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Shell Picks Refining Chief to Become CEO

Ben van Beurden Will Succeed Retiring Peter Voser on Jan. 1

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Ben van Beurden is to become Shell's next chief executive Jan. 1. *Agence France-Presse/Getty Images*

LONDON— [Royal Dutch Shell](#) PLC said Tuesday that Ben van Beurden, the current director of its refining and marketing operations, will become its chief executive on Jan. 1, succeeding retiring CEO [Peter Voser](#).

The move came as a surprise to some observers of the energy company, who had expected the board to appoint Chief Financial Officer Simon Henry, or top executives from its high-earning exploration and production division, Marvin Odum or Andrew Brown.

The appointment of Mr. van Beurden might reflect renewed focus on the basic aspects of company operations, amid criticism from some investors that Shell isn't generating sufficient returns, analysts said.

Ivor Pether, a fund manager at Royal London Asset Management, who manages about \$740 million of Shell stock, said the appointment was unexpected, as Mr. van Beurden isn't well known to investors.

"He did oversee a major turnaround in the chemicals business," Mr. Pether said. "A focus on improving returns would be well-received."

Mr. van Beurden, who is Dutch and a 30-year veteran of the company, only ascended to the top ranks of Shell executives in January, when he took over at the refining and marketing business. Previously, he held senior roles in chemicals and manufacturing, and served as private assistant to the company's chairman between 2002 and 2004, Shell said on its website.

Shell's refining and marketing operations are a significant part of its global business, but the company's oil and gas exploration and production division is the main earnings driver, producing nearly 75% of its \$7.95 billion profit in the first quarter.

"Ben has deep knowledge of the industry and proven executive experience across a range of Shell businesses," said Shell Chairman Jorma Ollila. Mr. van Beurden will "generate competitive returns for our shareholders," he said.

Shell said Mr. van Beurden wasn't available to comment on his appointment.

Mr. van Beurden will become CEO as the company faces several challenges, particularly concerns from some shareholders that long-term investments in giant oil- and gas-production projects have been slow to pay off. Shell's heavy capital expenditures, expected to be near \$34 billion annually until 2015, have also been criticized.

The key to the new CEO's résumé is his turnaround of Shell's petrochemical operations, which under his tenure, starting in 2006, went from making big losses to a business that is now highly profitable, said Jason Gammel, an analyst with [Macquarie Bank](#).

The appointment reflects an emphasis on clarity and cutting complexity, said RBC Capital Markets analyst Peter Hutton. "I would be very surprised if he changed Shell's vision," Mr. Hutton said. "It's about bringing execution to that vision."

Mr. Hutton added that the Shell CEO before Mr. Voser, Jeroen van der Veer, also had a background in chemicals. He was widely perceived to have been chosen as a safe pair of hands to steady the company after a period of turmoil.

Mr. van Beurden is the same age as departing CEO Mr. Voser, who [ran Shell for five years and will retire](#) at 55 years old. Mr. Voser joined Shell at a time

when it was being criticized for offering inferior returns, compared with some of its peers, and moved quickly to consolidate divisions and cut jobs.

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