<u>The following information should be considered strictly confidential and is not to be shared with anyone outside Shell.</u>

Bay Valley Complex June through August Production Forecast:

<u>Summary</u>
June's total domestic crude avails for BVC are 166 MBPD. SBR will process 62 MBPD domestic and SMR will process the remaining 104 MBPD domestic, 40 MBPD of Napo, and 2.5 MBPD of Ellwood. June's planned BVC capacity utilization is 96.2% with SMR at 96.3% and SBR at 95.4%.

The planned BVC light products total 115 MBPD of mogas, 28.2 MBPD of jet, and 42.3 MBPD of diesel. The planned BVC heavy products total 15 MBPD of RGO (11 MBPD destined for SMR and 4 MBPD to LA), 3.6 MBPD of FOC, and 4.5 MBPD of asphalt.

<u>Planned Rates (MBPD) and Capacity Utilizations</u>

	EDC Factor	"Rated"	PIMS Max-June	June	July	August
BVC						
%EDC Utilization	-	-	-	96.2	87.0	91.0
SBR						
Crude Unit	1.0	70.0	68.0	62.1	58.5	55.0
DCU	7.5	22.0	20.0	20.0	17.5	15.4
HCU 1st Stg	10.6	24.0	24.0	24.0	24.0	24.0
%EDC Utilization	-	-	-	95.4	91.6	87.9
SMR						
Crude Unit	1.0	145.0	147.0	147.0	132.4	140.2
CRU	3.5	31.0	31.0	31.0	31.0	31.0
HCU	8.0	39.0	42.0	41.8	37.2	39.6
CFH	4.3	55.0	58.0	58.0	26.3	40.7
CCU	8.2	73.0	70.0	67.8	62.7	68.5
Alky	8.0	11.5	12.5	12.5	12.5	12.5
FXU	12.8	22.5	22.0	22.0	22.0	22.0
DCU	8.6	26.0	28.0	28.0	21.9	23.3
DHT	6.2	22.0	22.0	22.0	22.1	23.8
%EDC Utilization	-	-	-	96.3	86.0	91.6

The capacity utilization for July is reduced due to a planned ten-day Dimersol shutdown for cleaning, a planned 25-day COB #1 shutdown for turnaround, a planned 22-day CFH shutdown for turnaround, a planned five-day CU slowdown for the crude rate project, and a planned ten-day SMR DCU spall. August's capacity utilization is impacted by the CFH and COB #1 turnarounds that are planned to finish in the first six days of August. Update – The SMR DCU spall has been moved to August. This is not reflected in this plan.

Price Premises

The plan was based on the margins in the attached table.

Actual and Plan Margin	5/25/04 Actual	June Plan	July Plan	August Plan
Very Heavy Coking Contribution Margin	$14.03	$12.7	$12.1	$9.7
Bay RU CARBOB, cpg	154.0	137.3	132.7	121.7
Bay PUL-RUL CARBOB, cpg	10	8	10.5	7.5
LA Jet Pipe, cpg	120.5	102.7	98.4	98.6
Bay CARB Diesel, cpg	122.0	125.7	112.4	112.6
LS Cat Feed, cpg	118.8	111.7	109.0	100.3

(LA prices include 4 cpg discount for transportation and terminal costs.)

Unit Down Time

June

This plan reflects the increased Napo rates of 40 MBPD, and the processing of the last 75 MB of Ellwood crude leftover in tankage.

July

The Dimersol unit shutdown planned for July 12th for 10 days is reflected in the July plan. The CCU rate is slowed to ~55 MBPD during this time to reduce the load on the fuel system.

COB #1 will shutdown on July 12th for a 25-day shutdown, and the CFH will shutdown July 16th for a 22-day turnaround. The plan reflects the expected CCU feed rate limitation estimated at 63 MBPD during the COB #1 shutdown.

The plan includes the CU slowdown on July 18th to 105 MB/D for 3 days for project work associated with the rerate of the CU. Update – The CU slowdown has been increased to four days to account for the ramp down and ramp up time associated with the slow down. The actual project work is still expected to be 3 days. This is not reflected in this plan.

A ten-day SMR DCU spall is premised in the plan for July. Update – The SMR DCU spall has been moved to August. This is not reflected in this plan.

August

The first six days of August are impacted by the CFH and COB #1 turnarounds.

Plan Highlights

1. The June plan drives many units to full.
2. SMR pitch inventory is premised with a draw of 2.0 MBPD for June and July. Threat - We continue to struggle with understanding our pitch balance (inside and outside the model) and we still have the potential to build instead of pull. Currently, we are planning for asphalt to pick up; however, this is not a guarantee.
3. A cat feed sale of 2.6 MB/D was identified in the June plan.
4. Napo to 40 MBPD will be tested in June.

Operational Issues Potentially Impacting the Plan

1. DSU catalyst activity decline may limit our abilities to make diesel/jet.
2. CCU expander hot/cold spall.
3. Dimersol's ability to handle heat and the impact to the Alky unit and fuel system.

Drivers for June

1. Reliability in order to run full for June.
2. Maximizing the DHT and CFH throughputs prior to the CFH T/A.
3. Volatiles handling via fuel / rail / trucks.

Unplanned Items with Impacts or with Possible Impacts to June

1. There is the potential that BVC will have more cutter (FOC) than originally planned. The CFH has reduced the feed rate to 55 MBPD versus the planned 58 MBPD so FOC is currently being backed out in order to make room for the available cat feed.
2. The CU will possibly be rerated to 152 MBPD in June.

Open Items

- HFD cooling limitations during the CFH shutdown
- Dimersol shutdown timing
- FOC/CFH feed rate issue
- CU rerate to 152 MBPD