John Donovan <john@shellnews.net>
> To: admin@mnr.gov.ru <admin@mnr.gov.ru>
> CC: info@cbi-mpr.ru <info@cbi-mpr.ru>; Van der Veer, Jeroen
> SI-GLOBAL; Brinded, Malcolm A RDS-ECMB
> Sent: Mon Aug 07 16:40:32 2006
> Subject: Sakhalin-2 Project

> MINISTRY OF NATURAL RESOURCES OF THE RUSSIAN FEDERATION

> Email for the personal attention of Mr. Oleg Mitvol,

> Deputy Head of the Natural Resources Ministry's Ecological
> Department, Russia.

> Dear Mr Mitvol

>
> I have read with interest the recent press reports that you
> are considering taking legal action in respect of the Shell
> led Sakhalin-2 project.
>
>
>
> In this connection, I would draw your attention to the
> website www.royaldutchshellplc.com
<<http://www.royaldutchshellplc.com/>> and in particular, its "Live Chat" feature, as I suspect that it could supply
you with some important Shell insider information regarding environmental issues in which you are interested.

THE WEBSITE

The website contains a wealth of searchable information about Royal Dutch Shell Plc and the incompetence and
misdeeds of its directors, most of whom including its Chief Executive, Jeroen van der Veer, are defendants in a
multibillion dollar class action lawsuit in respect of the recent Shell reserves fraud which has been described as
the biggest corporate fraud in history. Rather than describe it in detail I would refer you to a Wikipedia article
which provides a more neutral account of the background to the site:
<http://en.wikipedia.org/wiki/Royaldutchshellplc.com>

THE "LIVE CHAT" FEATURE

Shell shut down its own "Tell Shell Forum" Internet discussion forum several months ago claiming it was merely
being suspended for a revamp. In fact, Shell management no longer wanted to hear what Shell stakeholders,
including its own employees, were posting on the facility. It simply could not put up with the rising crescendo of
activism following blunder after blunder, including the \$10 BILLION cost overrun on Sakhalin-2. We decided to
provide an alternative upgraded facility - "Live Chat" - which enables anyone anywhere to post information without
giving away their name or location. The feature is now receiving more daily postings than the "Tell Shell Forum". It
is clear that almost all are from well educated highly informed Shell insiders, but we caution visitors to use their
own judgement in assessing the veracity of posting. Some recent postings are in relation to fundamental design
faults at Sakhalin-2 with warnings of potential catastrophic failure. At least one organisation has already sat up and
taken notice as will become evident if you visit the "Live Chat" facility. You are free to make your own appeal for
information if you so wish and it is possible to put in URL link into a posting just by pasting the URL at the end of
the text. The URL will then appear as "Link".

-----Original Message-----

From: John Donovan [mailto:john@shellnews.net]

Sent: woensdag 27 september 2006 9:30

To: Van der Veer, Jeroen SI-GLOBAL; Brinded, Malcolm A RDS-ECMB

Cc: Wiseman, Richard RM SI-LMAPF; alfred@shellnews.net

Subject: Sakhalin II Cost OverrunDe: \$20 billion, £22 billion, \$25 billion or \$26 billion?

Dear Mr Van der Veer

Reference my email of 26 Sept: [Email to Jeroen van der Veer: the Sakhalin II crisis](#)

Bloomberg have been in contact with me overnight kindly providing the precise calculation for the Sakhalin II \$22 billion project cost (which they have cited again in an article published today). In other words, it was not an error, but a deliberate step up in the figure quoted: a Bloomberg article on 24 September was still quoting the \$20 billion figure.

Confusion reigns...

A Wall Street Journal report this morning is still using the \$20 billion sum.

Bloomberg insists that the correct figure is \$22 billion.

As we have previously pointed out to you, a figure of \$25 billion was mentioned in The Observer article on

21/03/2007

Sunday.

Until such time as Shell clears up the confusion over this hugely important issue, we stick by our figure of \$26 billion, which is based on information from usually reliable Shell insider sources.

Given the gravity of the current crisis, it really is imperative that the confusion is ended.

What is the current highest projected Sakhalin II project cost stated in Shell internal documents?

The answer will be of considerable interest to your project partners, shareholders, employees and the Russian government.

The stability and reputation of Royal Dutch Shell is at stake if the truth is being deliberately withheld at this crucial time.

Yours sincerely
John Donovan

Malcolm Brinded, Chief Executive, Shell Exploration & Production
Richard Wiseman, General Counsel, Shell International Petroleum Company Limited

[REDACTED]

From: John Donovan [john@shellnews.net]
Sent: 27 September 2006 08:30
To: Van der Veer, Jeroen SI-GLOBAL; Brinded, Malcolm A RDS-ECMB
Cc: Wiseman, Richard RM SI-LMAPF; alfred@shellnews.net
Subject: Sakhalin II Cost OverrunDe: \$20 billion, £22 billion, \$25 billion or \$26 billion?

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John Donovan

Malcolm Brinded, Chief Execution, Shell Exploration & Production
Richard Wiseman, General Counsel, Shell International Petroleum Company Limited

21/03/2007

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[REDACTED]

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Sent: 27 September 2006 08:30
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Follow Up Flag: Follow up
Flag Status: Flagged

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John Donovan

Cc

Malcolm Brinded, Chief Execution, Shell Exploration & Production
Richard Wiseman, General Counsel, Shell International Petroleum Company Limited

21/03/2007

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[REDACTED]

From: John Donovan [john@shellnews.net]
Sent: 15 November 2006 00:46
To: Wiseman, Richard RM SI-LMAPF
Cc: van der Veer, Jeroen J RDS-CEJV; Brinded, Malcolm A RDS-ECMB
Subject: Sakhalin II

Dear Mr Wiseman

I am writing as a matter of courtesy to inform you that I will be interviewed by a Russian newspaper later today after receiving an approach from them. They have been following events on our website and the interview will be in relation to Sakhalin II. There are some things in life which supersede national considerations e.g. a potential environmental catastrophe beyond anything humanity has witnessed (see link below). We will supply documentary evidence to back up what we say. I am sure you will agree that incompetence, cover-up and deceit in such crucially important matters are not acceptable when the stakes are so high.

I will also, with the aid of our extensive and growing network of Shell insiders, facilitate the supply of witnesses and evidence to the Russian authorities, just as we have in relation to the main class action litigation arising from the reserves fraud. As you may be aware, the senior partners in Bernstein Liebhard & Lifshitz LLP (the lead plaintiff attorneys in the lawsuit) subsequently consulted with me in regard to expanding the action. As a result, we found, within the court imposed deadline, the shareholder now representing all non-American shareholders in the global action. It was only a year ago that you stated that Shell was unmoved by our activities. I wonder if this is still the case. In any event, we will continue our long campaign for a Shell senior management which works within your own ethical code. The recent history of Shell would be different if our warnings over several years of an unscrupulous and incompetent Shell senior management had been heeded.

Sakhalin II: Apocalypse Now? A potential environmental calamity on a scale never before witnessed by humanity...

Yours sincerely
John Donovan

21/03/2007

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-----Original Message-----

From: John Donovan [mailto:john@shellnews.net]

Sent: 23 November 2006 16:01

To: compliance@ebrd.com

Cc: Wiseman, Richard RM SI-LMAPF; van der Veer, Jeroen J RDS-CEJV; Brinded, Malcolm A RDS-ECMB

Subject: Sakhalin 2 Project

From John Donovan

Owner of the news based website focused on Royal Dutch Shell www.royaldutchshellplc.com and a long term Shell shareholder

Mr. Enery Quinones

Chief Compliance Officer

The European Bank for Reconstruction and Development

One Exchange Square

London EC2A 2JN

United Kingdom

Tel: +44 20 7338 6944

Fax: +44 20 7338 7633

Email: compliance@ebrd.com

Dear Mr. Quinones

RE: SAKHALIN II PROJECT

It is my understanding that a decision is pending by the EBRD on a loan in respect of the Sakhalin Energy project in

22/03/2007

ussia in which Royal Dutch Shell Plc is the lead partner and majority shareholder

wish to officially draw to your attention the existence of Shell internal correspondence in 2002 between senior Shell managers including the technical director of Sakhalin Energy which place a question mark over important safety and environmental issues and the possibility of a cover-up.

These are the documents on which Mr Oleg Mitvol, the Deputy Head of Rosprirodnadzor, the Russian environmental agency, is basing a pending legal claim against Shell for \$10 billion dollars. Mr Mitvol has confirmed to the news media that I supplied the evidence to him.

links to some related articles:

Interfax: Russian Ministry Says Sakhalin Energy Measures on Environment Unsatisfactory

MarketWatch: Shell manager warned of Sakhalin faults in e-mails

Business-eyes.com: Mitvol turns up the heat: I received these letters from John Donovan, owner of the anti-Shell website www.royaldutchshellplc.com.

Energy FSU Energy: Covers the oil and gas industry in the former Soviet Union with analysis on politics, investments and trading. Includes unique and valuable data on production and flows of crude and refined products (this is out of the region.)

Sakhalin II: Apocalypse Now? A potential environmental calamity on a scale never before witnessed by humanity...

The following are extracts from the above MarketWatch article about the email correspondence:

The e-mails from Hans Bouman, a natural-gas field manager, to Engel Van Spronsen, then Sakhalin Energy's technical director, raise the possibility that the company's risks at the Sakhalin II project go beyond the river bank division now under Russian government scrutiny.

In a May 29, 2002 e-mail, Bouman told Van Spronsen he had "started to worry" about potential flaws in the wells' design after a technical presentation by Sakhalin Energy engineers. He said his concern was particularly related to shifting seismic faults and shallow gas pockets.

The project's completion "will all happen after we both retire but, nevertheless, I am a shareholder and I am worried," Bouman wrote. "All this (is) probably hearsay and no science or hard facts but still, I get this sinking feeling."

Mitvol is quoted as saying that Sakhalin Energy is in a state of shock over the documents. He wrote to them seeking confirmation of authenticity and has not received a response. He is also quoted as saying that Russian "security services" are investigating. This may have relevance to reports we have received about Sakhalin Energy employees being followed. We thought that this was down to activity by Shell spooks. We have it on good authority that spyware has been installed on all Shell pc's and laptops in the hunt for the Shell "insiders" who have been leaking information to us. Shell has previously admitted using undercover agents against us and other perceived enemies such as Greenpeace.

In any event, two news organisations have independently confirmed the authenticity of the documents. I can also certify that the emails are 100% genuine.

I thought that you might like to receive a copy of the relevant email correspondence so that you can make your own judgement over the content.

BOUMAN/SPRONSEN EMAILS

—Original Message—

From: Bouman, Hans MGJ NAM-ELG
Sent: 29 May 2002 01:24
To: Van Spronsen, Engel
Subject: Sakhalin
Sensitivity: Personal

Engel

3/2007

Long time no hear! Hope all is well. I write this in english as you may want to quote from this email. I write it completely on personal title, nothing is of my business and if you think I am talking crap, just delete it.

We had last week a visit of some of the Sakhalin team people to look at our big wells (Pauwen-6 and Norg) because your project would need very big wells.

We have shown them around in the field and passed some data along and at the end of the day there was a short meeting during which they presented some stuff on the Lunskoye field. During that meeting I told them not to underestimate the difficulties of putting in a 9 5/8" completion, this is a major project and not a copy paste job!

When they talked (with great enthusiasml) about the well completions and other problems (earthquake area, young faults that have gasplumes, half a year no access to platform etc) and I saw the completion design, I started to worry, especially on the oil producers.

Engel, several of us had the same feeling: this is not going too well. On some general questions why not this or that (e.g. sub sea templates like in Troll or Draugen) we heard: yes you are right but we are now schedule driven.....

I couple that to emails from a subsurface hand I know in the Sakhalin team and he is also apprehensive. And later, not related to any of this I heard from Teun van Waart that many moons ago EP declined to do something in this field because the risks were too high but that G&P had signed a contract anyhow.

All this probably hearsay and no science or hard facts but still: I get this sinking feeling. I would NEVER EVER want to be schedule driven pre FID on a 9 billion \$ project. That is asking for problems.

I also hope nobody will state somewhere that NAM has reviewed their design and it is now OK. We never did anything like this.

I can only advise to be very cautious, ask some senior people to comment/design stuff in this are and get the biggest bastards you can find for a VAR3 to really grill everyone on the team. It will all happen after we both retire but nevertheless: I am a shareholder and I am worried.

Please do not shit on the guys that were here, they mean well and else they will never come forward with ideas etc. NAM could help on reviewing designs or on VARs.

All the above written in great haste and in several different periods so treat it as such.

Cheers

Hans

ps today I agreed on a visit by the Central Development Committee next Thursday. A group of some 13-15 people will visit based on enthusiastic stories by the visitors I described above!

=====
Hans Bouman

Manager Asset Groningen

Tel: +31 592 3 63276 GSM: 06 201 35 448

Internet: m.g.j.bouman@nam.nl

—Original Message—

From: Van Spronsen, Engel
Sent: woensdag 5 juni 2002 4:00
To: Bouman, Hans NAM-ELG
Subject: RE: Sakhalin
Sensitivity: Personal

Hans,

22/03/2007

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I never ever think that what you say is crap. I think it shows that the text is written at different time, so my apologies for asking questions to get a good picture.

I accept that a 9 5/8 completion is a major job, but do you have the feeling that the Sakhalin staff got that in their head?

What is exactly your concern about the completion, particularly for the oil wells? I assume that is not related to your paragraph about general questions (sub-sea template).

Thank you for noting that NAM did not sign off on the design (you must however done this, so what do you mean by "We never did anything like this"). Can you advice me on some real bastards I can use to grill?

I know that Paul Stuivenwold is also apprehensive about the "production technology" input, particularly for the gas wells. Is that the subsurface hand you refer too or are there more?

I share sometimes the same feeling as you about schedule, particularly if the schedule is "very aspirational". One problem we have however is that the Russian Approval system requires an early lock-in of about everything. Any change immediately sets off a whole series of new environmental impact calculations etc.

Thanks for hosting the CDC. So far this group has been quite reasonable. All experts you can convince with good technical arguments. They are the group who sign off on the reservoir development plan. Unfortunately, the State Reserve Committee is more difficult. One would expect that development plan and reserves have a link, but that link is in Russia not so clear. However, we have even be able to convince the SRC.

Hope to hear from you soon.

Engel

*From: Bouman, Hans MGJ NAM-ELG
Sent: 25 June 2002 15:49
To: Van Spronsen, Engel
Subject: RE: Sakhalin
Sensitivity: Personal*

Engel

I am back since 2 days so here a very short answer.

I believe that the guys that visited us understand that a 9 5/8 completion is a major piece of work. With 'no signed off' I mean that we as NAM did not tell Sakhalin all was well with their 9 5/8 well. Their visit was only for info and sharing best practices etc, so no formal NAM involvement. Of course we signed off 14 years ago on the Pauwen6 well and that has worked very well.

My concerns on the lunskeye project were:

*- limited time of access to the platform so you must build in redundancy.
- the gasplumes you have over those big faults. What are the chances of re-activating those faults if you drill through them with extended reach wells.*

- I forgot the number of wells but understand these will be limited, so what of the reliability of supply?. Also the oilwells would be horizontals from the platform that would produce high watercuts very quickly. But they would perforate the wells higher up for autogaslift since the wells would not flow against 1400 psi surface pressure. They could not argue why not putting a simple LP unit on top and flare some gas for the first few weeks.

*- injection of cuttings in this are: any risk for re-activating faults?
- why not use any templates and do everything from 1 platform? (Answer 'yes' we think so too but we are already on a schedule driven programme...)*

If you are going to put a VAR team together I suggest you include Willem Heijnen, now in New Orleans for well and completion design and knowing Willem he will comment on many other topics as well. Also a good

designer would be Peter Oosterling, no idea where he is now.

I cannot remember more things but hope this clarifies my worries somewhat. Apparently the visit of the CPC has gone very smoothly, they were very happy to see our facilities and Groningen System. One of our production people drove the bus past the house of Koop in Tjuchem and they all saw the big statue of Lenin in his garden (10 m tall!) This impressed the hell out of them!

Greetings
Hans

EMAILS END

We operate a "Live Chat" facility on our website on which Shell insiders often post comments without having to reveal identities. It is the only public platform on which Shell employees can now freely express views and make insider revelations after Shell closed down the "Tell Shell Forum" on its own website. This happened after we exposed a scandalous situation whereby Shell was secretly carrying out censorship of postings. Shell General Counsel Richard Wiseman admitted the censorship policy (in an email to us). We also receive information from a growing network of Shell "insiders" as mentioned above.

Printed below are a selection of Live Chat postings and emails relevant to the Sakhalin project.

LIVE CHAT POSTINGS 3 August 2006

guest_2770: *If this is just the beginning of the ministry's audit of Sakhalin, I wonder what they will find next....*

Looks like Gazprom will be getting a lot more than 25% of Sakhalin 2.....

guest_4214: *wait until they discover the flawed ERD well designs which have a high chance of causing blow-outs when drilling through the young faults... and wait until they discover that there maybe just insufficient contingency built into the process facilities and number of wells to produce uninterrupted several months unattended. Just imagine if the facility trips in early winter with no possibility to send people there. An LNG plant without gasinput is an expensive piece of kit.... Putin may drive Shell mad until they want to give Sakhalin away for free?*

LIVE CHAT POSTING 4 August 2006

The messages posted about the ERD wells through young faults and process facilities deserve to be highlighted. If true, these are both very serious issues. Due to ice and fog, access to the Sakhalin offshore production facilities during the winter months is severely limited, and they are therefore designed to be operated unmanned. In the event that a fault is detected in the production system, the facilities are designed to shut down automatically, cutting the supply of gas to the LNG plant onshore. Manual intervention, investigation and rectification of the fault are then required prior to restarting. Faults are more likely to occur if the system design does not incorporate adequate contingency.

*An ERD (Extended Reach Development) well is a extended reach well, designed to drain a reservoir at a distance (up to 8km) from a platform. If an ERD well is drilled through an active geological fault, any geological activity is likely to rupture the well casing and production tubing, causing a blowout (an uncontrolled release of hydrocarbons from the reservoir). The environmental consequences of such an event in winter would be catastrophic as it may be impossible to undertake blowout control measures until the following summer. This could result in the discharge of millions of tons of oil into an ice filled sea, and the Exxon Valdez would look insignificant in comparison. And the whales?
Email received from a Shell insider on 5 October 2006. Please note the caveat.*

There is an interesting comment in the Kashagan article by a Total executive, who says that the development has to be re-designed because of safety concerns. Shell was originally the operator of Kashagan, but was kicked out. ENI became the operator by default, but inherited much of Shell's prior work and project infrastructure - hence the offices for the project are in the Hague rather than Milan. If the development planning for Kashagan was so bad that it now has to be re-engineered, Shell will have some responsibility, casting further doubts on the safety and viability of the development plan for Sakhalin. I have not checked the dates and cannot remember all the details, so it's probably better not to quote too much of the previous paragraph - although there are certainly plenty of people (doubtless readers of your website) who will be able to confirm/correct my suspicions.

22/03/2007

Email received by a Shell insider on 8 October 2006.

The issue of well integrity, as wonderfully illustrated by the Indonesian disaster, is real. If my understanding is correct, the Sakhalin 2 wells are horizontal, and penetrate active, non-sealing, faults. In the event of an earthquake (and they are frequent in and around Sakhalin), it is probable that the wells would be sheared by any movement of a fault. This would cause exactly the same situation as we see in Indonesia, except that it would be further complicated by the fact that the fluid released might be oil rather than gas (both will be produced in Sakhalin) causing an environmental disaster on a scale never seen before, that the eruptions would take place offshore, and that the sea might be frozen preventing any remedial action for several months.

It is obvious from the content of the above that the individuals making these comments are experts in the relevant issues.

We receive information on a regular basis and this is being supplied to Mr Mitvol via his private fax number. News organisations are also actively pursuing these matters.

The fact that Royal Dutch Shell senior management has a track record in cover-up and deceit must be a matter of concern. Are you aware, for example, that the majority of the Board of Directors of Royal Dutch Shell Plc are tainted by what the Chairman of the US Securities & Exchange Commission, Christopher Cox, has branded as a fraud (the Shell reserves debacle). He has described the fraud as being on a par with the Enron, WorldCom, Global Crossing, Tyco, Vivendi and Parmalat scandals

And Jeroen van der Veer (CEO), Malcolm Brinded (Executive Director for Exploration and Production), Rob Mouton (Executive Director, Oil Products and Chemicals), plus non-executive directors, Maarten van den Bergh, Sir Peter Burt, Sir Peter Job, Wim Kok, Jonkheer Aarnout Loudon and Lawrence Ricciardi, are ALL tainted by the reserves fraud.

All are named Defendants in a US Class Action lawsuit originally brought by the UNITE National Retirement Fund and the Plumbers and Pipefitters National Pension Fund. The lawsuit names 27 directors and officers of Royal Dutch/Shell. The suit accuses Shell executives of breach of duties to shareholders, abuse of control, mismanagement, fraud and unjust enrichment. Shell has set aside \$500 million to settle the action.

Shell has also already agreed to settle other related lawsuits for over \$100 million. Although Shell officially denies any wrongdoing, these settlements amount to a tacit admittance of misdeeds in return for a lesser penalty. Shell management has also agreed to changes in respect of corporate structure and governance, including business ethics. It has also paid over \$150 million in fines imposed by regulatory authorities.

Would it be proper or wise for the EBRD to put its faith in the current discredited Royal Dutch Shell management when the stakes are so high, including the fate of the last remaining population of Gray Whales on our planet?

Yours sincerely
John Donovan

For further information about our website can be found on: <http://en.wikipedia.org/wiki/Royaldutchshellplc.com>

cc: Mr Emmanuel Maurice, General Counsel, EBRD, Fax: +44 20 7338 6150

From: Wiseman, Richard RM SI-LMAPF
Sent: 01 January 2007 11:49
To: 'alfred@shellnews.net'
Subject: Re: Article and Offer

Thanks you for your explanation. I wil discuss this with my colleagues.

Regards
Richard Wiseman
General Counsel M & A
Shell International Limited

Tel: +44 20 7934 5544

Mobile: +44 7785 381 779

Email: Richard.Wiseman@shell.com

-----Original Message-----

From: Alfred Donovan <alfred@shellnews.net>
To: Wiseman, Richard RM SI-LMAPF
Sent: Sun Dec 31 12:51:01 2006
Subject: RE: Article and Offer

Dear Mr. Wiseman

The link is to the teaser article.

Offer is to let Shell have advance sight of the comprehensive article currently being drafted with the active involvement of senior Shell/Sakhalin insiders. We would carefully consider any comments made by Shell and, as always, would happily publish with the article, on an unedited basis, any comments/rebuttal made by Shell in response to the revelations and allegations contained in the article. If you needed a few days to discuss matters with the persons named in the article before responding, that would not be a problem.

We expect to have the draft available on Tuesday 2nd January. Please let me know if Shell wishes to take up this offer which is made in good faith.

Regards

Alfred Donovan

From: richard.wiseman@shell.com [mailto:richard.wiseman@shell.com]
Sent: 31 December 2006 10:51
To: alfred@shellnews.net
Subject: Re: Article and Offer

Contrary to your assertion, you have not sent me a copy of your proposed article.

Regards

Richard Wiseman
General Counsel M & A
Shell International Limited

Tel: +44 20 7934 5544

Mobile: +44 7785 381 779

Email: Richard.Wiseman@shell.com

-----Original Message-----

From: Alfred Donovan <alfred@shellnews.net>
To: Wiseman, Richard RM SI-LMAPF
Sent: Sat Dec 30 16:55:20 2006
Subject: Article and Offer

Dear Mr Wiseman

Seasons Greetings.

I would like to draw your attention to the following article and offer.

ShellNews.net: Coming soon... the inside story on the Sakhalin II debacle
<<http://royaldutchshellplc.com/2006/12/30/shellnewsnet-coming-soon-the-inside-story-on-the-sakhalin-ii-debacle/>>

Regards

Alfred Donovan

From: Alfred Donovan [alfred@shellnews.net]
Sent: 31 December 2006 11:51
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+44 20 7934 5544

Mobile: +44 7785 381 779

Email: Richard.Wiseman@shell.com

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To: Wiseman, Richard RM SI-LMAPF
Sent: Sat Dec 30 16:55:20 2006
Subject: Article and Offer

Dear Mr Wiseman

Seasons Greetings.

26/03/2007

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would like to draw your attention to the following article and offer.

ShellNews.net: Coming soon... the inside story on the Sakhalin II debacle <<http://royaldutchshellplc.com/2006/12/30/shellnewsnet-coming-soon-the-inside-story-on-the-sakhalin-ii-debacle/>>

Regards

Alfred Donovan

[REDACTED]

From: [REDACTED]
Sent: 01 January 2007 11:49
To: [REDACTED]
Subject: Fw: Article and Offer

A follow up.
Regards

[REDACTED]
[REDACTED]
Shell International Limited

Tel: [REDACTED]

Mobile: [REDACTED]

Email: [REDACTED]

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From: Alfred Donovan <alfred@shellnews.net>
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Dear Mr. Wiseman

The link is to the teaser article.

Offer is to let Shell have advance sight of the comprehensive article currently being drafted with the active involvement of senior Shell/Sakhalin insiders. We would carefully consider any comments made by Shell and, as always, would happily publish with the article, on an unedited basis, any comments/rebuttal made by Shell in response to the revelations and allegations contained in the article. If you needed a few days to discuss matters with the persons named in the article before responding, that would not be a problem.

We expect to have the draft available on Tuesday 2nd January. Please let me know if Shell wishes to take up this offer which is made in good faith.

Regards
Alfred Donovan

From: richard.wiseman@shell.com [mailto:richard.wiseman@shell.com]

Sent: 31 December 2006 10:51

To: alfred@shellnews.net

Subject: Re: Article and Offer

Contrary to your assertion, you have not sent me a copy of your proposed article.

Regards

Richard Wiseman

General Counsel M & A

Shell International Limited

Tel: +44 20 7934 5544

Mobile: +44 7785 381 779

Email: Richard.Wiseman@shell.com

-----Original Message-----

From: Alfred Donovan <alfred@shellnews.net>

To: Wiseman, Richard RM SI-LMAPF

Sent: Sat Dec 30 16:55:20 2006

Subject: Article and Offer

Dear Mr Wiseman

Seasons Greetings.

I would like to draw your attention to the following article and offer.

ShellNews.net: Coming soon... the inside story on the Sakhalin II debacle

<<http://royaldutchshellplc.com/2006/12/30/shellnewsnet-coming-soon-the-inside-story-on-the-sakhalin-ii-debacle/>>

Regards

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[REDACTED]

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Regards
Alfred Donovan

26/03/2007

51

ShellNews.net: Coming soon... the inside story on the Sakhalin II debacle

By Alfred Donovan

Saturday 30 December 2006

The Sakhalin II project and related backdrop events have been marked by deception, double-dealing, corruption, massive pollution, intrigue, blackmail, murder and spies. Some might unfairly say this constitutes a fairly typical Shell project, as per the example of Shell's activities in Nigeria.

With the assistance of a number of Shell/Sakhalin Energy insiders, we are completing the draft of an article which will be published next week on our own website and simultaneously by a news publishing source. Individuals associated with the project who are mentioned in the current draft include Jeroen van der Veer, Malcolm Brinded, David Greer, Mike Taylor, Steve McVeigh, David Meehan, Campbell Wyper and Togrul Tosun. We understand that Tosun was made redundant in the late 90s when the failure of managing Kashagan was unfairly blamed on him in order to keep real culprits (such as Henk Dijkgraaf) out of the firing line.

At this time, all of the named individuals should be considered as having a positive role in events. If any of them would like to see the article in advance of publication so that they can comment if they so wish, or correct any inaccuracy, they are welcome to contact me within the next 48 hours.

If anyone else would like to contribute information on this matter please contact me ASAP.

alfred@shellnews.net

PS. This article and offer has been brought to the attention of Shell International Petroleum Company Limited General Counsel, Richard Wiseman.

[REDACTED]

From: [REDACTED]
Sent: 05 January 2007 14:04
To: [REDACTED]
Subject: Fw: Donovan Article on Sakhalin

Purely for your info

Regards

[REDACTED]

[REDACTED]

[REDACTED]

Shell International B.V.

from my BlackBerry Wireless Handheld

-----Original Message-----

From: [REDACTED]
To: [REDACTED]
CC: [REDACTED]
Sent: Fri Jan 05 14:12:21 2007
Subject: Donovan Article on Sakhalin

[REDACTED]

FYI - The Donovan website is now live with its 'revelation' Shell story (and [REDACTED] response to Alfred).

<http://royaldutchshellplc.com/2007/01/05/shellnewsnet-the-inside-story-of-shell%e2%80%99s-sakhalin-ii-debacle/>

[REDACTED]

[REDACTED]

Shell International BV
Office: [REDACTED]
Mobile: [REDACTED]
Email: [REDACTED]
Internet: <<http://www.shell.com/>>

ShellNews.net: The inside story of Shell's Sakhalin II debacle

By Alfred Donovan

Introduction

Published below is a statement received from Mr Keith Ruddock, General Counsel Exploration and Production, Shell International B.V. It relates to the article herein: "The insider story of Shell's Sakhalin II debacle".

The email correspondence with Shell on this matter commenced with Shell International Petroleum Company General Counsel, Richard Wiseman, on 30 December 2006.

We subsequently issued the following invitation: -

"The offer is to let Shell have advance sight of the comprehensive article currently being drafted with the active involvement of senior Shell/Sakhalin insiders. We would carefully consider any comments made by Shell and, as always, would happily publish with the article, on an unedited basis, any comments/rebuttal made by Shell in response to the revelations and allegations contained in the article. If you needed a few days to discuss matters with the persons named in the article before responding, that would not be a problem."

Shell accepted the offer on 1 January 2007 and on 5 January supplied their response, which as promised, we have published unedited. Consequently, Shell had the opportunity to issue an injunction to prevent publication on the grounds that the allegations made in the article are unfounded. It chose not to do so.

The response from Shell...

05 January 2007

Dear Mr Donovan

We disagree fundamentally with the factual basis and interpretation of much of the material you have produced but believe that no useful purpose would be achieved by engaging in a detailed rebuttal.

Regards

Keith Ruddock

General Counsel Exploration and Production

Shell International B.V.

The Article: The inside story of Shell's Sakhalin II debacle

The Sakhalin II project in Russia is the world's largest combined oil and natural gas project. It is being developed by Sakhalin Energy, a company in which Shell was the majority shareholder.

Shortly before Christmas, following a long campaign by the Russian government prominently reported in the global business news media, Shell surrendered its majority holding and became a minority shareholder along with the other founding partners, Mitsui and Mitsubishi. Like Shell, each sold 50% of their holding to Gazprom at less than market value.

A few days later, the Russian government leaked the news that the founding partners had entered into what was supposed to have been a secret protocol with Gazprom which made the proposed deal even more of a multibillion dollar humiliation for Shell and the Japanese companies.

Under the provisionally agreed terms, Shell ends up as a junior partner in a state run project controlled by a ruthless Russian government led by the former KGB Colonel, President Putin. He has been personally involved since his public roasting of Royal Dutch Shell CEO Jeroen van der Veer (during a state visit to The Netherlands in November 2005) over the proposed doubling of the project budget to \$20 billion.

<http://www.shellnews.net/week44/reutersputin2november2005.htm>

Shell executives had pretended that they knew nothing about the huge project budget increase when agreeing a swap deal in principle with Gazprom earlier in the year. A matter of days later Shell sprung the astonishing news on Gazprom that the Sakhalin II budget had increased by \$10 BILLION. It was a breathtaking blunder to try to pull a fast one on the Russians who are the recognised grandmasters in a game strategy.

<http://www.shellnews.net/week28/shellnewssakhalin2debacle.htm>

Shell will now have to be satisfied with whatever crumbs are thrown in its direction. **Even more worrying to Shell, despite the inking of the provisional deal, the final terms are still being negotiated, so the revelations of deception and cover-up in this article may provide more ammunition for Putin to punish Shell management for its mendacity and incompetence.**

Putin attended the signing ceremony in Moscow at which Shell CEO, Jeroen van der Veer, bizarrely thanked him for his support. Bearing in mind the allegations made by US Vice President Cheney that Russia is using energy as "an instrument of intimidation and blackmail", **the humiliatingly submissive stance adopted by Van der Veer would appear analogous to a mugger's victim expressing thanks for being coshed and robbed.**

Perhaps the entirely unsubstantiated allegations that Putin was responsible for ordering the murder of prominent opponents during the period in which the Sakhalin II deal has been negotiated, rattled Mr Jeroen van der Veer somewhat. It was not an ideal backdrop, as far as Shell was concerned, for negotiations already being conducted in a tense atmosphere, with world leaders making their objections known about the hardball tactics allegedly being used against Sakhalin Energy.

Our Role

A threatened claim against Sakhalin Energy for \$30 billion by the Russian environmental agency, Rosprirodnadzor, plus the possibility of criminal proceedings, rests on evidence we supplied to its deputy head, Oleg Mitvol, the now notorious so called "Kremlin attack dog". There are grounds to suggest that Mitvol works directly for Putin.

My son John and I jointly own and operate a website under the domain name of royaldutchshellplc.com. The dotcom domain name for Royal Dutch Shell Plc. It has been described by Mitvol as an "anti-Shell" website. Mr Mitvol has publicly acknowledged our significant role in the momentous events which have unfolded. The reasons for our opposition to the current Shell management are set out below in the section entitled "Background Information".

Our website, with its "Live Chat" facility, has effectively replaced the Tell Shell Forum on Shell's own portal website as a venue for Shell employees to discuss concerns with other Shell employees on an anonymous basis if they wish. "Tell Shell" was "suspended" over a year ago after Shell General Counsel

Richard Wiseman admitted to me in an email that contrary to claims previously made by Shell management, including John Hofmeister, of a censorship free forum for open and lively debate, postings had in fact been secretly censored.

As a result of our website activities, we have been contacted by numerous Shell "insiders", some of whom have revealed scandalous conduct by Shell executives. One example is the Brent Bravo scandal in which Shell received a record breaking fine for Health and Safety violations as a result of the tragic but preventable deaths of Shell North Sea workers. According to Shell International Group Auditor, Bill Campbell (now retired), Shell Executive, Malcolm Brinded, was involved in a related cover-up.

<http://royaldutchshellplc.com/2006/08/09/shellnewsnet-when-is-shell-going-to-sue-former-shell-international-group-auditor-bill-campbell-for-defamation/>

As a result of contact made by insiders working on Sakhalin II, it soon became apparent that things were also going badly amiss on what Jeroen van der Veer has always described as "an elephant project". He may now agree with the modified description we have regularly applied: a white elephant project.

Leaked Shell internal documents have regularly fallen into our hands. This included email correspondence about Sakhalin II between two senior Shell managers, Engel van Spronsen, in his then capacity as Technical Director of Sakhalin Energy, and Hans Bouman, a natural-gas field manager; both now retired.

<http://royaldutchshellplc.com/2006/10/23/shellnewsnet-the-hans-bouman-engel-van-spronsen-sakhalin-emails/>

We are in the fortunate position of having access to Shell insiders who can provide us with expert analysis of information supplied and did so in respect of the above extraordinary email correspondence.

Concern was expressed in the emails, that the design for oil and gas wells on Russia's Sakhalin Island does not properly address seismic risks. After studying the relevant emails, the relevant Shell insider, who is calm and cautious by nature, warned us of a potential environmental calamity on a scale never before witnessed by humanity (our description).

A quote from the Shell insider warning: -

"You have no idea how significant the comments in those emails might be - to a petroleum engineer, they conjure up the worst of possible scenarios - uncontrollable blowouts in a frozen, pristine, ecologically sensitive environment, and the potential for the entire contents of the Sakhalin oil and gas fields to be released at the seabed. The Exxon Valdez would, quite literally, be a drop in the ocean by comparison."

The warning went on to link Sakhalin II issues with the Shell reserves fraud in 2004.

We passed on these misgivings about the Sakhalin II project directly to President Putin in November 2005.

<http://www.shellnews.net/week46/shellnewsputinwarning25november2005.htm>

We later sent information to Oleg Mitvol and subsequently obtained his private fax number from his secretary to get information directly on to his desk. However, since we had never succeeded in speaking to Mitvol, we had no idea whether any of the information we had passed on from Shell insiders had been of any interest. The first clue that our activities had been noticed was when a message from "The

Ministry of Natural Resources of The Russian Federation" was posted on our "Live Chat" forum in October 2006:

<http://royaldutchshellplc.com/2006/10/06/shellnewsnet-did-our-whistleblower-email-to-oleg-mitvol-precipitate-the-sakhalin-ii-crisis/>

We were subsequently surprised to read an article in a petroleum magazine which contained a question and answer interview with Oleg Mitvol. He indicated that his threatened \$10 billion claim against Shell for alleged environmental damage (later upped to \$30 billion) rested on evidence supplied by my son. The following is an extract:

What documents are these? Where are they from?

Mitvol: *"I have email correspondence between executives in Sakhalin Energy management from 2002. I received these letters from John Donovan, owner of the anti-Shell website www.royaldutchshellplc.com. I received them on 19 October and forwarded them to Sakhalin Energy with a request for an official reply. But I have not received any reply so far. I presume that they are in shock."*

How could you prove that these documents are genuine?

Mitvol: *"They appear genuine and we have special services working to prove this. Once they have been verified, we will have enough evidence to take Sakhalin Energy to court. If we win, the Sakhalin 2 consortium should pay compensation for all the environmental damages — which will come to over \$10bn — as well as compensation to the state for loss of revenues caused by the additional delays."*

Link to full article:

<http://royaldutchshellplc.com/2006/11/19/argus-eyescom-mitvol-turns-up-the-heat-i-received-these-letters-from-john-donovan-owner-of-the-anti-shell-website-wwwroyaldutchshellplccom/>

Further confirmation was contained in an Interfax news agency report published by "Johnson's Russia List"

"On October 19, Rosprirodnadzor deputy chief Oleg Mitvol sent a letter to Sakhalin Energy CEO Ian Craig, asking him either to confirm or deny information contained in confidential e-mails from Shell natural gas field manager Hans Bouman to Engel Van Spronsen, then Sakhalin Energy technical director in 2002. Copies of the e-mails were forwarded to Rosprirodnadzor from John Donovan, a Shell shareholder and the owner of a website providing news on Shell."

<http://www.cdi.org/russia/johnson/2006-256-22.cfm>

We are now in direct correspondence with Mark Stephens, a senior partner in the London law firm Finer's Stephens Innocent, appointed by the Russian authorities in relation to the Sakhalin II project. We will shortly be supplying Mr Stephens with highly sensitive confidential information received from Shell insiders which may well provide additional grounds for the Russian authorities to further punish Shell. The information we are receiving is truly astonishing.

As we have previously acknowledged, we have no illusions about the Sakhalin II high-stakes poker game which has been in progress. We have supplied information and Shell internal documents in the

probably forlorn hope that some good will come of it in terms of the environment and in particular the endangered Gray Whale population. From recent comments attributed to Putin, it seems as if the environmental issues may indeed be swept to one side. We also wanted to expose the continuing hypocrisy of a Shell management which claims to work within an ethical code pledging honesty, integrity and openness in all of its dealings. The reality of corruption, fraud, cover-up, intimidation of employees and admitted use of undercover agents, confirms that the ethical code is purely for PR purposes as per the multi-million dollar "Profits & Principles" global campaign. It should have been "Profits & No Principles".

Spying activity

Oleg Mitvol has confirmed that he called in Russian "special services" to check on the authenticity of the leaked Spronsen/Bouman emails. This probably explains the Lloyds List news story:

<http://royaldutchshellplc.com/2006/11/30/lloyds-list-i-spy-with-my-little-russian-secret-services-infiltrating-sakhalin-energy/>

According to reports received from Shell insiders, Shell "spooks" have also been engaged in a hunt to track down the sources of leaks documents and information.

Shell in alliance with distasteful regimes

It is ironic that Shell is now in bed with what many people rightly or wrongly consider to be a very distasteful Russian government. In any event, this is unlikely to concern Shell management as it has worked alongside corrupt Nigerian regimes for decades in plundering Nigerian national resources (and polluting the environment to a horrific extent). Time will tell whether President Putin has acted in the Russian national interest or for other motives.

Shell Nigerian Corruption:

<http://www.shellnews.net/2004%20Documents/peaceandsecurity/peaceandsecurityinthenigerdeltawebpage.htm>

Sakhalin II corruption:

<http://www.shellnews.net/WEEK%20%202006/shellnewsnet-bribery-and-corruption-at-shell-14-january-15.htm>

Inside the Evil Empire:

A Shell insider who worked on the Sakhalin project has recently shared some insights with us about the mechanics of how Shell got the project costs so massively wrong. To protect anonymity some information has been changed without affecting the accuracy of the basic revelations made about the project.

From what we have learned, the company's senior managers - both locally in Sakhalin and elsewhere - were aware of cost overruns far earlier than they have yet admitted and actively tried to suppress the true costs becoming common knowledge, even threatening employees to preserve the vow of omertà inside the project.

The individual concerned is a long serving Shell manager who was working in a project role in Sakhalin and had regular access to monthly cost reports. He was recruited for the Sakhalin project based on his

file://C:\DOCUME~1\CAROL~1\MAC\LOCALS~1\Temp\M5D9XBEQ.htm

23/03/2007

previous experiences with other Shell developments, but rapidly found that this project was run along very different lines. Although he left the project towards the end of last year he still retains contact with other Expat and Russian national staff.

Specific allegations include:

From mid 2003 (when he first arrived on the island) the cost increases were common knowledge amongst the Expat community - Shell management has consistently claimed that they only became aware of this later. In fact when David Greer joined the project he immediately instigated a cost review, thinking that he could rapidly raise project costs and leave the blame with Steve McVeigh. He could then deliver for slightly less and justify a sizeable bonus for himself. Amusingly, Shell's management is so incompetent they can't even fudge numbers effectively!

The contingency for the project was absolutely minimal 5% - the official explanation for this was that they could afford a low contingency because the likelihood of problems was easily managed by the expertise of the management team. In practice, industry norms for a project of this nature would be around 12.5% to 15% and often as high as 20% to reflect potential problems with operating in Russia with uncertainty over the cost of materials such as steel and delays due to extreme weather conditions. Additionally, for the early part of the project there was no effort made to hedge against losses on currency exchange, leading to significant avoidable cost increases, although there was very significant risk present and recognisable since much of the project contracts were based on US\$ pricing and many materials - i.e. steel - are in high demand on the world market and thus command a premium.

Shell clearly had not learned from their problems with the Kashagan project where they made the same mistakes, and ended up shifting the blame on Togrul Tosun, one of the senior managers in charge. In the late 1990s he was already predicting sizeable cost overruns for the Sakhalin project as he was convinced that Shell's controls were totally inadequate for the situation they found themselves in. His reward was to carry the blame for Kashagan (one of Shell's earlier disastrous Russian developments) in order to shield the men above him from justifiable censure.

One cost report which our insider received showed the true cost as being nearly \$13 billion - this was in mid 2003 when the reported cost was still only \$9.6 billion. At this point he approached various senior managers in Sakhalin Energy to discuss his concerns. Steve McVeigh refused to discuss this with him at all, and the Finance Director (Mike Taylor) asked him not to discuss this further but told him this would be sorted out soon. A lack of apparent action led to him asking again both Mike Taylor and other senior finance staff who never gave any clear explanation, but advised him not to rock the boat.

At the end of 2003 he was asked to follow up on issues arising from an audit of one of the component parts of the project. This was in respect of infrastructure on Sakhalin Island to facilitate the overall project. Although a relatively small portion of the overall budget, the cost and scheduling problems associated could be seen as typical for a project in this geography. The infrastructure costs were uniformly at least 15% above forecast, often as much as 30% above, and some were more than double the original estimates - plus nothing had been completed on time: more worryingly still there was no process to provide control over changes to scope or cost of the work, although many changes were being made on the hoof. Some of the work was also delivered to a substandard quality thereby requiring remedial work, consuming both additional time and money. Given that these elements of the project were the smallest and simplest of the works needed to deliver the overall project on time, it was abundantly clear that the cost estimates for the overall project were even more inaccurate than he had previously feared. One cost estimate at the time showed costs around \$14.5 billion - numbers still rapidly rising as the reality of technical specification needed to operate in Sakhalin's harsh climate overtook the optimistic wishful thinking behind the original \$9.6 billion cost presented to and approved by the development partners.

The potential of demonstrable negligence being a primary root cause of environmental damage would open Shell up still further to the attacks of Rospirodnadzor and increase the prospect of sizeable damages.

The audit report also highlighted some significant breaches of normal contractual practice - for example the man charged with delivery of the infrastructure (David Meehan) worked for one of Shell's contractors as such he was able to ensure a steady flow of work to his own company and the audit report pointed to evidence that not all of this work was ever tendered competitively. Additionally, one of his sub-ordinates (Rogier Kamerbeek who worked directly for Shell) was responsible for monitoring the contract. In effect he was able to write an open cheque for work to his own company with none of the appropriate checks and balances in place. He discussed these issues with David Meehan who quite angrily told him the audit was over with. He got a similar non-response from finance, and saw no evidence of effort to follow up on the audit findings. Follow up conversations with Taylor and Meehan made it very plain that his career would be threatened if he did not desist this line of questioning.

Similar things had occurred in Shell Expro during the period when Malcolm Brinded had been MD, when a shortage of staff meant that contract staff were approving budgets and making contract awards to other contractors - and for material items, not just restocking the stationery cupboard! To compound matters, conversations with other Shell engineers reveal that even before formal investment approval it was accepted that costs were largely inaccurate and would need to be revised upwards after approval was gained. The thinking was that potentially critical flaws in design and specification would only become apparent once drilling and production had started, by which time the original engineering team would have made their killing from Sakhalin and have either moved on or retired.

The accounting for the infrastructure project was in the hands of a small group of young, inexperienced and unqualified Russians. The original project structure had called for these to be given oversight and support by an experienced expatriate accountant but this role was removed in late 2003 as part of a "cost saving" exercise. It seems evident that a project costing well in excess of \$10 billion (which was the stated cost of the project, even if the true cost was much higher) required strong cost control, and reducing the finance staff monitoring it would only weaken the control: it was also clear that reducing the staffing would make it easier for problems to remain undiscovered and unreported, and make it less likely that questions would be asked of senior management. The expatriate oversight role was never fully replaced.

During 2004 he undertook another audit, working as part of a team, included for his technical expertise to evaluate project scope. It became very clear that that the original scope for the contract let (i.e. the scope underpinning the cost included in the original \$9.6 billion cost) was utterly inadequate for the intended purpose. Shortly after the contract had been agreed, and after Shell had received formal Investment Approval based on the stated development cost of \$9.6 billion, the existing scope was totally revised which resulted in a near doubling of cost. An examination of the documents exchanged with the supplier made it very clear that this approach had been discussed and agreed between Shell's project manager and the contractor several months before Investment Approval had been granted. It seems clear that this unorthodox approach was designed solely to ensure that the contractor would be guaranteed profitable work, whilst permitting the Project Manager to report a lower cost than was actually the case until too late to withhold the contract. The chain of emails seeking explanations for this behaviour included David Greer, Mike Taylor and Campbell Wyper - recently installed as the Head of Contracts Purchasing at the express request of Malcolm Brinded. In spite of the seniority of these individuals, no satisfactory explanation was ever received.

Malcolm Brinded and Jeroen van der Veer have consistently stated that they were surprised to learn about the cost increases and passed on this info to the Russian authorities immediately once they were aware. News of the growing costs broke in the UK press in July 2005 - after the first suggestion of Gazprom becoming involved with the project. In fact, Brinded had known of the rapidly escalating costs

or at least two months at this point - he was informed in May 2005 that the costs would be at least \$15.5 billion and his response was to ask for all details before he could respond - ensuring a lengthy delay whilst all numbers were cross checked - in reality this meant he took no action to address the problem. So he knew, but by asking for a detailed written report (which could not be produced rapidly) he gained time and deniability - although he certainly knew the costs were substantially greater than reported to date. This ability to manipulate perceived reality is one reason Brinded has risen so high and clung on for so long.

Since Jeroen van der Veer stated that he told Gazprom immediately he was informed, it therefore raises two possibilities - either he is lying through his teeth, or his own senior management (Brinded and his EP Leadership Team) were deliberately withholding information from him. Either possibility speaks of a company in crisis. Jeroen's comment is eerily similar of his limp response to the reserves scandal where he denied culpability by saying he didn't know or understand - whereas in fact, at that level of seniority, his job is to know. He is either negligent or dishonest and neither characteristic is desirable in the leader of a publicly quoted company.

Background Information

By way of background information, my son and I have been involved in litigation with Shell intermittently for the last 12 years. This was after previously acting as marketing consultants to the Royal Dutch Shell Group on an international basis for over a decade commencing in the early 1980's. We have lost count of the High Court actions and other cases, including the proceedings Shell International Petroleum brought against me in 2005 in respect of Shell related internet domain names, including royaldutchshellplc.com. Shell has never won a case against us. All settlement sums received from Shell have been ploughed back by us into further litigation against Shell after further causes of action became apparent.

I am four months away from being 90 years old. Despite this fact, Shell currently has an application before the High Court of Malaya demanding my appearance for cross examination in respect of a defamation case brought collectively by EIGHT Royal Dutch Shell companies against an unemployed former Shell production geologist, Dr John Huong, who blew the whistle on the Shell reserves fraud. He recorded in a Shell internal document his moral reservations about giving false information to Shell shareholders about hydrocarbon reserves volumes. Shell is seeking his imprisonment for alleged contempt of court in respect of postings made on our website. The deluge of draconian proceedings against Dr Huong, who worked almost 30 years for Shell, is all in respect of alleged defamatory postings under his name on our websites.

The penny dropped for us about Shell senior management when we wrote to Malcolm Brinded several years ago after uncovering a conspiracy by Shell managers to deceive and cheat participants in a major contract tender:

<http://royaldutchshellplc.com/2006/12/17/shellnewsnet-another-leaked-email-from-jeroen-van-der-veer/>

Brinded ignored the evidence, and our invitation to withdraw support for the mastermind of the deception. Instead Shell was cornered into admitting using undercover agents against us in respect of related litigation. One agent was caught red-handed opening private mail. He used fake credentials and documents during his mission on behalf of Shell. We have also publicised Shell's admitted use of undercover agents from a firm of private spies closely associated with Shell senior directors.

<http://www.shellnews.net/2004%20Documents/sundaytimes/sundaytimespied8april.htm>

It would therefore be fair to say that there is a certain amount of residual acrimony between us and what we consider to be an incompetent ethically flawed Shell management.

[REDACTED]

From: Ruddock, Keith KA SI-LSEP
Sent: 01 January 2007 19:31
To: 'alfred@shellnews.net'; Wiseman, Richard RM SI-LMAPF
Subject: Re: Article and Offer

Thank you Mr Donovan and I look forward to hearing from you. You are indeed correct that we have come across each other previously as you describe.

Regards

Keith Ruddock
Keith Ruddock
General Counsel Exploration and Production
Shell International B.V.

from my BlackBerry Wireless Handheld

-----Original Message-----

From: Alfred Donovan <alfred@shellnews.net>
To: Wiseman, Richard RM SI-LMAPF
CC: Ruddock, Keith KA SI-LSEP
Sent: Mon Jan 01 18:57:47 2007
Subject: RE: Article and Offer

Dear Mr Wiseman

I will send a draft of the article to Mr Ruddock as soon as it is completed. We have had some dealings with Mr Ruddock previously. If I recall correctly, he was present at the signing of the last peace treaty in July 1999 at the offices of Royds Treadwell. We also corresponded with him in August 2001. It's unfortunate that the peace did not hold.

Regards

Alfred Donovan

From: richard.wiseman@shell.com [mailto:richard.wiseman@shell.com]
Sent: 01 January 2007 17:44
To: alfred@shellnews.net
Cc: keith.ruddock@shell.com
Subject: Re: Article and Offer

Dear Mr Donovan,

We would like to take you up on your offer to let us see a draft of your article. I should be grateful if you would email it to my colleague, Keith Ruddock, who is more au fait with the Sakhalin situation than I am.

I have copied him into this email so you have his address.

Many thanks.

Regards

Richard Wiseman

General Counsel M & A

Shell International Limited

Tel: +44 20 7934 5544

Mobile: +44 7785 381 779

Email: Richard.Wiseman@shell.com

-----Original Message-----

From: Alfred Donovan <alfred@shellnews.net>

To: Wiseman, Richard RM SI-LMAPF

Sent: Sun Dec 31 12:51:01 2006

Subject: RE: Article and Offer

Dear Mr. Wiseman

The link is to the teaser article.

The offer is to let Shell have advance sight of the comprehensive article currently being drafted with the active involvement of senior Shell/Sakhalin insiders. We would carefully consider any comments made by Shell and, as always, would happily publish with the article, on an unedited basis, any comments/rebuttal made by Shell in response to the revelations and allegations contained in the article. If you needed a few days to discuss matters with the persons named in the article before responding, that would not be a problem.

We expect to have the draft available on Tuesday 2nd January. Please let me know if Shell wishes to take up this offer which is made in good faith.

Regards

Alfred Donovan

From: richard.wiseman@shell.com [mailto:richard.wiseman@shell.com]
Sent: 31 December 2006 10:51
To: alfred@shellnews.net
Subject: Re: Article and Offer

Contrary to your assertion, you have not sent me a copy of your proposed article.

Regards
Richard Wiseman
General Counsel M & A
Shell International Limited

Tel: +44 20 7934 5544

Fax: +44 7785 381 779

Email: Richard.Wiseman@shell.com

-----Original Message-----

From: Alfred Donovan <alfred@shellnews.net>
To: Wiseman, Richard RM SI-LMAPF
Sent: Sat Dec 30 16:55:20 2006
Subject: Article and Offer

Dear Mr Wiseman

Season's Greetings.

I would like to draw your attention to the following article and offer.

ShellNews.net: Coming soon... the inside story on the Sakhalin II debacle
<<http://royaldutchshellplc.com/2006/12/30/shellnewsnet-coming-soon-the-inside-story-on-the-sakhalin-ii-debacle/>>

Regards

Alfred Donovan

-----Original Message-----

From: Wiseman, Richard RM SI-LMAPF
To: 'alfred@shellnews.net' <alfred@shellnews.net>
CC: Ruddock, Keith KA SI-LSEP
Sent: Mon Jan 01 18:44:13 2007
Subject: Re: Article and Offer

Dear Mr Donovan,

We would like to take you up on your offer to let us see a draft of your article. I should be grateful if you would email it to my colleague, Keith Ruddock, who is more au fait with the Sakhalin situation than I am.

I have copied him into this email so you have his address.

My thanks.

Regards
Richard Wiseman
General Counsel M & A
Shell International Limited

Tel: +44 20 7934 5544

Mobile: +44 7785 381 779

Email: Richard.Wiseman@shell.com

-----Original Message-----

From: Alfred Donovan <alfred@shellnews.net>
To: Wiseman, Richard RM SI-LMAPF
Sent: Sun Dec 31 12:51:01 2006
Subject: RE: Article and Offer

Dear Mr. Wiseman

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Mobile: +44 7785 381 779

Email: Richard.Wiseman@shell.com

-----Original Message-----

[REDACTED]

From: Alfred Donovan [alfred@shellnews.net]
Sent: 01 January 2007 17:58
To: Wiseman, Richard RM SI-LMAPF
Cc: Ruddock, Keith KA SI-LSEP
Subject: RE: Article and Offer

Dear Mr Wiseman

I will send a draft of the article to Mr Ruddock as soon as it is completed. We have had some dealings with Mr Ruddock previously. If I recall correctly, he was present at the signing of the last peace treaty in July 1999 at the offices of Royds Treadwell. We also corresponded with him in August 2001. It's unfortunate that the peace did not hold.

Regards
Alfred Donovan

From: richard.wiseman@shell.com [mailto:richard.wiseman@shell.com]
Sent: 01 January 2007 17:44
To: alfred@shellnews.net
Cc: keith.ruddock@shell.com
Subject: Re: Article and Offer

Dear Mr Donovan,

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Email: Richard.Wiseman@shell.com

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Sent: Sun Dec 31 12:51:01 2006
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The link is to the teaser article.

26/03/2007

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Regards

Alfred Donovan

26/03/2007

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