Part 4
eProcurement is a reality
First example of online bidding

BEB online auction

- Shell / CommerceOne JV used
- 10% savings achieved
- Next applications in Nigeria, Malaysia and The Netherlands

Royal Dutch / Shell Group of Companies

NOTES:
**eProcurement is a reality**

*First example of online bidding*

**BEB online auction**

- Shell / CommerceOne JV used
- 10% savings achieved
- Next applications in Nigeria, Malaysia and The Netherlands

**Royal Dutch / Shell Group of Companies**

**NOTES:**
Capital investment discipline embedded: the new business mentality

- Capital investment $5.9 bln in 1999 (budget of $6.1 bln)
- 34% below 1998 level
- 2000 to 2002 average ca. $6 bln

Royal Dutch/Shell Group of Companies

NOTES:
### EP commitments - Delivering our promises

- ✔ Cost improvement $1.1 bln by 2001 with $0.3 bln in 1999 (saved $0.5 bln)
- ✔ Exploration expenses restricted (saved $0.5 bln)
- ✔ Workforce reduction 10% in 1999 (achieved 14%)
- ✔ 1999 Capital investment $5.9 bln (6% below target, 34% below 1998)

### Portfolio

- ✔ Production growth 5%/a (underlying volume up 3% in 1999)
- ✔ Divestments / dilutions:
  - GOM DW, GOM shallow, Alba (USA), Plains (Canada), Malampaya (Philippines), Kemed (Egypt)
- ✔ Investments:
  - Banga, EA (Nigeria), AOSP (Canada), Brulis (USA)

### Royal Dutch / Shell Group of Companies

### NOTES:

[FCIA Confidential Treatment Requested]
### EP themes

**Building on competitive advantage through Technology and Strategic Cost Leadership**

<table>
<thead>
<tr>
<th>Existing &quot;Core&quot; Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Active portfolio management</td>
</tr>
<tr>
<td>- Leverage infrastructure</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Deepwater Oil &amp; Gas</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Leverage Shell Deepwater services</td>
</tr>
<tr>
<td>- Leverage infrastructure</td>
</tr>
<tr>
<td>- Focus on the proven basins</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Major Resource Holders</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Be partner of choice</td>
</tr>
<tr>
<td>- Actively build relationships</td>
</tr>
<tr>
<td>- Pursue synergies with operator skills / experience</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EP Gas</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Market driven; regional strategies</td>
</tr>
<tr>
<td>- Upgrade portfolio</td>
</tr>
</tbody>
</table>

---

**NOTES:**
Canada - Sable Island on stream
strengthening Shell’s position

- First production: 31-Dec-99
- Capital investment: $1.4 bln
  (Shell Canada share: $0.4 bln)
- Reserves: 3.6 tcf
  (Shell Canada share: 1.1 tcf)
- Plateau production Q4: 510 mmcf/d
  (Shell Canada share: 160 mmcf/d)
- 2 exploration wells Q3/00

Royal Dutch / Shell Group of Companies

NOTES:

FOIA Confidential
Treatment Requested