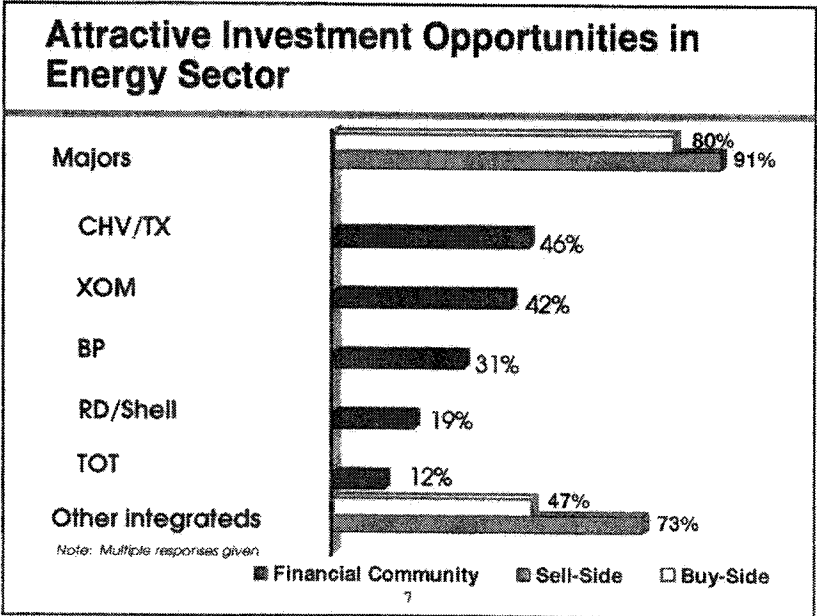


Part 2

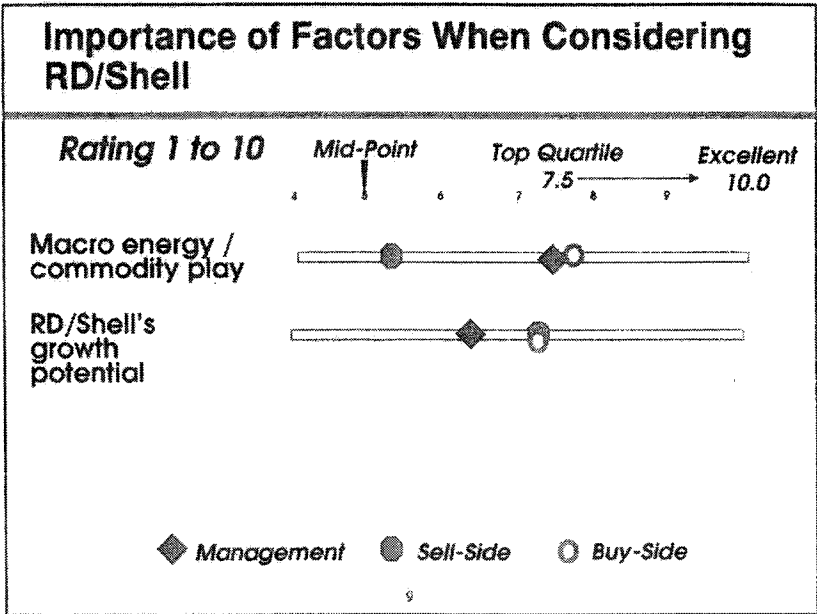


Finding Comments:

- The financial community's opinions were mixed regarding the attractiveness of the integrated oil and gas group. The consensus opinion before and after the September 11 attack aligned closely to the average of the combined interviews. After the attack, some respondents were asked to comment on how the attack could impact investor sentiment. Isolated comments suggested changes of opinion, but there was little consensus found in these additional comments.
- The sell-side and buy-side mentioned a combination of companies with frequent mention of the majors as well as other well-perceived integrateds. The other integrateds mentioned were:
 - > Conoco
 - > Phillips
 - > Marathon-Oxy
 - > Amerada Hess

Financial Community Comment:

"I would own an integrated company for expansiveness and balance in a portfolio and because it is a defensive stock." (Buy-side)

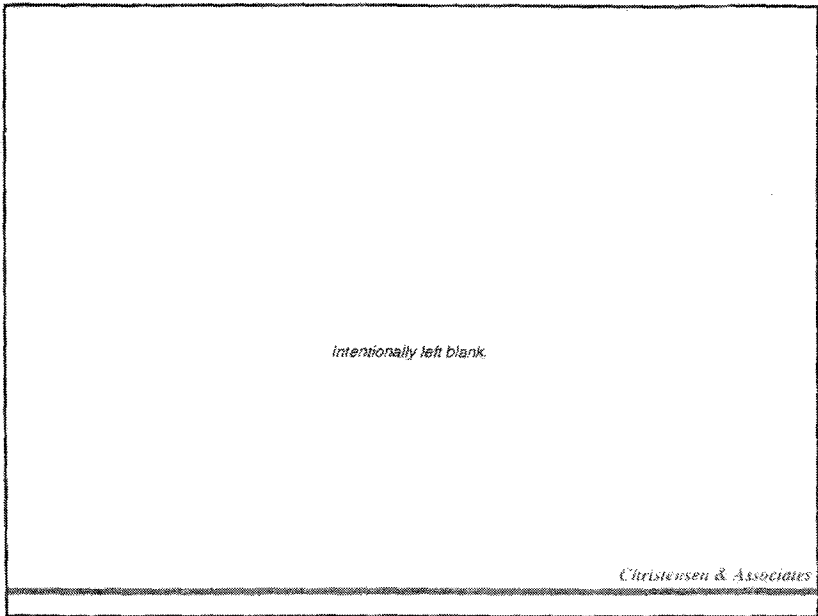


Finding Comments:

- The individual opinions of one screening factor versus the other indicated various combinations of opinions.
- The majority of management agreed with the majority opinion of the buy-side that the macro energy/commodity play is the first point to consider when determining the attractiveness of RD/Shell as an investment opportunity.
- The majority of the already sector-focused sell-side viewed the Company's growth potential as the more significant factor to be considered.
- Some buy-side commented that RD/Shell represents a long-term core holding to ensure continuous representation of energy within the portfolio.

Financial Community Comment:

"The macro energy commodity issue is not so important with RD/Shell because if you wanted a commodity play you would go for a pure producing company or an independent gas/oil producer." (Self-side)



Primary Reasons To Buy RD/Shell

- Core energy investment / defensive stock
- Relative to peer expectations
- Return potential
- Quality of the asset base
- Financial strength
- Restructuring
- Management
- Superior technology
- Operating and investment improvements
- Growth potential
- Share buy back program
- Valuation

12

**Why Some Don't Own RD/Shell
What Would Make You Interested**

Why others over RD/Shell

- Other peers more attractive
 - Exxon – superior, more diverse
 - BP – better product profile; like management, strategy, and discipline
- Production forecast issues

To increase interest, need:

- Higher EPS growth
- Delivery versus expectations
- Proof of capital discipline
- Plan for share repurchases
- To hear story
- Lower price
- Would consider it as is

13

Finding Comments:

- There were many value-driving reasons given as primary reasons to buy RD/Shell.
- Eight buy-side respondents did not own RD/Shell. Their reasons for not owning RD/Shell, and references to what would increase their interest in RD/Shell, focused on key issues that drive value – strategies, performance, and communications.
- Some of the comments about what would create new interest in the Company suggested some lack of awareness about what RD/Shell currently delivers to shareholders.

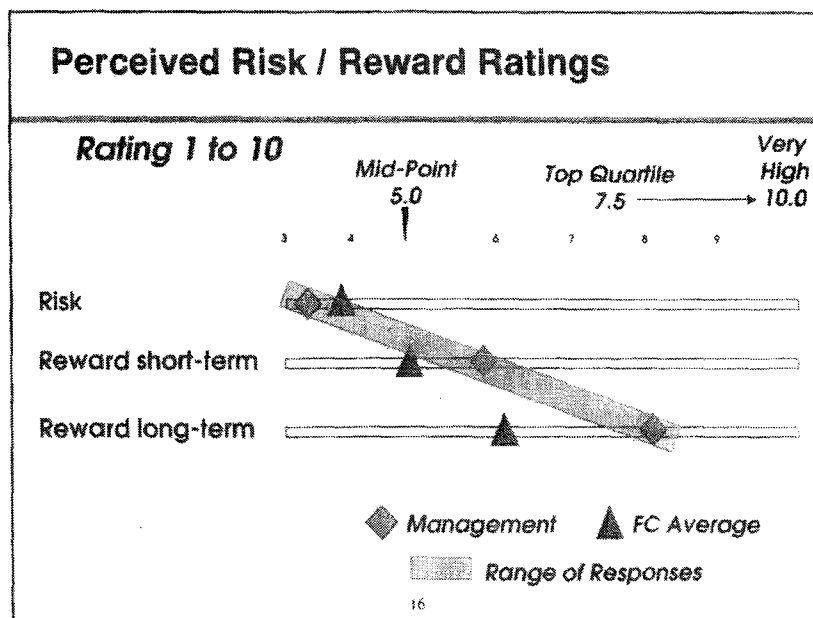
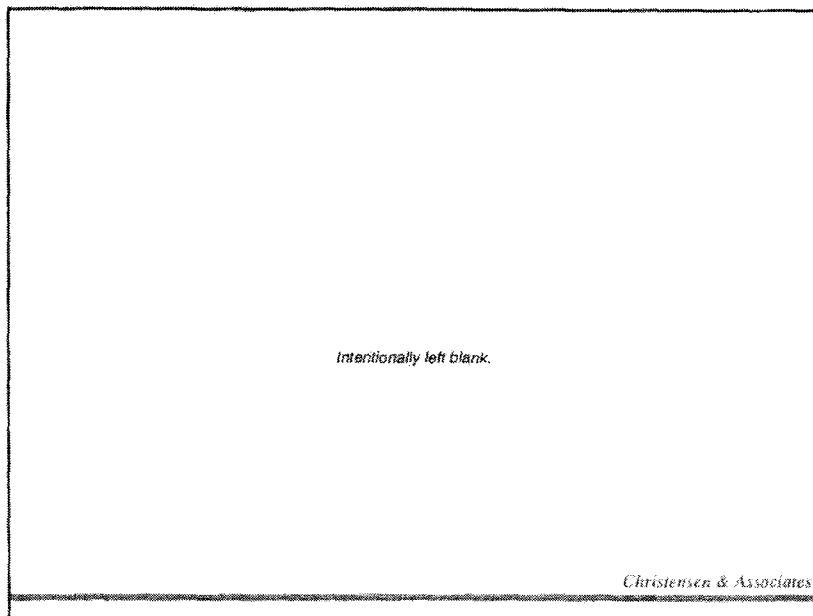
Financial Community Comments:

"I would buy RD/Shell today for stability, moderate growth, and income." (Sell-side)

"We own Exxon and TotalFinaElf because they have modestly superior stories. Even though I believe RD/Shell is a good company, I am dubious about the growth and return on capital targets. Now that they are going to knock their growth targets down, I doubt their credibility." (Buy-side)

"RD/Shell is on our internal buy list, but we don't own it at this time. After the meeting on September 20, the sell-side tells me there are some production growth issues." (Buy-side)

18



Other Industries With Similar Risk Profile as RD/Shell

- **Other integrateds**
- **Independents**
- **Diversified energy**
- **Deregulated utilities**
- **Diversified manufacturers**
- **Large, diversified, global companies**
- **Water utilities**

17

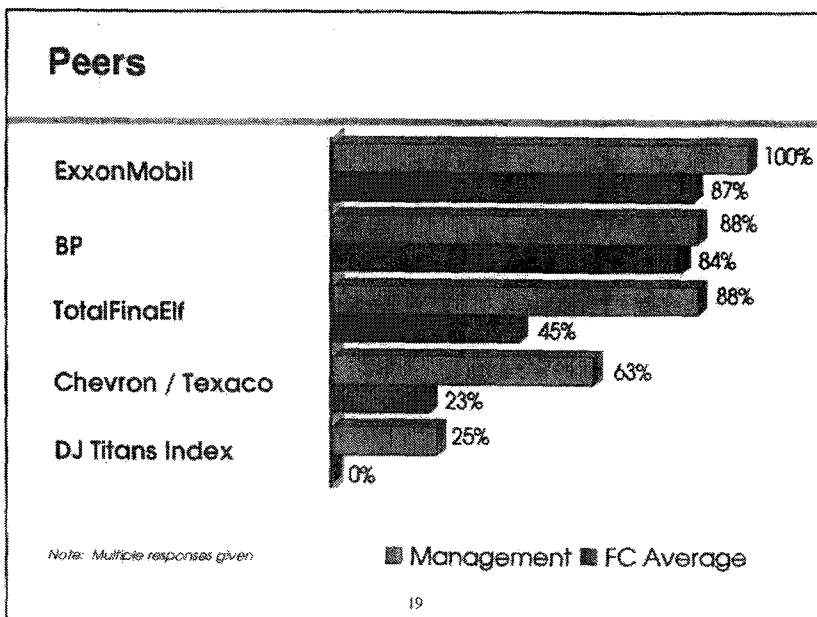
Finding Comments:

- Management and the financial community agreed that RD/Shell is a low risk investment opportunity. Both the sell-side and the buy-side, at basically all price levels touched during the interview timeframe, viewed RD/Shell as low risk.
- Management's consensus opinion of short-term reward potential matched that of the majority of the financial community. Management was consistently positive about the Company's ability to deliver value over the longer-term.
- The consensus financial community opinion of both short and long-term reward potential reflected only modest enthusiasm by some and a rather lackluster interest by others.
- The buy-side compares RD/Shell's upside potential to many other companies.

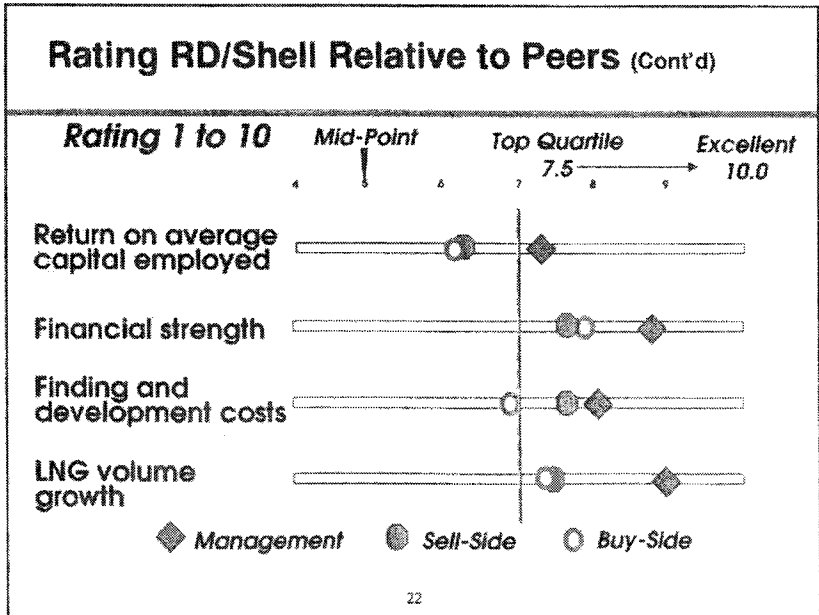
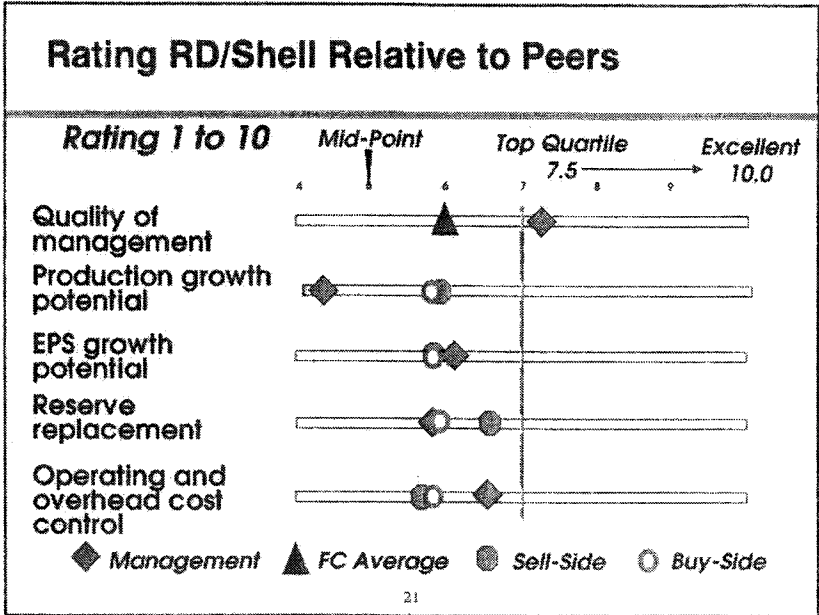
Financial Community Comment:

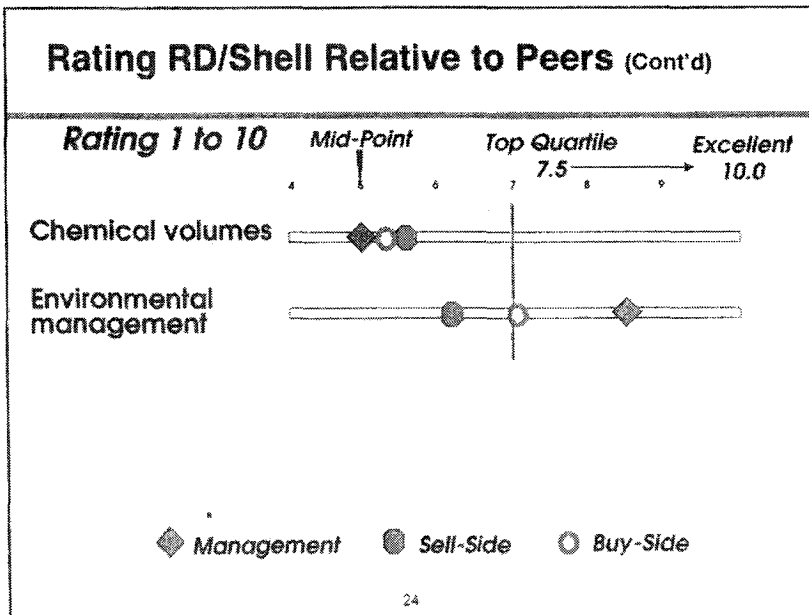
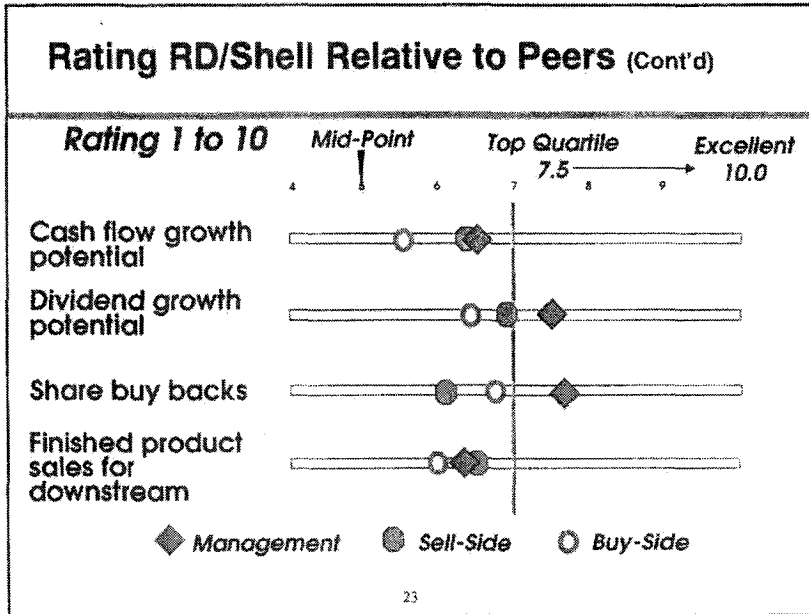
"RD/Shell is possibly still fairly valued at \$43 per share. However, it is moving toward undervalued and I would be very interested if it pulls back a couple of more dollars." (Buy-side)

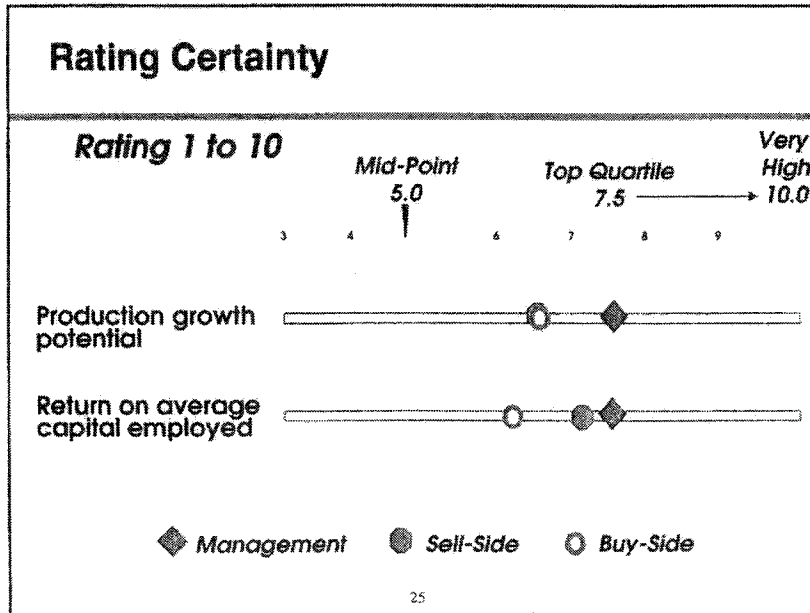
20



- ### Other Peers
- AHC
 - APC
 - DOW
 - DUK
 - DYN
 - ENE
 - HAL
 - KMG
 - MRO
 - OXY
 - P
 - REP
 - SLB
 - UCL
- 20







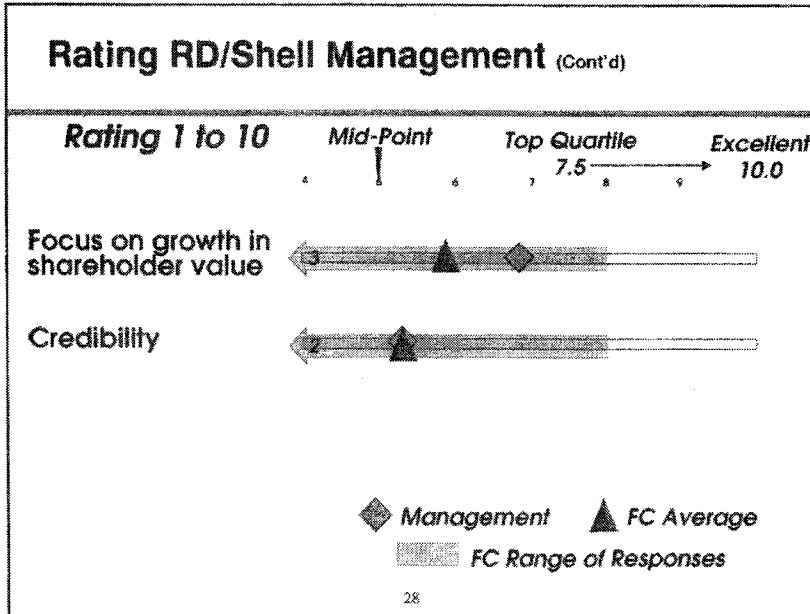
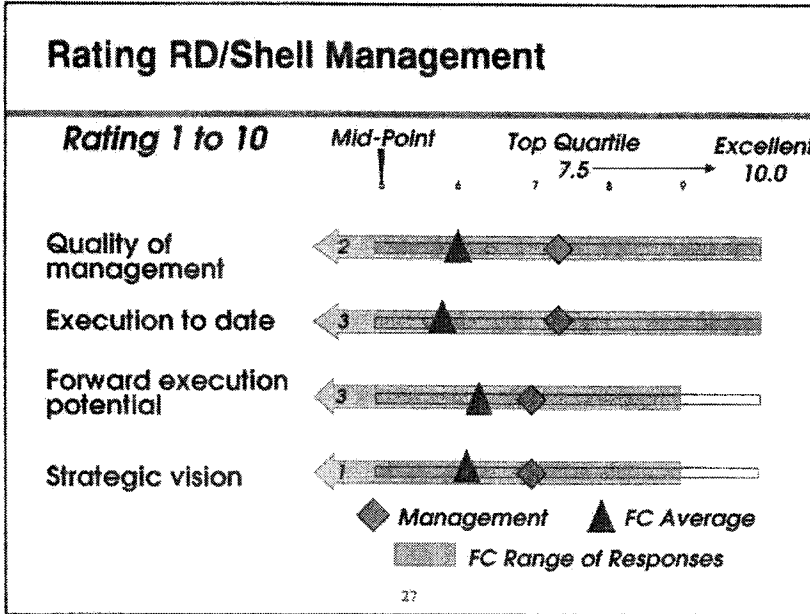
Finding Comments:

- The financial community consistently mentioned the largest of the major oil & gas integrated companies when citing RD/Shell's closest investment peers. They also noted many other companies including other integrations, independents, service companies, and other energy-related companies.
- The respondents were asked to rate the importance of certain criteria in the analysis of RD/Shell. Then they were asked to rate RD/Shell, relative to peers, on that criteria. The focus of the ratings was most often forward-looking.
- The most well-perceived, and compelling, investment opportunities receive average ratings of a minimum 7.0. Some RD/Shell ratings were at that level; others reflected more modest opinions. Management's ratings were often at the level desired.
- The individual ratings reflected more consistency of opinion on the buy-side than the sell-side.

Financial Community Comments:

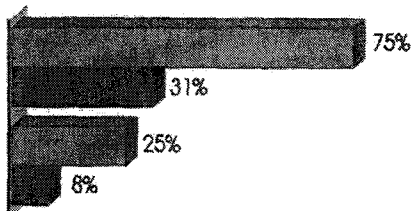
"Someone should consider buying RD/Shell because of the quality of the asset base, the fact that this will be one of the big energy companies for the next 50 years, and it is a relatively low risk investment relative to other stock market alternatives." (Sell-side)

"The buy-side should buy this stock because of its defensive nature, it has a large market cap, is well diversified, very liquid, and has good fundamentals." (Sell-side)



Management Strengths

Capable, knowledgeable leaders



Operating ability

Note: Multiple responses given

■ Management ■ FC Average

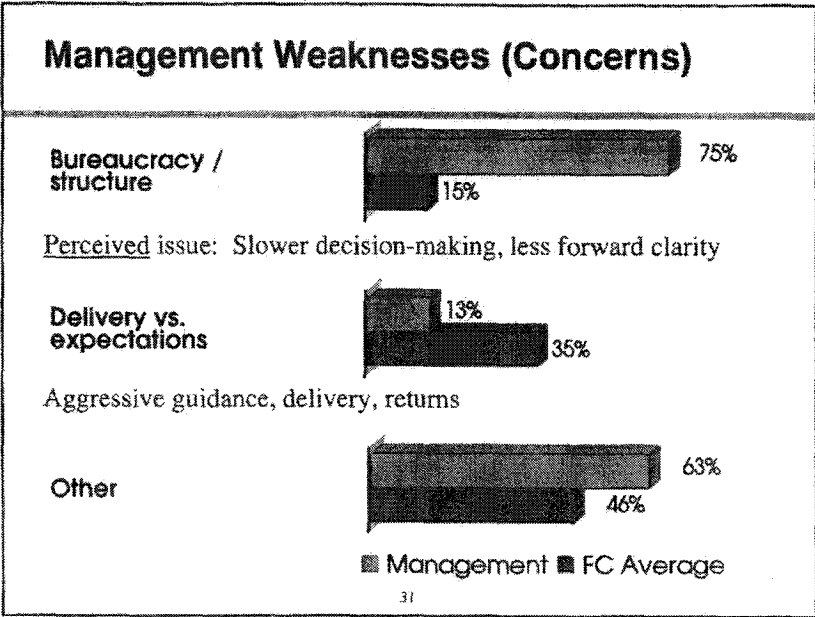
29

Other Management Strengths

- Global depth of management ***
- Relationships in key areas of world ***
- Global culture ***
- Portfolio of assets developed ***
- Growth oriented **
- Commitment **
- Reputation **
- Flexible **
- Adjusting investment strategies *
- Restructuring / cost control *
- Performance *

*** Mentioned by Management and FC ** Management only * FC only

30



- ### Other Management Weaknesses (Concerns)
- Clarity of strategic vision / narrow view
 - New management uncertainty
 - Uncertain level of focus on share value
 - Acquisitions – strategy and delivery
 - Quality of presentation skills (versus others)
- 32

Challenge – Perception of Management Relative to Peers

*“When rating RD/Shell
management against their peer
group, they are average, as it is an
excellent peer group.”*

33

Finding Comments:

- Several sell-side and buy-side respondents agreed with management's consensus that RD/Shell management have delivered and are well positioned to positively deliver going forward. The individual financial community ratings reflected varied opinions within both the sell-side and buy-side groups on the management criteria rated. There was consensus agreement internally and externally that management credibility remains somewhat of an overhang.
- Some commented positively about the capable leadership of the Company. Comments were supported with references to knowledge of the industry, vision, talent, experience, and intelligence.
- There were concerns about the management structure including concern about investors' perceptions of it, specifically, the two parent companies, a bureaucratic approach, rotational management by committee, and that this all complicates the story.

Financial Community Comments:

“Management's strength is that they have generated a lot of internal growth in their businesses, which is one of the reasons why they have a high return on capital employed. Another strength is that now that they can buy back stock, they can change the perception of how people look at the Company. They have historically over invested in businesses. They are now focused on managing the capital more effectively.” (Buy-side)

28