

**UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY**

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<b>IN RE ROYAL DUTCH/SHELL</b>	)	<b>Civ. No. 04-374 (JAP)</b>
<b>TRANSPORT SECURITIES</b>	)	<b>(Consolidated Cases)</b>
<b>LITIGATION</b>	)	<b>Judge Joel A. Pisano</b>
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**DECLARATION OF SIMON HENRY**

I, SIMON HENRY, declare and affirm as follows:

1. I am currently the Executive Vice President for Finance in the Exploration and Production (“E&P”) business of the Royal Dutch/Shell Group of Companies (“Shell” or “the Group”). From December 2000 until April 2004, I served as the Head of the Group’s Investor Relations function (“IR”).
2. I hold bachelor’s and master’s degrees in Mathematics from Cambridge University. I am an associate member of the Chartered Institute of Management Accountants.
3. I understand that an issue in this case involves the nature and extent of any United States conduct from April 8, 1999 to March 18, 2004 relating to the estimation or reporting of proved reserves that Shell later restated. I am making this declaration in connection with Shell’s submissions on this issue. I previously was deposed in this matter on October 16-17, 2006. I also testified before the staff of U.S. Securities and Exchange Commission on October 19-20, 2004. I understand that the Court and the parties have access to the transcripts of those proceedings.

4. Unless otherwise stated, I make this declaration on personal knowledge and am competent to testify as to the matters set forth herein.

**Structure of the Royal Dutch/Shell Group of Companies**

5. As Head of Group IR, I became familiar with the structure of the Group. The Group was formed in 1907 when Royal Dutch Petroleum Company (“Royal Dutch”), based in the Netherlands, merged its operations with The “Shell” Transport and Trading Company, p.l.c. (“Shell Transport”), based in the United Kingdom. Both Royal Dutch and Shell Transport, however, maintained their distinct corporate identities.<sup>1</sup>

6. During my tenure as Head of Group IR, Royal Dutch existed as a Dutch company based in The Hague, the Netherlands. Its primary stock exchange listing was on the Euronext Amsterdam exchange, but its shares also traded on exchanges in Austria, Belgium, France, Germany, Luxembourg, Switzerland, and the United Kingdom, as well as on the New York Stock Exchange (“NYSE”). Royal Dutch was managed by a Board of Management, which operated under the supervision of a Supervisory Board.

7. Shell Transport existed as a British company based in London, England. Its primary stock exchange listing was on the London Stock Exchange,

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<sup>1</sup> On July 20, 2005, Royal Dutch and Shell Transport merged to form Royal Dutch Shell, p.l.c. This Declaration, however, will discuss the structure of Royal Dutch, Shell Transport, and the Group as they existed during my tenure as Head of Group IR from 2000 through 2004.

but its shares also traded on exchanges in Belgium, France, and Germany. In addition, American Depositary Receipts, each representing six ordinary shares of Shell Transport, were traded on the NYSE. Shell Transport was managed by a Board of Directors.

8. While Royal Dutch and Shell Transport securities were traded in a number of markets, the overall prices for both securities were most influenced by the London market, where the most influential opinion leaders concerning the Group traded and worked.

9. Analysts and investors in Europe analyzed the Group differently from analysts and investors in the United States. Analysts in the United States were more focused on quantitative data and short-term results than were analysts in Europe. As a result, reports issued by United States-based analysts were rarely used by European investors to make investing decisions.

10. Neither Royal Dutch nor Shell Transport itself engaged in operational activities. Rather, Royal Dutch owned 60% and Shell Transport owned 40% of two holding companies, Shell Petroleum N.V., based in the Netherlands, and Shell Petroleum Company, Ltd., based in the United Kingdom (together, the “Group Holding Companies”). Directly or indirectly, the Group Holding Companies owned interests in the operating and service companies that, along with the Group Holding Companies themselves, constituted the Group.

11. The Group (other than the Group Holding Companies) consisted of two types of companies: Operating Companies (also known as operating units) and

Service Companies. Operating Companies were responsible for managing and operating their assets. The management of each Operating Company was responsible for that company's own performance and long-term viability. Service Companies were responsible for providing services to the Operating Companies.

12. The Operating Companies existed in over 145 countries and were organized into four principal business units: E&P, Gas & Power, Oil Products, and Chemicals.

13. E&P was responsible for identifying hydrocarbon deposits in the ground and extracting them. Gas & Power was responsible for liquefying and transporting natural gas, for gas-to-liquids projects, for trading natural gas and power and for developing gas-fired power plants. Oil Products was responsible for refining, shipping, distributing, and retailing crude oil products for consumer and industrial use, as well as for creating and distributing lubricants under the Pennzoil and Quaker State brands. Chemicals was responsible for producing and selling petrochemicals for industrial use.

14. The Group also had a Renewables business that developed projects to harness wind and solar power and a Shell Hydrogen initiative that developed hydrogen and fuel-cell technology.

#### **Investor Relations Overview**

15. As Head of Group IR, I was responsible for coordinating the Group's investor-relations efforts. The IR function, including the drafting of IR-related materials and information related to the Group's proved reserves, was directed out

of Group headquarters in London, England, where I maintained my offices throughout my tenure as Head of Group IR. All of the work that was done by IR in assisting the Group in the preparation of its quarterly and annual results and other regulatory reporting was directed from IR's London office. In addition, the London IR office acted as a liaison between the Group and the community of analysts and investors in the United Kingdom, Ireland, and Japan

16. Other than the IR office in London, there were two Group IR offices charged with acting as liaisons between the Group and analysts and investors in other parts of the world. Each of those offices was responsible for a different geographical area. The IR office in The Hague liaised with analysts and investors in Continental Europe. The IR office in New York liaised with analysts and investors in North America.

17. The Group directed analysts and investors to contact the IR office for their region with any questions or communications. An investor in France, for example, was directed to the IR office in The Hague. An investor in the United States was directed to the IR office in New York. Only on very rare and exceptional occasions would an IR office be called upon to answer a question posed by an investor or analyst from outside that office's designated geographical area.

18. The Group's IR efforts included: helping to coordinate the release of the Group's financial results, including earnings releases and conferences with analysts and investors, and its annual reports; presentations to analysts and investors regarding the strategies and activities of the Group and its major businesses; one-on-

one and small-group meetings between senior Group executives and analysts and investors; and speeches by Group personnel to interested audiences.

### **Financial Results Announcements**

19. When ready for publication, the announcement of the Group's quarterly or annual financial results ("Results Announcement") was simultaneously issued in all the countries where the shares of Royal Dutch and Shell Transport were listed. The issuance was accomplished by simultaneous delivery from the London or The Hague Investor Relations offices to relevant stock exchanges and worldwide wire services.

20. The Results Announcement was then posted on Shell's website and released to the general media. The posting was done from Shell's offices in London or The Hague. Once the Results Announcement had become public information, it is my understanding that it was also sent to financial analysts, though I was not involved in this process.

21. Shell also furnished each Results Announcement to the SEC on Form 6-K. The Forms 6-K were furnished from the Investor Relations offices in London and The Hague.

### **Annual Reports**

22. Both Royal Dutch and Shell Transport issued long-form and short-form versions of their Annual Report to shareholders.

23. Both versions of the Royal Dutch Annual Report were published in both English and Dutch. Both versions of the Shell Transport Annual Report were published in English only.

24. Royal Dutch's and Shell Transport's long-form Annual Reports were prepared and approved in the Netherlands and the United Kingdom, respectively. They were printed in the United Kingdom, and posted on Shell's website from London or The Hague.

25. Similarly, each short-form summary version of the Royal Dutch and Shell Transport Annual Report was prepared and approved in The Netherlands and the United Kingdom, respectively, printed in the United Kingdom, and, beginning with the 2000 Annual Report, posted on Shell's website from London or The Hague.

26. During each year in which I was Head of Group IR, either a long-form or short-form version of the Annual Report was sent from the London and The Hague IR offices to shareholders who (i) were registered, (ii) had requested a copy of the report, or (iii) were beneficial owners in the United States (except for those beneficial owners who had indicated that they did not wish to receive such reports).

27. Royal Dutch and Shell Transport also submitted the information contained in their Annual Reports to the SEC in a jointly filed Form 20-F. During my tenure as Head of Group IR, the Forms 20-F were filed from the IR offices in London and The Hague. The proved-reserves figures in those filings were the same as those in the previously distributed long-form Annual Reports. For most years during my tenure in Investor Relations, the Annual Reports were published in The

Hague and London several days before the Forms 20-F were filed with the SEC. The only exception was for the year 2001, when the Annual Reports were published and the Forms 20-F were filed on the same date.

### **Annual Results Presentations**

28. During my tenure as Head of Group IR, the conference with analysts and investors that took place in connection with the Group's release of its annual financial results was conducted in Europe. A conference for North American-based analysts and investors was sometimes subsequently held in the United States. This conference was held for the benefit of United States analysts and investors.

29. Although the Group executives delivering the subsequent presentation might have received minor feedback concerning their performance at the European presentation, the executives' statements at the United States conference were always substantially the same as those made at the previous European conference. No market-sensitive information was released for the first time during the United States presentation.

30. For example, the presentation to analysts and investors in New York on February 7, 2003 discussing the Group's 2002 results used exactly the same presentation slides as did the presentation to analysts and investors in London on February 6, 2003 [LON01430860-935]. The statements made during the two presentations also were substantially the same [MISC00011217-44 and MISC00012100-52]. Similarly, the slides used for the February 6, 2004



presentation in New York concerning the Group's 2003 results were identical to those used for the February 5, 2004 presentation in London [LON01092127-47].

31. On very rare occasions, an analyst or investor from outside North America was allowed to attend the United States conference, but, at all other times, the audience for the United States conference consisted of analysts and investors based in North America.

### **Strategy Presentations**

32. The Group or one of its businesses occasionally made presentations to analysts and investors concerning their activities and strategy. Throughout my tenure as Head of Group IR, these presentations were made first in Europe, with a subsequent presentation given in the United States solely for the benefit of the North American market.

33. I personally reviewed the remarks that were prepared for the Group executives to deliver the presentation, in part to determine whether any information they planned to convey constituted an announcement of new information that warranted an accompanying regulatory release.

34. The executives who made strategy presentations in the United States might have received minor feedback concerning their prior European presentation, but, as with the announcement of financial results, the United States strategy presentations were substantially the same as the European presentations. For example, the Group strategy presentation in New York on December 18, 2001 [LON01301057-155 and MISC00012040-99] was substantially the same as the

December 17, 2001 presentation in London [LON01301057-155 and LON01301004-56]. Similarly, the joint E&P/Gas & Power presentation in New York on March 27, 2003 was substantially the same as the March 26, 2003 presentation in London [LON01220707-12 and HAG00330059-114].

35. If a Group executive made a United States presentation that did not have a European analog, the information contained in the presentation would have been included in the Group's most recent results announcement previously released to the markets from Europe. For example, the presentation given by Sir Philip Watts in the United States in September 2002 [MISC00021672-98] used the same principal information concerning the Group's operations as that contained in the Group's announcement of its second-quarter 2002 results on August 1, 2002 [MISC00011031-50].

36. United States-based investors and analysts were permitted to dial in to the results and strategy presentations in Europe via conference call. During my tenure as Head of Group IR, the Group also broadcast its presentations via the Internet. Analysts and investors in Europe were permitted to dial in to the United States presentation, but were not allowed to ask questions, because they had had an opportunity to do so at the previous European presentation.

#### **One-on-One Meetings**

37. As stated above, senior Group executives would, on occasion, meet with analysts and investors in a one-on-one or small-group setting to discuss the Group's activities and strategy. These "one-on-one" meetings often occurred in

connection with the Group's release of its quarterly or annual financial results or with a presentation concerning Group strategy.

38. The messages and information that senior Group executives conveyed in the one-on-one meetings concerning the E&P business were substantially the same as the messages and information that had already been released to the market from Europe. In addition, those one-on-one meetings that occurred in the United States were almost exclusively conducted with United States-based investors and analysts, who would presumably use the contents of those meetings to assist them in deciding or advising their United States-based clients whether to invest in Shell securities. No one-on-one meetings were held in the United States with European-based analysts or investors.

39. The one-on-one meetings that occurred in the United States included the following examples.

Q Capital Guardian, New York, April 19, 2002 [MISC00021660]

Q Wells Fargo, San Francisco, September 16 or 17, 2002  
[MISC00021666 and LON00961044-45]

Q Prudential, San Francisco, September 16 or 17, 2002  
[MISC00021666 and LON00961046]

Q Lunch with several analysts and investors in San Francisco,  
September 16 or 17, 2002 [MISC00021666-67 and LON00961047-  
48]

- Q Dodge and Cox, San Francisco, September 16 or 17, 2002  
[MISC00021667 and LON00961049-50]
- Q Breakfast with several analysts and investors in Los Angeles,  
September 17 or 18, 2002 [MISC00021668 and LON00961051-52]
- Q Capital Guardian, Los Angeles, September 17 or 18, 2002  
[MISC00021668 and LON00961053-54]
- Q WM Advisors, Seattle, September 18 or 19, 2002 [MISC00021670  
and LON00961055-56]
- Q Lunch with the Seattle Analyst Society, September 18 or 19, 2002  
[MISC00021670 and LON00961057]
- Q Northern Trust, Chicago, November 4, 2002 [MISC00021771]
- Q Jennison Associates, New York, November 4, 2002  
[MISC00021771]
- Q Oppenheimer Funds, New York, November 4, 2002  
[MISC00021771]
- Q Neuberger Berman, New York, November 4, 2002  
[MISC00021771]
- Q Goldman Sachs Asset Management, New York, November 5, 6, or  
7, 2002 [MISC00021771 and MISC00030050]
- Q JP Morgan, New York, November 5, 2002 [MISC00021771]
- Q Deutsche Investment Management Americas, New York, November  
5, 2002 [MISC00021771]

- Q T Rowe Price, New York, November 5, 6, or 7, 2002  
[MISC00021771 and MISC00030042-43]
- Q Alliance Capital Management, New York, November 5, 2002  
[MISC00021771]
- Q Capital Guardian, New York, November 6, 2002 [MISC00021771]
- Q Lazard, New York, November 6, 2002 [MISC00021771 and  
MISC00030048-49]
- Q Merrill Lynch Asset Management, November 6, 2002  
[MISC00021771 and MISC00030044]
- Q Morgan Stanley Advisors, New York, November 6, 2002  
[MISC00021771]
- Q Citadel, New York, November 6-7, 2002 [MISC00030045]
- Q CitiGroup, New York, November 6-7, 2002 [MISC00030046-47]
- Q Putnam, Boston, November 7, 2002 [MISC00021771 and  
MISC00030051-52]
- Q Wellington Management, Boston, November 7, 2002  
[MISC00021771 and MISC00030053-54]
- Q Fidelity, Boston, November 7, 2002 [MISC00021771 and  
MISC00030055-56]
- Q Fleet, Boston, November 7, 2002 [MISC00021771 and  
MISC00030057]

- Q State Street, Boston, November 7, 2002 [MISC00021771 and MISC00030058-59]
- Q T Rowe Price, February 7-11, 2003 [MISC00030093]
- Q Sanford Bernstein, February 7-11, 2003 [MISC00030093]
- Q Lazard, February 7-11, 2003 [MISC00030093-94]
- Q Soros, February 7-11, 2003 [MISC00030094]
- Q Merrill Lynch, February 7-11, 2003 [MISC00030094-95]
- Q Capital Guardian, February 7-11, 2003 [MISC00030095]
- Q Vaughn, Nelson, Scarborough and McCollough, Houston, April 3-4, 2003 [MISC00031873]
- Q Dinner with analysts, Houston, April 3-4, 2003 [MISC00031874]
- Q Fayez Sarofim & Co., Houston, April 304, 2003 [MISC00031875]
- Q The Mitchell Group, Houston, April 3-4, 2003 [MISC00031876]

40. Each of these meetings was held to discuss the Group's activities and strategy with a United States-based analyst or investor, just as one-on-one meetings were held in Europe to discuss the Group's activities and strategy with European analysts and investors. In each case, the Group executive attending the meeting conveyed substantially the same messages and disclosed substantially the same information as had previously been disclosed to the market from Europe.

41. The briefing materials for the one-on-one meetings in the United States were prepared by the IR offices in both New York and Europe. While it may have compiled information concerning United States operations that was later included in

European presentations and discussions, however, the New York office did not participate in preparing briefing materials for one-on-one meetings in Europe.

### **Speeches by Group Personnel**

42. As stated above, Group personnel would on occasion make speeches to interested audiences concerning the Group's activities. During my tenure as Head of Group IR, some of these speeches were given in the United States. No Group employee making a speech in the United States disclosed any information concerning the E&P business that was not substantially the same as the information that had previously been disclosed to the market from Europe.

43. The speeches that occurred in the United States included the following examples. In each case, the speech was delivered to discuss the Group's activities and strategy with a United States-based audience, just as speeches delivered in Europe discussed the Group's activities and strategy with a European audience. In no case did the speaker disclose any information concerning the Group that was not substantially the same as the information that had previously been disclosed to the market from Europe.

Q Unknown speaker (CWC Conference), New York, June 11-12, 2001  
[SMJ00038394-406]

Q Sir Philip Watts, New York, February 13, 2002 [SMJ00017220-61]

Q John Darley, Boston, September 19, 2002 [MISC00021662]

Q Walter van de Vijver, New York, November 5, 2003  
[LON01382357-67]

### **Other Activities**

44. In addition to the IR activities described above, the Group would on occasion invite analysts and investors on a “field trip,” a visit to one or more Group facilities to educate them about the Group’s business activities.

45. One such visit occurred in October 2002, when certain analysts and investors were invited to the Group offices in Houston to hear presentations concerning the Group’s Oil Products business, and then to the Group’s oil-sands facilities in Canada. While in Houston, the analysts and investors also heard presentations from personnel in the Group’s E&P business. These presentations contained substantially the same information concerning the E&P business that had already been released to the market from Europe. In fact, the internal briefing materials that the Group participants used during the field trip expressly warned them not to make “significant” or “price sensitive” disclosures in the context of a private meeting with analysts and investors [SMJ00033165]. The October 2002 field trip was attended by analysts and investors from Europe, but it was the only field trip in the United States or relating to the Group’s activities in the United States that the Group conducted while I was Head of Group IR.

46. During 2003, the Group instituted a marketing plan designed to encourage retail investors to invest in Shell. The retail marketing plan was targeted toward only United States investors [LON00870074-92]. The plan in no way involved the dissemination of communications from the United States that targeted European or other non-United States investors.



47. Since 2001, I have attended an event known as Shell Business Week each May in Houston. The purpose of Shell Business Week is to gather the most senior personnel in the Group for a week of internal meetings with each other and with the Group executives. Shell Business Week is a private, internal event, and no disclosures are made to the market in connection with it.

48. On October 16, 2006, I was asked about the approximate breakdown of Royal Dutch shareholders in the United States, Continental Europe, and the United Kingdom between 2001 and 2003. As part of my response, I stated that: "To the best of our knowledge at the time, the total percentage of shares held in the U.S. was between 25 and 30 percent." To be clear, I was answering this question with regard to the percentage of *Royal Dutch* shares listed in the United States. I believe that this was a correct statement regarding the approximate number of Royal Dutch shares listed in the United States during that time period. This would not be an accurate statement, however, regarding the *combined* percentage of Royal Dutch and Shell Transport shares listed in the United States, given that, as stated in the Group's public filings, only 3% of the shares of Shell Transport were listed in the United States.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

A handwritten signature in black ink, appearing to read "S. Henry", written over a horizontal line.

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SIMON HENRY

Executed:

12<sup>th</sup> June, 2007