

Exhibit 112



Shell Development Angola - SDAN

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**NOTE FOR INFORMATION
Block 18 Reserves Update**

On December 12th, 2000 a Block 18 Technical Support Team from SDS and Shell Development Angola (SDAN) provided an update on the situation of Block 18 reserves to EPG (Gordon Parry), EPB (Remco Aalbers) and the reserves auditor Anton Barendregt in the light of the results of the 6 exploration wells drilled to date. The meeting focused on the volume of reserves that SDAN could book this year, if any, based on the current level of project maturity. It was concluded that due to the technical immaturity of the Block, no more than about 60-70MMbbls Shell share may be booked in 2000, assuming that a technically and commercially mature development scenario can be confirmed for the high confidence areas in Plutonio and Cobalto by early January 2001.

EXPLORATION PHASE – WHY 293MMbbls were initially reported as possible?

Exploration has been very successful (100% success rate in 6 wells) in discovering hydrocarbons in Block 18. A total MSV of about 750MMbbls recoverable reserves (100% volumes) and a P85 of about 620MMbbls was predicted in the Greater Plutonio development area early this year before the 2000 drilling campaign. In addition, the Platina structure, which sits outside the Greater Plutonio development area, contains some 110 MMbbl MSV and 80 MMbbl P85. These predictions assume an average 40% recovery factor, in agreement with BP's figure and in line with TFE's and Exxon's models for other Angolan fields. BP's pre-drill volumes were in the same range as above.

Overall the 2000 pre-drilling predictions came in on target in terms of STOIP and MSV based on the above assumptions.

From this data it was suggested that about 290-300MMbbls Shell share might be booked in 2000, assuming that the project would achieve the necessary technical and commercial maturity level required for reserves booking.

PRESENT SITUATION – WHY only 60-70MMbbls now?

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Block 18 volumes – General view

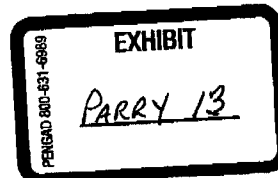
Project economics for the Block 18 fields depends crucially on ultimate recovery per well and is influenced by the spread-out nature of the fields (necessitating long subsea flowlines) and the relatively thin nature of many of the reservoir sands. An added complexity (not yet fully addressed by SDS) is the poor lateral continuity of the turbidite reservoir channel sands, which may restrict recoveries per well.

BP does not intend to book reserves for Block 18 until FID so Shell had to carry out our own assessment for the purposes of reserves booking. During the last month the Block 18 Technical Support Team from

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SDS focused on better characterisation of reservoir uncertainties by completing the first static model for Plutonio structure, updating the database of analogue data from other turbidite fields and making use of the results of the wells drilled in the 2000 campaign. In addition, in order to improve project economics, SDS looked at a 'creaming' project, which would focus on areas of 'high confidence', i.e. the areas of high seismic amplitude around the existing exploration wells.

The Impact of Plutonio Static Model

The impact of the first static model in Plutonio reduced recoverable reserves, the Plutonio MSV volumes being decreased by about 14%. The reason for this was that reservoir parameters in the well, being in the high amplitude area of the structure, were not seen as representative for the entire structure, in particular the lower amplitude areas. Overall Block 18 MSV volumes were decreased from 750MMbbls to 720MMbbls, and P85 volumes from 620MMbbls to about 590MMbbls. Based on the above data the volumes that might be booked as Group share proved reserves dropped from 290MMbbls to about 260MMbbls.

The Impact of Updated Analogue Database

Preliminary data, based on existing analogues, suggest that the ultimate recovery per well and the recovery factor in the channelised sand reservoirs might be much lower than initially predicted by BP and Shell, as low as an average 27%. This is also valid for all other similar developments including Erha.

Due to the current level of understanding of the Block 18 project (i.e. no appraisal wells drilled to date, no dynamic models in place for any structure) it was suggested that this low range of recovery factors should be used for reserves booking.

The impact of using the above analogue data on Block 18 volumes is significant. Overall MSV volumes in the Greater Plutonio area would decrease from 720MMbbls to 456MMbbls (BP currently carries between 610MMbbls and 700MMbbls discovered MSV), and P85 volumes from 620MMbbls to about 336MMbbls (100% volumes). Based on this data the volumes that might be booked in Block 18 as Shell share proven reserves dropped from 260MMbbls to about 150MMbbls!

The need for caution on the assumptions regarding recovery factors is also borne out by SEPCO/BTC work on turbidites, which demonstrates that, for some of the semi-amalgamated channel sands, lateral continuity deteriorates rapidly, resulting in recovery correction factors of 50% or less for well spacing of some 5000 ft.

During the 12th December meeting it was remarked by the EPB advisers that the analogue data (plots of reservoir recovery vs recovery per well) were not very applicable due to the absence of reservoir thickness data. Only with these data would it be possible to relate the recoveries per well to lateral drainage areas per well suitable for Block 18; massive sands would be much more likely to yield high recoveries than the relatively thin sands in Block 18. In addition, it was noted that the assumed recovery of 33 MMbbls per well for the Plutonio / Cobalto 'high confidence' areas (see below) was more than double that of the channel sands seen in the West-of-Shetland fields.

Development of 'high confidence areas'

It was hoped that, by concentrating on the 'high confidence' areas in the five Block 18 fields, well numbers could be reduced and that the overall project economics could be improved (even if the project size would be smaller). The result was that only a development of the Plutonio and Cobalto fields (which are close together) was anywhere near commercial. The other four discoveries - based on the current high confidence areas - not being able to carry the cost of their respective tie-ins to a central development. Further cost reductions are still being pursued by SDS.

The impact of the High Confidence area on recoverable expectation reserves (MSV) is reflected in a further decrease of volumes from 336MMbbls to 252MMbbls (100% volumes), or about 110MMbbls Shell share for the total Block 18 area. The proven recoverable volumes in the high confidence areas in Cobalto and Plutonio amount to some 164 MMbbls (100% volumes) or some 70 MMbbls Shell share.

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ACTIONS:

At the conclusion of the 12th December meeting it was agreed that SDS would:

- Qualify the analogue database by taking into account net reservoir thickness and thus, true lateral drainage areas per well.
- Reconcile the resulting reservoir recoveries and well spacing with the reserves correction factors available from SEPCO/BTC
- Review and reduce cost estimates where possible.
- Prepare a written assurance that water injection problems in these reservoirs (e.g. due to limited well injectivity or water incompatibilities) would not be a showstopper.
- Demonstrate that the small scale Plutonio / Cobalto development would be commercially viable for a sufficiently wide range of scenarios (in line with Group Reserves Guidelines)

DEADLINES:

- Answers to the above action points – end December – Responsible Block 18 Technical Team SDS
- Prepare SDAN's final recommendation on Reserves Booking to EPG – 16 January – Responsible SDAN Management Team.

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