



NEWS

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**Contact: Karen M. Schkolnick
415.749.4900 (office)
415.816.5353 (after hours)**

Bay Area Air District Collects \$2,850,000 in Civil Penalties from Shell Oil Products US

The Bay Area Air Quality Management District (Air District) announced today that Shell Oil Products US has paid \$2,850,000 in civil penalties to settle numerous violations of carbon monoxide (CO) permit limits and Federal clean air regulations that commenced in March 2007 at its refinery located at 3485 Pacheco Boulevard, in Martinez, California. The settlement also imposes refinery production and operational restrictions and requires Shell to submit an incident report detailing measures that it will take to prevent similar violations in the future.

"Air quality laws are in place to ensure the protection of public health," said Air District Executive Officer Jack P. Broadbent. "When a company fails to comply with these laws it must be held accountable."

Beginning on March 9, 2006, three CO boilers that abate CO emissions generated within the regenerator section of the Shell's Fluidized Catalytic Cracking Unit (FCCU) shut down, causing excess emissions of approximately 925 tons over a seven-day period. During this time, Shell violated Air District permit conditions and Federal air quality regulations.

"The significant volume of CO released warranted this penalty," said Air District Counsel Brian C. Bunger. "The magnitude of the violations also justifies the additional actions required of Shell."

Compliance with the CO permit limits in one of the Air District's permit conditions is measured on a 365-day rolling basis. The Air District has determined that it will take Shell one year from the date that Shell corrected the cause of the FCCU shutdown to return to compliance with that particular CO limit. As a result, the District has restricted Shell's production limits and operations until the District receives and approves Shell's incident report. The agreement also requires Shell to take all measures to return to compliance with the CO limit as early as possible. Failure to return to compliance within one year will result in additional stipulated penalties of \$10,000 per day.

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