



P&O TO DEVELOP UK'S LARGEST CONTAINER TERMINAL AT SHELL HAVEN

4th September 2000

An agreement will be signed today between The Peninsular and Oriental Steam Navigation Company (P&O) and Shell UK Limited (Shell) which is expected to lead to the regeneration and redevelopment of the former refinery site at Shell Haven in Thurrock, Essex into a new world class container port.

The 1,500 acre former refinery has the potential to become one of P&O's largest port operations worldwide. It is estimated that when fully developed the port could handle up to 3.5 million teu each year with 3000m of quay line providing berths for up to 10 vessels. The surrounding land will be developed to provide port related services including sea, road and rail distribution activities as well as commercial and light industrial operations. It is estimated that, when completed, the port and associated developments could create up to 10,000 new jobs.

Under the agreement, and subject to the necessary planning consents, P&O will purchase the freehold land required for the container terminal development and will jointly develop with Shell the remainder of the site. Initial operations on site could begin as early as 2002 with further stages developed in accordance with market demand.

Lord Sterling, Chairman of P&O, said: "At current growth rates, existing UK container ports will have reached capacity in the next three to five years. For the country to continue to benefit from its position at the heart of world trade we need a significant increase in container terminal facilities – and Shell Haven has this potential.

"We are delighted to have the opportunity to work with Shell, The Port of London Authority and Thurrock Council to realise this exciting project and deliver a major new regeneration project that meets the Government's objectives for brownfield site use."

Paul Skinner, Group Managing Director of the Royal Dutch/Shell Group and CEO of Oil Products, said: "This is a significant step in the regeneration of Shell Haven. Shell has worked closely with the local regulators to secure a future for the site and we believe this agreement with P&O, who have outstanding experience in such development projects, is an important milestone in achieving that goal."

Sir Brian Shaw, Chairman of the Port of London Authority, commented: " We have known for some time that the capacity for London to grow further trading opportunities was inhibited by the lack of suitable sites. This proposal opens the way for new international business on a scale rarely seen in the South Eastern corner of the UK in the last 50 years."

The next phase of the project is to move forward in full consultation with all interested parties to seek planning approvals for the port and property development. Shell is currently undertaking a programme of decommissioning, demolition and decontamination to prepare the site for future use.

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Note to Editors

1. Aerial photography of the existing Shell Haven site is available.
2. P&O Ports, one of the world's leading container terminal operators, is a wholly owned subsidiary of the P&O Group. It operates over 25 container terminals in 16 countries with other cargo handling interests in a further 30 ports. In the UK, P&O Ports has a 51% shareholding (Associated British Ports 49%) in Southampton Container Terminal which handled some 930,000 teu* in 1999. It also has a 34% shareholding (with Forth Ports and Associated British Ports) in Tilbury Container Services which had a throughput of approximately 250,000 teu in 1999.

*teu = twenty foot equivalent unit. This is the standard size of container and is a common measure of capacity in the container business

3. The closure of Shell Haven Refinery was announced in September 1998. Production stopped in December 1999 with the exception of bitumen manufacture and jet fuel import which continue to be operated by Shell.
4. Shell Haven Refinery is situated on 2.5 miles of Thames Estuary waterfront at Stanford-Le-Hope in Essex and is well connected by road and rail to national networks.

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