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◀ 05 of 30 ▶

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## Reserves

In 2007, we entered into two exceptional transactions that affected our proved oil and gas and proven minable oil sands reserves position (see [portfolio actions](#) for a full description of these transactions):

the divestment of 27.5% of our interest in the Sakhalin II project; and  
our acquisition of the 22% minority interest in Shell Canada.

The effects of these exceptional transactions are complex in the context of our reported reserves position. The purpose of the adjacent table is to set out those effects, together with other changes in our reserves position that occurred during the year, on the same basis as they are evaluated by management. The table presents; the total net proved oil and gas reserves for Shell subsidiaries and the Shell share of equity-accounted investments; the total net proven minable oil sands reserves for Shell subsidiaries; and then eliminates the portion of the reserves that is attributable to the equity held by those with a minority interest in our subsidiaries. The result is the total net proved oil and gas and net proven minable oil sands reserves attributable to Royal Dutch Shell shareholders. We believe it is appropriate to summarise our overall reserves position in this manner as it reflects how we manage our reserve base, and that we do not distinguish between reserves of Shell subsidiaries and equity-accounted investments when making commercial investment decisions. We believe that this summary is necessary in the context of the transactions that occurred in 2007 in order for investors to have a fair and complete understanding of the effects of these transactions on our reserves position.

As shown in the table below, the material effects of the Sakhalin II divestment and Shell Canada acquisitions, together with other events, on proved oil and gas reserves and proven minable oil sands reserves attributed to Royal Dutch Shell shareholders consisted of the following:

We reduced the minority interest in our proved oil and gas reserves and our proven minable oil sands reserves from 999 million boe to 17 million boe, mainly as a result of the elimination of the minority interest in Shell Canada (including net proven minable oil sands reserves, 322 million boe) and the minority interest in Sakhalin (658 million boe). The figures quoted above between parentheses are before taking account of 2007 production.

While proved oil and gas reserves attributable to Royal Dutch Shell shareholders reflected the net reduction of 402 million boe of proved reserves relating to Sakhalin, this was offset by our development programme that yielded organic reserves additions of 1,315 million boe of additional proved oil and gas reserves (comprised of 228 million boe in relation to Shell subsidiaries and 1,087 million boe in relation to Shell's share of equity-accounted investments) and 6 million boe of additional minable oil sands reserves.

After taking these two events into account, total net proved oil and gas reserves and net proven minable oil sands reserves attributable to Royal Dutch Shell shareholders decreased by 22 million boe in 2007, from 11,942 million boe to 11,920 million boe, or less than 0.2%. These totals reflect the volume impact of year-end driven price reductions of some 183 million boe for 2007 (largely due to our Qatar [GTL](#) project), 59 million boe for 2006 and 60 million boe for 2005.

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PROVED AND PROVEN RESERVES (At December 31)	million barrels of oil equivalent <sup>[C]</sup>		
	2007	2006	2005
<b>Total net proved oil and gas reserves</b>			
Shell subsidiaries	6,686	8,452	7,761
Shell share of equity-accounted investments	4,140	3,355	3,705
<b>Total net proven minable oil sands reserves</b>	1,111	1,134	746
Total net minority interests share of Shell subsidiaries <sup>[A]</sup>	17	999	900
<b>Total net proved oil and gas and net proven minable oil sands reserves attributable to Royal Dutch Shell shareholders<sup>[B]</sup></b>	11,920	11,942	11,312

[A] Total of minority interest associated with both net proved oil and gas reserves and net proven minable oil sands reserves.

[B] Total of net proved oil and gas reserves and net proven minable oil sands reserves net of minority interests.

[C] For this purpose, natural gas has been converted to barrels of oil equivalent using a factor of 5,800 standard cubic feet per barrel.

Investors should note that the above summary is presented to illustrate the complex effects of the two transactions that occurred during 2007. This summary should be read in the context of our Supplementary Information – Oil and gas (unaudited) and Supplementary Information – Oil sands (unaudited). This presentation has been included because we believe it is material to an investor's understanding of our reserves position and the changes in 2007.