

To: Clegg, Patsy M SCC-DCS/22 <patsy.clegg@shell.com>; Tsai, Shan P SHLOIL-SHS <Shan.Tsai@shell.com>
From: Cagen, Stuart Z SHLOIL-SHOIL-SHS
</O=SHELL/OU=MSXSCC/CN=RECIPIENTS/CN=SC724012>
Cc:
Bcc:
Received Date: 2006-12-08 00:42:15 GMT
Subject: RE: SHS - Shell Options for review and comment

Patsy:

Initial observations:

This looks good. It accurately describes our situation. I think you have the (added) cost numbers right but note Steve, Brian and I have exchanged email ideas recently about the need to include a higher contingency budget (up to \$ 1.5 MM). High end implications for Shell's portion should still be around \$ 2 MM.

Again, I think you have summarized the situation correctly. However, while the three of us might wade through this easily, it is a bit cryptic for others. For example, you say: ' Fund CC to x cases and ME directed @ lymphocytic effects'. I think, however, this is OK as you will be walking them through this and decode as you go.

Because of the nature of the established information flow, we cannot say so with certainty, but I think Shan and I have cautioned many times about the point you make regarding regrets EVEN with full funding..May not achieve full protocol expectations This is more likely than not.

Some caution about the situation and our recommended path forward. 1) Shell contract with API: our flexibility is unclear to me. I suppose that is because our path forward is linked to decisions our consortium partners will make. 2) our recommended path forward will have resistance from Irons and perhaps from other consortium members. In the end it might never happen. Stacy and others might need to be alerted to this, so they can offer advice on a backup plan. 3) similar uncertainty about bringing in the rest of Shell (beyond Chemicals).

In the end, you have done a great job describing our situation. Best case after the calls on Monday is you will have a notion of Shell's position and next steps will be iterative with the consortium. I think we are on the right track with a cautious approach before taking next steps. We will find out Wed and Thurs whether or not the other consortium members have moved further.

Thanks

Stuart

Stuart Cagen, Ph.D.

**Senior Toxicologist
Shell Health Services
One Shell Plaza
910 Louisiana Street
Houston, Texas 77002**

**Telephone: 1-713-241-1407
Fax: 1-713-241-3325**

Mobile: 1-832-646-3987

email: stuart.cagen@shell.com

-----Original Message-----

From: Clegg, Patsy M SCC-DCS/22
Sent: Thursday, December 07, 2006 3:19 PM
To: Cagen, Stuart Z SHLOIL-SHOIL-SHS; Tsai, Shan P SHLOIL-SHS
Subject: SHS - Shell Options for review and comment

Stuart and Shan;

Attached is my rough draft of a way to present the funding request for SHS with options. Please review fearlessly. This will be the discussion document when I talk with Stacy, Allen Kirkley, and Phil on Monday.

<< File: Shell Options - Dec 2006.doc (Compressed) >>

Patsy Clegg
Product Steward
Shell Chemical LP
One Shell Plaza, 910 Louisiana, Houston, TX 77002-4916

Tel: +1 713 241 2521 **Fax:** 3325
Email: patsy.clegg@shell.com
Internet: <http://www.shell.com/chemicals>