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July 27, 2007

Mr. Jeroen van der Veer,  
Chief Executive  
Royal Dutch Shell

Mr. Jorma Ollila  
Chairman of the Board  
Royal Dutch Shell

**Re: Coalbed Methane Drilling in the Sacred Headwaters (Klappan)**

Dear Mr. van der Veer and Mr. Ollila:

It is our understanding that Royal Dutch Shell is planning to proceed with coalbed methane drilling in the Sacred Headwaters this year. This raises some important issues.

The Sacred Headwaters, located in the Northwestern region of British Columbia, Canada, (an area also referred to as the Klappan) has significant ecological values. It is the headwaters of three great salmon watersheds – those of the Stikine, Skeena and Nass Rivers. Skeena River wild salmon alone contribute \$110 million annually to the local economy. The Sacred Headwaters is part of the Spatzizi ecosystem, one of the largest intact predator-prey ecosystems left in BC. This rich and diverse area provides important habitat for BC ‘s largest population of woodland caribou as well as bears, moose and wolves.

In British Columbia, there is currently no commercial production of coalbed methane. In other jurisdictions such as Wyoming, New Mexico, and, more recently, Alberta, coalbed methane developments have fragmented landscapes, contaminated fresh water aquifers and disrupted ecosystems. Coalbed methane has never been developed in a wild salmon watershed. Both British Columbia’s regulations for coalbed methane and their enforcement remain woefully inadequate.

Finally, the Sacred Headwaters area is the traditional territory of the Tahltan people. It is our understanding that the Tahltan have expressed serious concerns about coalbed methane drilling in their territory and while Shell, the British Columbia Government and the Tahltan have engaged in a dialogue process, there is no clear mandate to proceed with any activity. The



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community, with leadership from the elders, is requesting that drilling activity be postponed until they have completed a land stewardship plan for their traditional territory.

In light of these serious concerns, we the undersigned strongly oppose drilling for coalbed methane in the Sacred Headwaters and advise Shell to refrain from any activity in this area.

Sincerely [alphabetically by signatory organization],

Chloe O'Loughlin, Executive Director  
Canadian Parks and Wilderness Society, British Columbia Chapter

Morag Carter, Director, Climate Change Program  
David Suzuki Foundation

Will Horter, Executive Director  
Dogwood Initiative

Stephen D'Esposito, President & CEO  
EARTHWORKS

Merran Smith, Coastal Programs Director  
Forest Ethics

Paul de Clerck, Corporate International Campaign Coordinator  
Friends of the Earth International



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Denny Larson, Executive Director  
Global Community Monitor

Bruce Cox, Executive Director  
Greenpeace Canada

Susan Casey-Lefkowitz, Director, Canada Program  
Natural Resources Defense Council

Steve Kretzman, Executive Director  
Oil Change International

David MacKinnon, Executive Director  
Rivers without Borders

Kathryn Molloy, Executive Director  
Sierra Club of Canada, British Columbia Chapter

David Lane, Executive Director  
TBuck Suzuki Foundation

Geoff Senichenko, Director of Research and Mapping  
Western Canada Wilderness Committee