



ShellScenarios

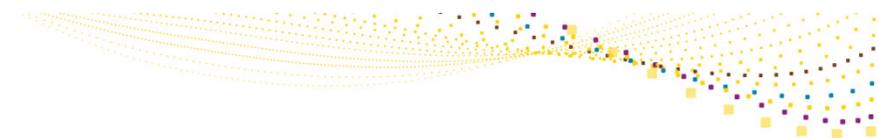
The 2026 Energy Security Scenarios

Challenges to the transition

Peter Wood

[shell.com/scenarios](https://www.shell.com/scenarios)

Warning – Uncertainties ahead:



The 2026 Energy Security Scenarios

Shell's scenarios are not intended to be projections or forecasts of the future. Shell's scenarios, including the scenarios contained in this presentation, are not Shell's strategy or business plan. They are designed to stretch management to consider even events that may only be remotely possible. Scenarios, therefore, are not intended to be predictions of likely future events or outcomes and investors should not rely on them when making an investment decision with regard to Shell plc securities. When developing Shell's strategy, our scenarios are one of many variables that we consider. Ultimately, whether society meets its goal to decarbonise is not within Shell's control, and only governments can create the framework necessary for society to meet the Paris Agreement's goal. We have developed scenarios that fall into two different categories. Our **Surge** and **Archipelagos** scenarios are exploratory scenarios, which means we do not assume a particular outcome within their development, rather we use plausible assumptions based on the data to determine what we believe could occur in the future. Of course, there are multiple possible paths in detail that society could take and our exploratory scenarios are designed to explore a plausible range. The **Horizon** scenario is a normative scenario, which means we assume that society pursues efforts to limit the temperature increase to 1.5 °C above pre-industrial levels, as per Article 2 of the Paris Agreement. With such an assumption in place, we then set out how this may occur. Our detailed energy system assumptions for **Horizon** are based on what we believe are technically possible as of today and not necessarily plausible. The normative analysis shows that achieving the goal of the Paris Agreement and the future depicted in **Horizon** while maintaining a growing global economy will be extremely challenging.

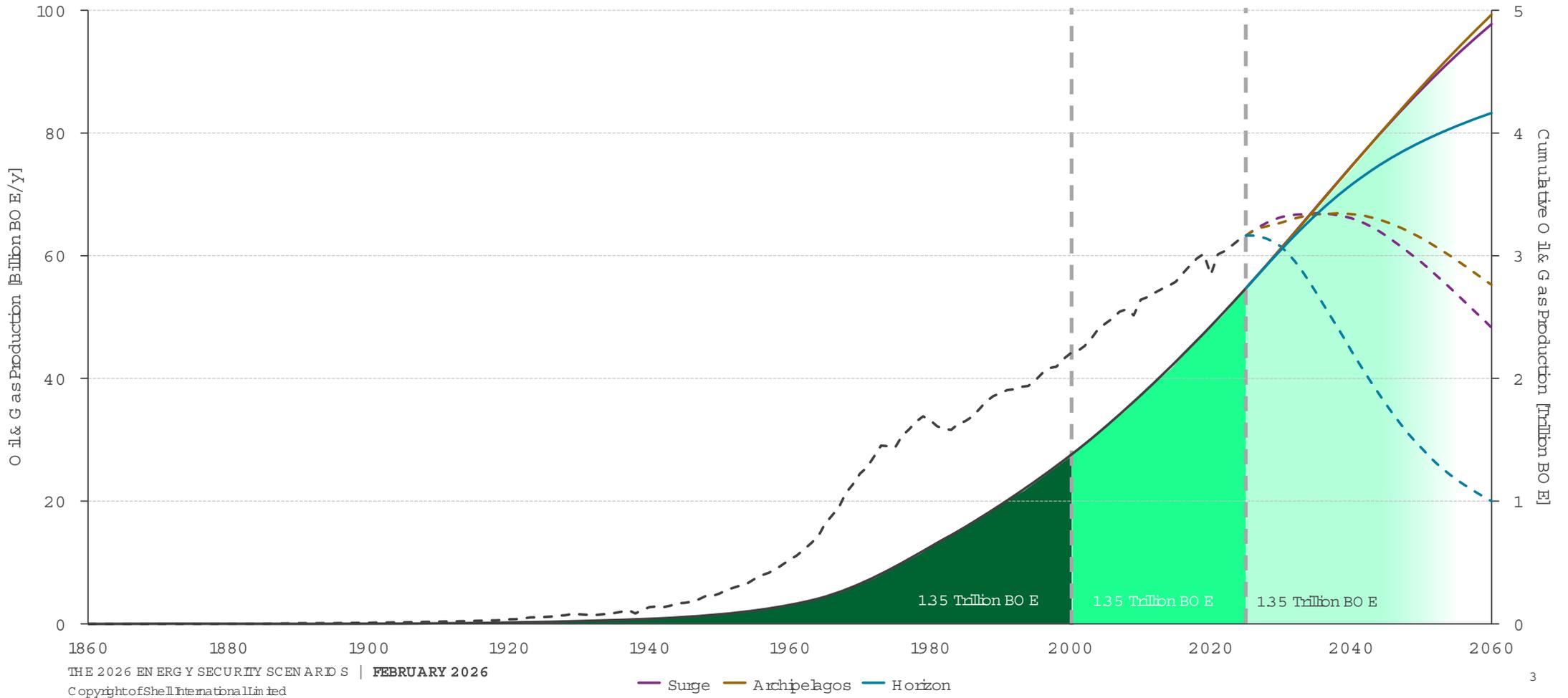
Cautionary Note

The companies in which Shell plc directly and indirectly owns investments are separate legal entities. In this presentation "Shell", "Shell Group" and "Group" are sometimes used for convenience where references are made to Shell plc and its subsidiaries in general. Likewise, the words "we", "us" and "our" are also used to refer to Shell plc and its subsidiaries in general or to those who work for them. These terms are also used where no useful purpose is served by identifying the particular entity or entities. "Subsidiaries", "Shell subsidiaries" and "Shell companies" as used in this presentation refer to entities over which Shell plc either directly or indirectly has control.

The contents of websites referred to in this presentation do not form part of this presentation.

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In just the first 25 years of the 21st century we have used as much oil & gas as humanity did in the 140 years from 1860 to 2000

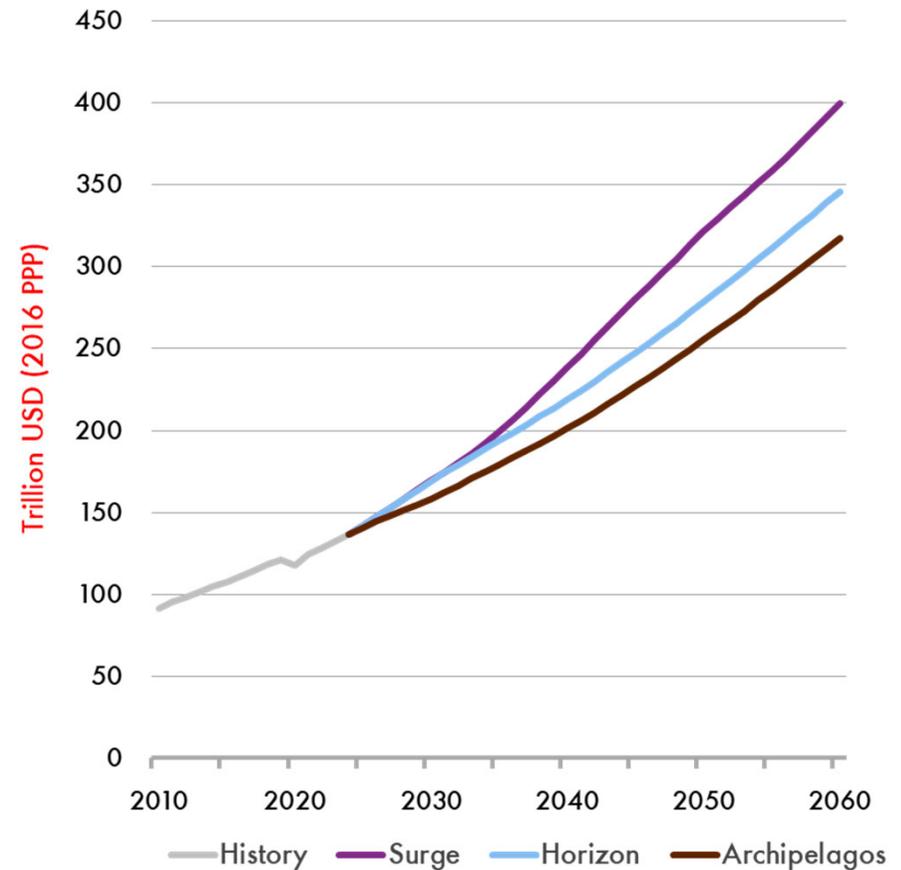


Economic growth considerations

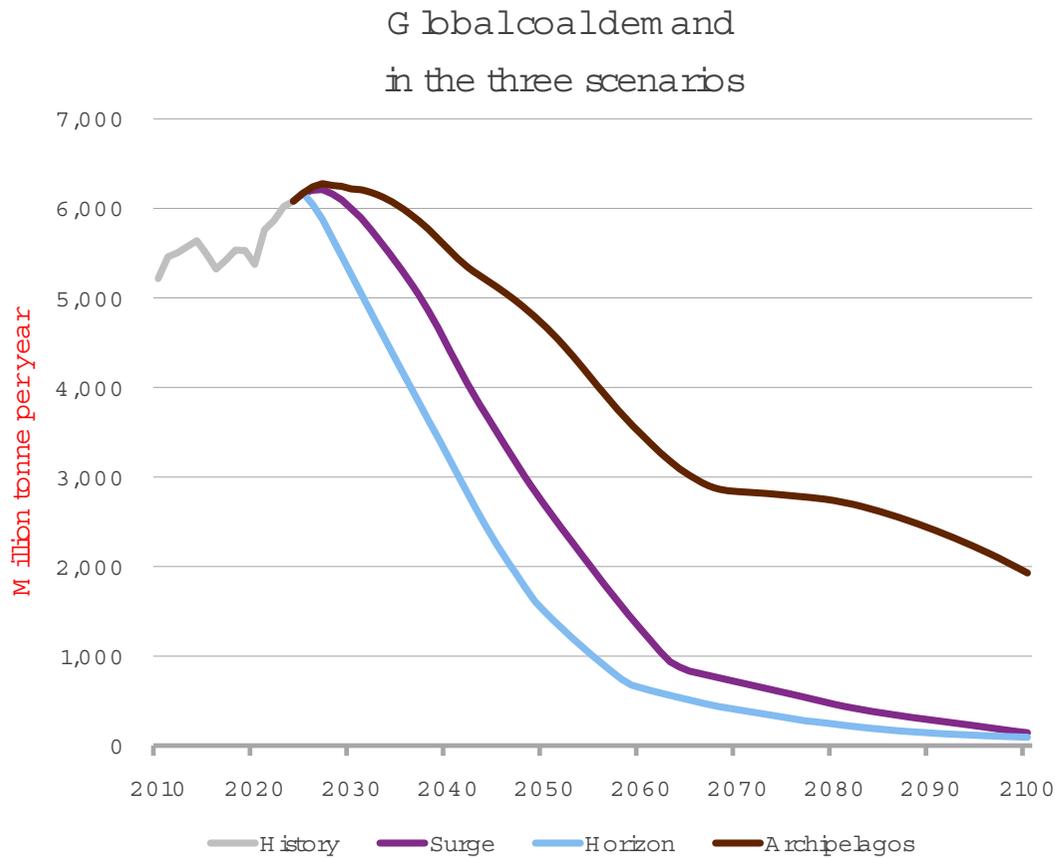
Geopolitical conditions and technology change can both influence economic growth

- In **Surge**, economic growth is strong, surpassing Horizon, with AI enabling greater automation of white-collar business processes and further transformation of consumer purchasing.
- In **Horizon**, global economic growth is between 2.5% and 3% for the balance of the 2020s and just below 2% through to 2100.
- In **Archipelagos**, trade tensions and global decoupling result in a low growth scenario. Growth is lower in the coming decade to 2035 than in the period 2035 to 2050.

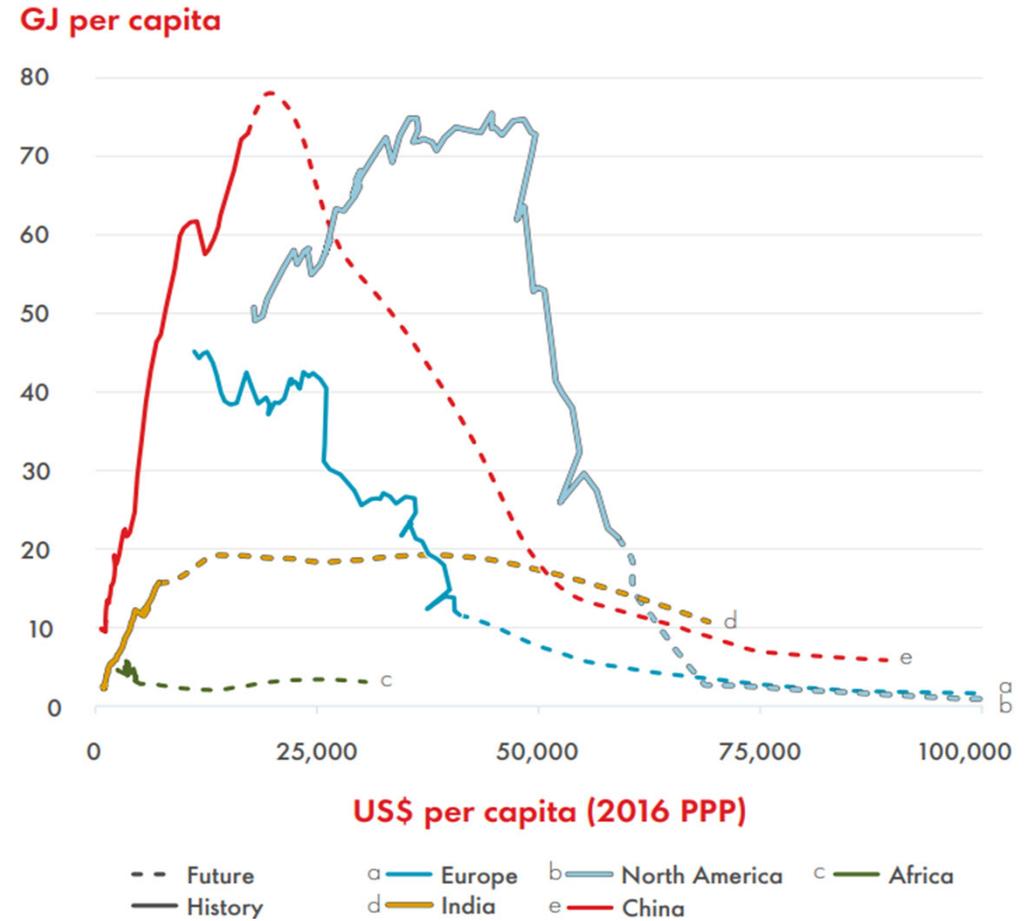
Gross domestic product (GDP) compared in the three scenarios



There is significant uncertainty at how fast coal demand will fall



Coal use development ladders in Archipelagos



Shifting global use of solar energy spurs overall development

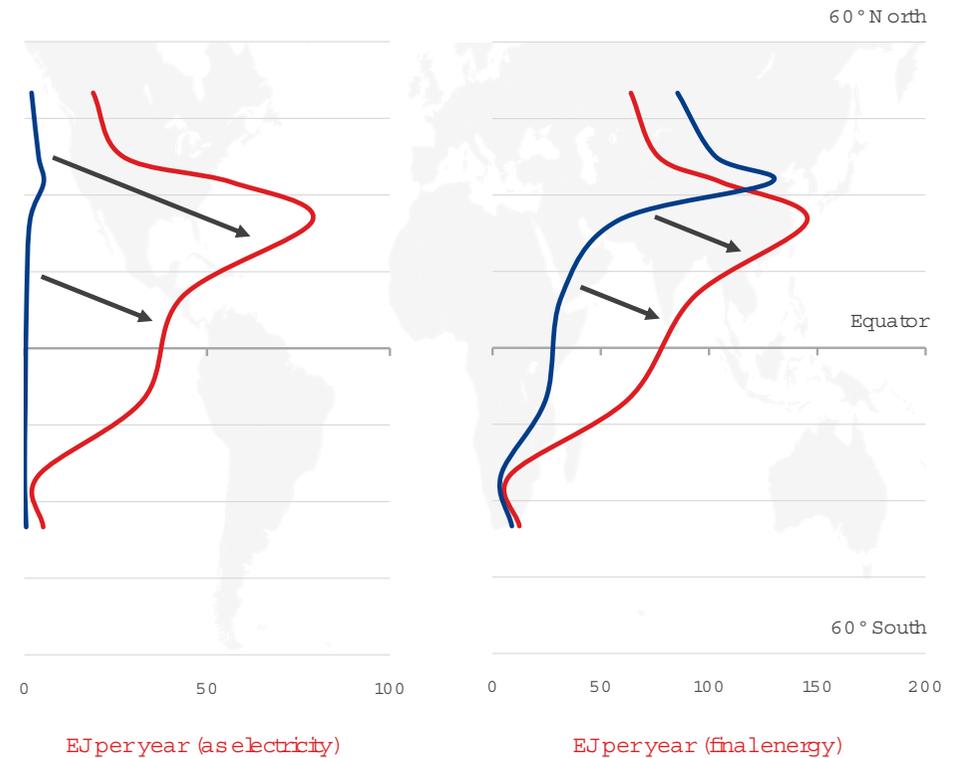
Solar will be hugely important in addressing energy poverty

Shifting supply and demand in **Surge**

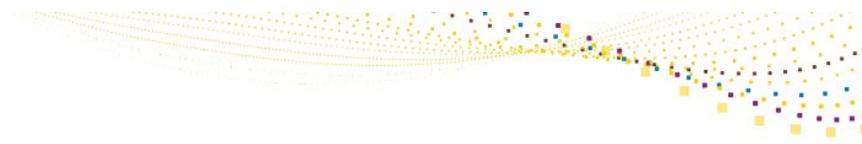


Solar final energy by latitude

Final energy by latitude

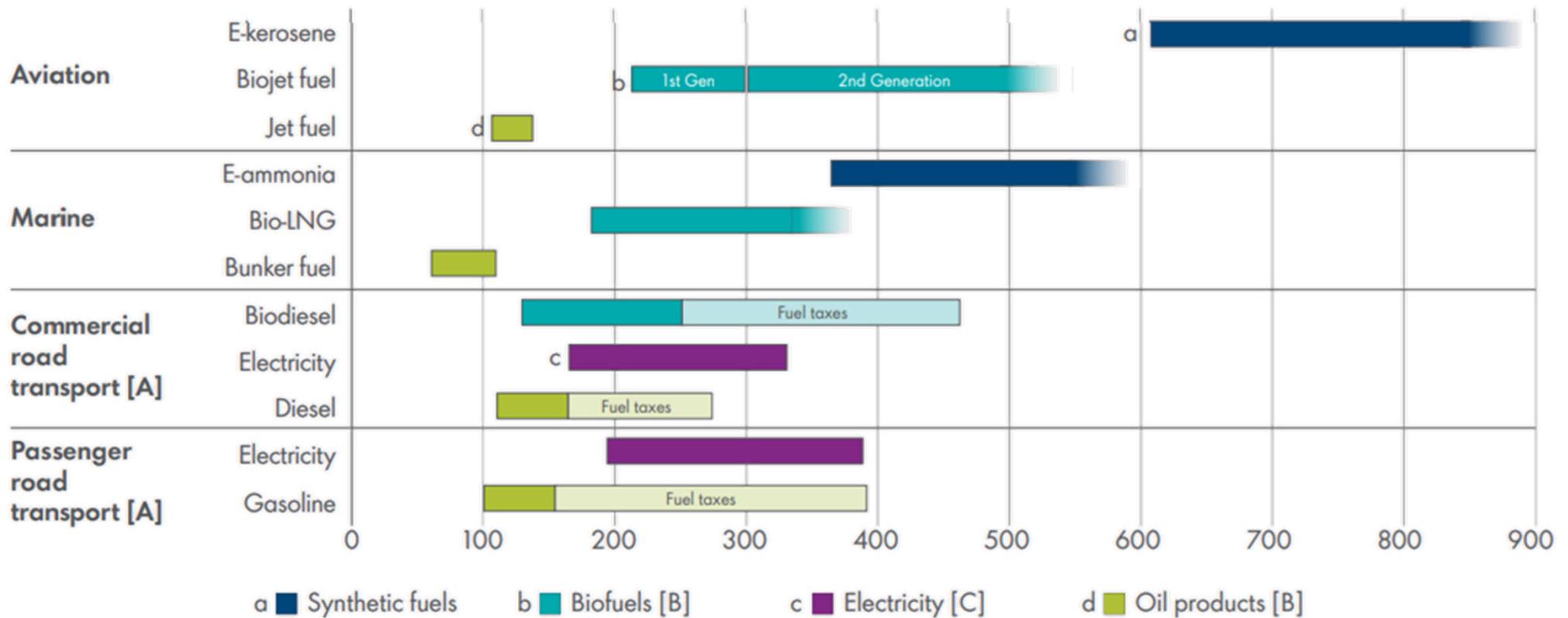


2025 2080



Oil products remain a very competitive in transport

Relative cost of transportation fuels, 2023
\$/barrel of oil equivalent



Global sources and sinks of anthropogenic carbon (as CO₂) in Surge

2060

Global emissions of 11.4 GtCO₂ per year

