

19 directors, managing directors,
20 planners, very senior staff from all
21 the EP operating units to come to The
22 Hague. And before coming to The Hague
23 they had submitted to me all the
24 material, all the projects for which
25 they wanted funding. And of course the

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2 operating units staff had shared what
3 they were going to submit with the
4 regional business advisors, who in turn
5 would have shared that with the
6 regional business directors, who in
7 turn at least would have been
8 supportive of that material.

9 And if all these people, and
10 we're easily talking about a hundred or
11 so are traveling to The Hague to have a
12 meeting with me, and me then basically
13 telling them, sorry, guys, I don't
14 think we should have this meeting, I
15 think you should redo your homework, I
16 can understand that that was a
17 difficult message, and that was a
18 message that the RBDs could not really
19 support as they already had given their
20 support to the senior staff from the
21 operating units traveling to me. But I
22 wanted to give a very clear message.

23 Q. Do you believe that the
24 message you gave was clear?

25 A. I think the message I gave

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2 was very clear.

3 Q. And what message did you
4 convey to the ExCom?

5 A. The message I conveyed to
6 the ExCom is that the submissions made
7 are all -- let me -- let me correct
8 that. The submission made in its
9 totality is over-optimistic, it is a

10 submission that predicts an outcome, a
11 business plan against which most likely
12 we cannot deliver.

13 Q. Was there a note that
14 accompanied -- withdrawn.

15 Was there a note that was
16 sent to the ExCom in advance of the
17 meeting?

18 A. In general, as I said
19 yesterday, whenever I gave a
20 presentation to the ExCom, I would give
21 them a pre-reading note. In this
22 particular case, I honestly cannot
23 remember whether I did or did not,
24 given the fact that there was a lot
25 going on, and I think in this

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2 particular case, that I said, well,
3 let's not do the note, they know what's
4 coming.

5 Q. And how did you know that
6 they knew it was coming?

7 A. Well, they knew that I was
8 coming to present to them, and as we
9 had gone through this type of business
10 the year before, they knew what they
11 could expect, meaning a preview of the
12 material submitted, added together
13 giving, or painting a picture of the
14 years ahead if we had unconstrained
15 access to Capex, which we didn't, so I
16 had to constrain it. But they would
17 see the building blocks of the new
18 plan.

19 Q. Did anyone accompany you to
20 the presentation?

21 A. Aidan McKay was there.

22 Q. And was he present during
23 the presentation?

24 A. He was present during the
25 presentation to take notes on my

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2 behalf.

3 Q. Do you recall having any
4 discussions with Mr. McKay before,
5 immediately before the presentation
6 about what you were about to present?

7 A. I remember having
8 discussions with Aidan in the week
9 preceding this presentation, even in
10 the weekend preceding this presentation
11 because we had to finish the material.

12 Q. Do you recall the sum and
13 substance of those discussions?

14 A. That was going to be a
15 difficult message to convey.

16 Q. Do you recall anything else?

17 A. That it again had been hard
18 work to get the stuff ready, that we
19 were burning the midnight candles.
20 That there were indications that some
21 of the operating units were trying to
22 attract funding by presenting the
23 material in a very optimistic manner.
24 That kind of stuff. The stuff that I
25 was going to talk about.

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2 Q. Do you recall discussing
3 with him how Phil Watts would react to
4 the message that was to be conveyed?

5 A. No. I don't remember that.
6 There may have been a general
7 discussion, well, are they going to
8 accept -- are they going to accept it,
9 are they going to rebuke, but certainly
10 not persons' reaction -- persons'
11 reactions in particular, no.

12 Q. I know a few moments ago you
13 mentioned that Mr. McKay and his staff
14 principally drafted the presentation.
15 Did Mr. Aalbers have any input?

16 A. Most likely -- well, I'm
17 convinced that Remco had input as had

18 many of the other staff.

19 Q. Okay. Do you recall in
20 particular what he added to the
21 presentation?

22 A. He being Remco Aalbers?

23 Q. Yes.

24 A. No, I don't remember what he
25 added in particular, no.

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2 Q. When you got to the
3 presentation and you started, were you
4 able to get through your presentation
5 without interruption?

6 A. Yes. Of course there was
7 always a bit of discussion during the
8 presentation for clarification,
9 remarks, maybe people expressing
10 agreement or disagreement. But the
11 overall atmosphere when this
12 presentation was given was, I would
13 say, a very professional and sound
14 atmosphere.

15 Q. And by comparison to the
16 January 31st, 2000 meeting it was
17 different in that regard?

18 A. Yes.

19 MS. ASHTON: Objection to
20 form.

21 A. It was a, as I said, a
22 professional atmosphere.

23 Q. Do you recall in particular
24 the comments that members of the ExCom
25 had made in reaction to the message

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2 that you conveyed?

3 A. No, I -- what I do remember
4 was a discussion at the end where we
5 agreed to go with recommendation 1
6 rather than recommendation 2. I
7 remember in particular that Mr.
8 Restucci gave significant push-back on

9 recommendation 2 as did Mr. Watts.

10 I don't remember anyone else
11 saying something in particular. It was
12 a fairly unanimous meeting. I think
13 there was significant sympathy for what
14 I was pointing out. People did
15 recognize my concern and shared my
16 concern, but people also believed that
17 if we went for recommendation 1, that I
18 would be capable to repair what needed
19 repair.

20 Q. What is recommendation 1?

21 A. Recommendation 1 is that we
22 would accept the material, work the
23 material with all the company, all the
24 OU representatives, and take out
25 overstatements or undue optimism, take

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2 a very critical look at all the
3 components and where necessary make
4 changes so that we would have a
5 realistic business plan.

6 Recommendation 2 was dear
7 guys, you've made beautiful submissions
8 but they need further work, please go
9 home and do the work properly and then
10 we'll build the plan.

11 Q. In terms of the work that is
12 contemplated by the OUs, how did the
13 two recommendations differ --

14 MS. ASHTON: Objection.

15 Q. -- if at all?

16 A. Well maybe it helps if we
17 can go to the recommendations.

18 Q. Okay.

19 A. At least it would help me.

20 Q. That's fine.

21 A. The way forward.

22 Q. That would be on DB 07491?

23 A. Correct. Okay. And it
24 would also help me if you could repeat
25 your question.

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2 Q. In terms of the work that
3 was contemplated by you for the OUs to
4 do, how did the two recommendations
5 differ?

6 A. Okay.

7 MS. ASHTON: Objection.

8 A. For the first
9 recommendation, the way forward, number
10 1, there was no work required to be
11 done by the OUs before we would get
12 together and start the capital
13 allocation process.

14 In the way forward 2, there
15 was work to be done by the operating
16 unit because we would demand a
17 resubmission of all the material, and
18 we would also change the workshop that
19 was going to take place on the 27th and
20 the 28th of June.

21 So we would explain very
22 clearly to the OU delegates where our
23 problems were with regards to the
24 material received. We would ask them
25 to go back to their operating units,

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2 and rework their submissions. And then
3 we would have another session with the
4 key OUs to have a very hard challenge
5 session with the RBD in the room or
6 with the ExCom in the room for large
7 OUs, to come to a consensus about the
8 final submissions. And then we would
9 finish the capital allocation process
10 on the basis of material that would be,
11 in my opinion, more realistic, than the
12 original submissions.

13 So that would require
14 significant work from the operating
15 units, and it would also mean that some
16 hundred plus staff, very senior staff,

17 had traveled to The Hague only to hear
18 from the teacher that they'd not done
19 their homework properly.

20 Q. Now, in the meeting with the
21 ExCom, did anyone give an explanation
22 as to why they were in favor of
23 recommendation 2?

24 A. The only one in favor of
25 recommendation 2 was myself. I was the

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2 one that really pushed for
3 recommendation 2.

4 Q. And what was the reaction to
5 your advocacy of that recommendation?

6 A. Unacceptable, we can't do
7 that to the staff, they've done good
8 homework, you can sort it out with
9 them, you can restore the reality
10 during the meeting, during the workshop
11 that you're going to have, give it your
12 best shot and do it that way.

13 Q. And who expressed that
14 position?

15 A. The ExCom in its totality.

16 Q. Was there one particular
17 member of the ExCom that was the voice
18 of that position?

19 A. As I said, this was a fairly
20 unanimous feedback that I received from
21 the ExCom. The stronger advocates
22 would have been Mr. Watts and Mr.
23 Restucci, but it was, again, unanimous.

24 Q. Right.

25 A. Yes, I was standing there

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2 pretty alone.

3 Q. What did you do next? We're
4 going to come back to more questions
5 about the presentation. What did you
6 do with regard to implementing
7 recommendation number 1?

8 A. I'm not sure whether I

9 understand the question.

10 Q. Well my question is geared
11 towards the decision of the ExCom was
12 to go with recommendation number 1.
13 How was that then implemented with the
14 OUs?

15 A. Okay. So we stuck to the
16 original plan which was to have the
17 capital allocation workshop on the 27th
18 and the 28th. And that's what we did.
19 And everything had been prepared to do
20 that.

21 Q. So in that effect you just
22 went forward with what had been
23 planned?

24 A. Absolutely. Took a deep
25 breath and that was it.

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2 Q. With regard to the
3 information in the presentation
4 materials, did you believe that
5 bringing that information to the
6 attention of the ExCom was the
7 appropriate thing to do?

8 A. Absolutely. Otherwise I
9 would not have done it.

10 Q. Did you believe that the
11 information contained in the
12 presentation materials was accurate?

13 MR. FERRARA: Objection as
14 to form, foundation. You're talking
15 about a, I don't know, 40 or 50 page
16 document here.

17 MR. HABER: He's already
18 testified about its preparation and his
19 involvement in it.

20 Q. You can answer.

21 A. The material and the
22 presentation was based precisely on the
23 submissions of the individual operating
24 units, and as such, it was an accurate

25 representation of the submissions made

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2 by the OUs. There was no change, no
3 alteration, basically fact, objective.

4 Q. If you look at the first
5 page of the Exhibit 6, the email.

6 A. Yes.

7 Q. There's a reference to this
8 PowerPoint presentation as career
9 ender. Do you have an understanding as
10 to why the presentation got that name?

11 MS. ASHTON: Objection.

12 A. Yes.

13 Q. What's your understanding?

14 A. I don't know precisely when
15 it got that name. It was a presentation
16 that was considered by -- by quite a few
17 people in my team as controversial. It
18 was a presentation that was regarded by
19 people in my department as a presentation
20 in which I would stick out my neck. And
21 as such, it might be a presentation that
22 might have consequences, not that it
23 would ever end any career. I mean that's
24 just an overdramatization of an event.

25 There was a bit of fireworks. And I

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2 think calling it afterwards career ender
3 the PowerPoint was a bit of drama.

4 Q. Did you consider that there
5 may be consequences from delivering the
6 message in the PowerPoint?

7 MS. ASHTON: Objection.

8 A. Did I consider whether
9 giving this presentation would have
10 consequences for me?

11 Q. Yes.

12 A. The answer is clearly no.
13 But at the same time, everything, every
14 step you take during your life on
15 planet earth has consequences.

16 Q. And do you -- do you believe
17 that after the presentation was given
18 that there were consequences to your
19 career advancement at Shell?

20 A. Absolutely not, absolutely
21 not.

22 Q. When you left -- when you
23 left the position in EP, were you able
24 to find other positions that suited
25 your profile?

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2 A. Not immediately.

3 Q. And how long did it take for
4 you to find a position that suited your
5 profile?

6 A. I think this is a difficult
7 question because events were taking
8 place in my personal life that also had
9 an impact. In June 2000 I don't think
10 there was any reason to believe that
11 there would be tensions later in the
12 year when it came to a new assignment
13 for me.

14 What happened shortly after
15 this presentation in June was that my
16 personal life became somewhat upset
17 because my ex-wife realized that she
18 had not received the right information
19 from the medical doctors in 1998 and
20 that I was going to be around a little
21 bit longer. I had a brain tumor in
22 1998. The prediction was I had maybe
23 10 more days to live, or a couple of
24 months and that would be it, and here I
25 was in 2000 almost repaired, pretty

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2 healthy and she said I don't want to
3 live with damaged goods, I want the
4 money now, pronto. Fairly unpleasant
5 especially as I had a very young son.

6 This started in -- started

7 to play in September 2000, after I just
8 returned from a presentation to the
9 CMD, which had gone very well, and that
10 was the first presentation I had given
11 since the operation where I really felt
12 on top of the world again.

13 I thought, Roelof, you
14 indeed, you did it, you're healthy
15 again, you've got all your faculties
16 back, all your facilities back, you can
17 do it again.

18 And the message I got that
19 evening when I got home from London was
20 slightly different, completely
21 unexpected.

22 What ensued was a pretty
23 tough battle because my ex-wife
24 insisted on receiving 70 percent of my
25 wealth, 70 percent of my income, and I

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2 was not prepared to let that happen.

3 We had indeed annulled a
4 prenuptial agreement, a process that
5 was started in '98 because I wanted to
6 avoid that in the case I would die that
7 she would have to pay pretty hefty
8 succession right. The annulment
9 process took about almost two years to
10 happen. So we had just annulled and
11 she had just declared in front of a
12 notary public that the only reason we
13 were going to annul the prenuptials
14 was because I was ill and there was
15 this risk that I would die, and six
16 weeks later she said you're damaged
17 goods, I can't wait, I want the money
18 now. You can understand I wasn't very
19 willing to give up most of my wealth.
20 There was also a little boy involved.

21 So to make a long story
22 short, I was devastated. Initially it
23 had no impact on my work because it

24 didn't really penetrate my brain that
25 much. But two months later of course,
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2 and now I'm talking about the end of
3 2000, you are engaged in all kinds of
4 things you do for a living, legal
5 battles, that kind of stuff, which for
6 me was completely new, and that took a
7 lot of time.

8 It also meant to me that I
9 could not leave the country because I
10 had a little boy to attend to, even
11 though I wouldn't see him every day.

12 So my mobility was
13 restricted. And my personal life was
14 taking an enormous amount of my
15 attention. And basically I came to the
16 conclusion that I most likely could not
17 do a full-time job at that moment in
18 time.

19 I can tell you that what
20 happened at that moment in time had
21 more impact on my physical and well --
22 and mental well-being than to hear that
23 I had a brain tumor.

24 So there wasn't really that
25 much available in terms of options to

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2 give me the type of job that would
3 normally have happened after this
4 assignment. There were plenty of
5 rumors, I would become the MD of
6 company A or company B or company C,
7 but as these companies were very far
8 away, that wasn't really possible.
9 Something had to be sought closer to
10 home, and there were no jobs available.
11 There aren't that many jobs at these
12 levels anyway.

13 So I ended up doing a
14 temporary job. It wasn't even full

15 time. I ended up in an office that was
16 not on the main executive floor, but
17 somewhat out of the highway. And of
18 course people talk about that. And
19 people dramatize that. And people say
20 look what happened to Roelof, he upsets
21 the ExCom and now he's sitting in the
22 basement. Beautiful office by the way,
23 beautiful furniture, nothing wrong.
24 People dramatize that. And I think
25 that's when the label career ender was

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2 formed.

3 I don't really recollect,
4 like Aidan says in this email, that we
5 already called it career ender at the
6 time of my presentation. I think that
7 came later.

8 Sorry that I gave this
9 somewhat longer spiel, but I wanted to
10 put this in the proper perspective.

11 Q. That's okay. While all of
12 these personal issues were going on,
13 did you tell anyone of your desire to
14 stay in the Netherlands?

15 A. The first couple of weeks, I
16 would say the first two month, I didn't
17 talk about these issues with many
18 people in my direct environment. That
19 only came up I would say in the period
20 November/December.

21 Q. Now, when you look for a new
22 assignment, how does that process work?

23 A. At this level in the
24 company, it is basically a gathering --
25 well, first of all, the EP leadership

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2 team, the ExCom, looks at the
3 positions, looks at possible
4 candidates, and then will go to, in
5 those days, to the CMD, which was then

6 regrouped as the MDC, standing for
7 management development committee. And
8 they would then discuss whether --
9 which of the candidates that was
10 proposed by the business, in my case
11 EP, would be the best for the jobs.
12 These are all senior executive jobs.
13 In EP at that moment in time there were
14 20, 25 of those jobs. So if on average
15 you've got a four year tenure in these
16 jobs, a couple of these jobs would
17 become available per annum. Very few
18 and far between. And if you then say,
19 and I've got to be within a travel
20 distance of, say, three hours to The
21 Hague, then you limit yourself to a
22 large degree. London would be a
23 possibility. But Muscat would be too
24 far.

25 Q. Now, in the letters to Mr.

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2 van de Vijver who I believe you
3 mentioned that you were calling upon
4 him for assistance.

5 A. Yes.

6 Q. Do you know if he ever was
7 successful in supporting you for a
8 position?

9 MS. ASHTON: Objection.

10 A. Yes, we're talking about
11 almost a year later.

12 Q. Yes.

13 A. Middle of the year 2001.
14 And I felt I was ready again to go full
15 steam ahead. And I'd looked around
16 what jobs are available. Well, there
17 weren't that many jobs available.
18 There was only one job that I could see
19 that might become available which was
20 the country chair position in Germany,
21 in Hamburg, which was a distance that I
22 could easily bridge.

23 In addition, as I was just

24 at that moment in time reorganizing the

25 EP companies in Germany and merged them

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2 with Exxon Mobil companies, I thought I

3 would be a pretty good candidate for

4 that position.

5 At the same time, there were

6 also some changes in Shell's business

7 in Germany in the retail, and that of

8 course would require a different skill

9 set than the one that I had available.

10 So it was definitely not a

11 done deal or an easy decision whether I

12 would take that job or not.

13 The other position that I

14 regarded as possible was a position in

15 the NAM. However, at that moment in

16 time it was not clear whether that

17 position would become available. In

18 June or September 2001 that position

19 was not yet available. But it became

20 available in November that same year.

21 Walter was part of the CMD. Walter

22 would have been required to support the

23 proposal that Bob Sprague prepared to

24 put me in the position of E&P director

25 in NAM, which of course is a very, very

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2 senior position, and Phil Watts would

3 have to support that as well. And the

4 other CMD members in those days would

5 have supported that as well.

6 Q. And is that the position

7 that you were then given?

8 A. I got that position in

9 December 2001. I held that position

10 for one year. Then I got a promotion

11 to managing director of the same

12 company. And then three months later I

13 got in addition the commercial

14 directorship of Europe as an additional
15 promotion to that position. So if you
16 look at the time span of something like
17 two years from the 26th of June 2000 to
18 my position, say, in September 2002,
19 some pretty hefty career steps were
20 taken. And it's -- it was clearly not
21 a career ender.

22 Q. Okay.

23 MR. HABER: This is probably
24 a good time to break for lunch.

25 THE VIDEO OPERATOR: We'll

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2 go off the record. It's 12:48, tape 5.
3 (Lunch recess: 12:48 p.m.)
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2 A F T E R N O O N S E S S I O N
3 1:47 p.m.
4 THE VIDEO OPERATOR: We're

5 back on the record, it's 1:47, and this
6 is tape number 5.
7 ROELOF PLATENKAMP,
8 resumed, having been previously duly
9 sworn, was examined and testified
10 further as follows:

11 CONTINUED EXAMINATION

12 BY MR. HABER:

13 Q. Mr. Platenkamp, I'd like to
14 go through some of the slides in the
15 presentation and that's how -- my
16 intention, that's what my intention is
17 over the next series of questions.

18 A. Okay.

19 Q. Looking at the first page of
20 the slide, I know you touched upon the
21 various elements in a prior answer, but
22 can you tell me now specifically, we'll
23 go through each one, regarding the
24 flaws in the capital allocation
25 process, what were you intending to

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2 convey?

3 A. Okay. The flaws that I was
4 referring to all deal with optimism that
5 wasn't warranted by past performance, and
6 that one could argue that there was an
7 element that people now understood the
8 process of capital allocation, and
9 understood that one could influence the
10 outcome.

11 Q. Were there any particular
12 operating units that you had in mind at
13 the time?

14 A. No. It -- the difficulties
15 I had with the submission were evenly
16 spread across the participating
17 operating units.

18 Q. How many operating units
19 were participating?

20 A. I don't know precisely the
21 number, but at that moment in time we

22 had something like 30-odd operating
23 units, and a couple of so-called non-
24 -- nonoperating ventures. But they all
25 required, of course, funding.

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2 Q. So within that 30 some-odd
3 number that would include the operating
4 units that we discussed yesterday and
5 today in Nigeria and Abu Dhabi?

6 A. Yes, yes.

7 Q. Looking at the second bullet
8 point on that page, it says "The Capex
9 requirements." What were you conveying
10 by this statement?

11 A. Very simple. In this
12 presentation we will look at the Capex
13 that the operating units are asking
14 for, and of course those Capex
15 requirements then have to be compared
16 against the groundrules, what do we
17 have available, what can we afford, and
18 how much of the Capex actually has
19 already been committed in previous
20 years.

21 Q. And this analysis relates to
22 the capital allocation process that you
23 testified about yesterday and today?

24 A. Yes, yes.

25 Q. The next bullet point, "the

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2 over-promise on delivery," what did you
3 mean to convey there?

4 A. There I wanted to convey a
5 number of messages, that, A, looking
6 back, we saw a trend that production
7 promises appeared to be overstated not
8 only of the business plan in its
9 entirety, but also of individual
10 projects. So production earlier than
11 what actually was deliverable, higher
12 rates than actually were delivered, and

13 sometimes also increased cost against
14 which the projects were delivered.

15 Q. Again, were there any
16 particular operating units that you had
17 in mind with regard to this bullet
18 point?

19 A. Unfortunately, not. I think
20 it would have been easier if you could
21 say, well, there are two operating
22 units where we see an issue, you talk
23 to the operating units and you fix the
24 issue. If -- if it happens across the
25 entire spectrum it becomes much more

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2 difficult and much more difficult to
3 grasp, so hence, unfortunately not. It
4 was evenly spread across the spectrum.

5 Q. When you say across the
6 spectrum you're referring to the 30
7 some-odd --

8 A. All the operating units,
9 yes.

10 Q. The next bullet point, "The
11 way ahead," is that a reference to the
12 recommendations we talked about
13 earlier?

14 A. Yes, I wanted to discuss
15 with the ExCom which option we were
16 going to choose to move forward.

17 Q. We're just going to turn the
18 page to DB 07473. What were you trying
19 to convey by this slide?

20 A. What I was trying to convey
21 were two things. First of all, we were
22 not running short of projects. We had
23 sufficient investment opportunities to
24 grow the business. We had investment
25 opportunities to the tune of almost 9

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2 billion US dollars. And that of course
3 is very good. It's not always the case

4 that you have more investment
5 opportunities than you can handle.

6 So the good news is, yes, we
7 have projects, we probably have more
8 project than we can handle, so we can
9 make a choice to get the best projects.

10 That's good news.

11 The other bit of good news
12 that I tried to convey in this slide is
13 that the submissions themselves
14 exhibited an internal consistency that
15 was a significant improvement over the
16 submissions that we had the year
17 before. That doesn't change the
18 concerns that I had about the
19 submissions in terms of the optimism,
20 but let me try to explain this.

21 For instance, the
22 submissions do come with a production
23 forecast. The productions also come --
24 the submissions also come with an
25 economics forecast. The revenue in the

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2 economics forecast should be equal to
3 the outcome of a multiplication of the
4 production forecast times the oil
5 price. Relatively straightforward.

6 In the previous years, the
7 previous year I should say, that wasn't
8 always the case.

9 Similarly, a production
10 forecast when integrated over time
11 should yield a volume, and as the
12 production forecast is based on the
13 expected outcome, the volume associated
14 with that production forecast, when
15 integrated over -- over time, should
16 yield the expected resource volume.

17 And it was these internal consistencies
18 that overall in the year 2000 showed a
19 remarkable improvement over the year
20 before. And that to me was -- was very

21 welcome because that was a step forward
22 in the right directions.

23 Q. Do you have an understanding
24 as to why there was this improvement in
25 the internal consistencies that you
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2 just discussed?

3 A. Why that improvement was
4 there?

5 Q. Yes.

6 A. Yes, I certainly can explain
7 that. That is a reaction to my incessant
8 hammering on the operating units to make
9 sure that what they submitted was high
10 quality. So I talked to the technical
11 directors and to the head of the planning
12 units in the various operating units and
13 explained to them that they really had to
14 do better next year.

15 Q. And when you explained this
16 to them, did you also raise the capital
17 allocation process and its importance
18 to the information that they were
19 presenting to you?

20 A. Well, of course that had
21 already been raised in the first year
22 that we did capital allocation and that
23 was widely understood. And people of
24 course, they're all eager to deliver
25 very good material. The first time you
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2 do that, yes, of course you don't get
3 the best results the first time. The
4 second time around, at least we had
5 internally consistent data. That's a
6 big step forward because then you can
7 -- can add it together and get
8 meaningful outcomes for the entire
9 business. So that was good news.

10 Q. Now, with regard to the
11 second bullet point, "Abundance of

12 projects," were there any particular
13 projects that you were referring to, or
14 is it, again, the entire spectrum?

15 A. This is -- this is the
16 portfolio.

17 Q. Okay.

18 A. Yes, and of course the next
19 challenge was okay, the request is for
20 9 billion, we have something like 6
21 billion to -- to spend. This means I
22 have to take out something like 3
23 billion. And that's a difficult
24 process.

25 Q. Right.

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2 A. If you take 3 billion out of
3 a 9 billion budget, then you're cutting
4 deep. Especially if you also remember
5 that the year before I had taken 3
6 billion out of the investment program.

7 Q. So were the operating units
8 aware that there were less funds in the
9 budget that they would be competing
10 for?

11 MS. ASHTON: Objection.

12 A. I had presented the
13 groundrules at the EP leadership forum
14 in June that year. So there was an
15 understanding of the investment level
16 that we would be considering for the --
17 for the next year, and there was an
18 understanding of how much had already
19 been committed. So the management
20 teams of the operating units and the
21 planners of the operating units were
22 aware that the year 2000 was another
23 year where we would be capital
24 constrained, yes.

25 Q. At the time you gave --

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2 withdrawn.

3 At the time you communicated

4 the capital constraints to the OUs
5 during the leadership forum, what kind
6 of feedback did you receive from the
7 OUs who attended?

8 A. The feedback was
9 predominantly such that they indicated
10 that they had understood the message,
11 that they recognized the need for
12 capital constraint, and that they
13 recognized that we were on the right
14 track to continue the capital
15 allocation process.

16 Q. If we can turn the page now
17 to the next slide, DB 07474. What were
18 you trying to convey by this slide?

19 A. Okay. It seems very clear.
20 The first bullet, the message is that
21 the projects that are submitted appear
22 over-optimistic both in exploration and
23 on the production side. And that
24 appearance of over-optimism of course
25 is when you look back to the history.

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2 So taken in isolation a
3 single project may look quite
4 realistic. Holding that against the
5 mirror of the past, you recognize that
6 something has happened which casts a
7 certain amount of doubt on the
8 integrity of the prediction in the
9 current project. That's what I wanted
10 to convey.

11 Q. And is that what you meant
12 by running the risk of initiating an
13 over-promise under-delivery cycle?

14 A. If you promise more than you
15 can deliver and you make that public in
16 the investment community, and you
17 cannot deliver against that because the
18 -- there is a certain amount of, let's
19 say, inflation, then you initiate what

20 I call an over-promise under-delivery
21 cycle.

22 Q. After you discussed these
23 two slides, did anyone present at the
24 ExCom interrupt and ask any questions
25 or provide any comments?

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2 A. I think they were very
3 curious to see what I would share with
4 them in the following slides. So
5 basically these two slides were setting
6 the scene, maybe creating a little bit
7 of suspense in the room. There is an
8 element here of the good news/the bad
9 news, that is maybe a little bit
10 Hollywood like. And people were keen
11 to see the substance behind these
12 messages, so very little discussion,
13 impatience, let's get on with it.

14 Q. Now, at the time you gave
15 the presentation, and let me be more
16 specific, when you started your
17 presentation, were all the members of
18 the ExCom present?

19 A. As far as I know, all of
20 them were present.

21 Q. Did any member of the ExCom
22 leave the room during this presentation?

23 A. No, no. They were all
24 there, all in the room.

25 Q. I'd like to discuss certain

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2 of the slides. I don't want to go into
3 every one of them, but certain of them
4 I'd like to discuss. If you could turn
5 to DB 07476.

6 A. Yes.

7 Q. What were you trying to
8 convey by this slide?

9 A. Okay. What I tried to
10 convey by this slide was, first of all,

11 the amount of exploration expenditure
12 requested by the OUs over the coming
13 years, how it was distributed over the
14 various elements in our portfolio, i.e.
15 a distribution between deepwater, gas,
16 major resource holders, Nigeria, and
17 oil. And that those key elements of
18 the portfolio were chosen because we
19 expressed our -- our aspired portfolio
20 in those terms, i.e. we had a certain
21 footprint in deepwater, in gas, in
22 major resource holders, etcetera, and
23 we wanted to move that in a certain
24 direction. And that's called the
25 aspired portfolio.

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2 So first of all, you see

3 that significant funds were asked for
4 2001 and 2002 and 2003, and that there
5 was a tailing off for 2004 and 2005.
6 The reason of the tailing off in those
7 later years is that it is so far down
8 the road that people don't have
9 projects ready in 2000 to be executed
10 in 2004, and also because followup from
11 projects in 2001 and 2002 in 2004
12 cannot be defined until you have done
13 the work in 2001 and 2002.

14 And then there were a couple
15 of labels -- there was one label added
16 to raise an important point. And that
17 point is that the majority of 2001
18 exploration is spent for projects for
19 which it was planned by the operating
20 unit to take the final investment
21 decision in 2002.

22 Now that may seem pretty
23 innocent when you read that, but when
24 you think about that there is an
25 element there that says, well, hang on

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2 a second, you plan to explore and on
3 the basis of your exploration you
4 already expect that a year later you
5 have the development plans ready, you
6 have the detailed designs ready to ask
7 for project sanctioning in 2002. Which
8 means that between exploration and the
9 decision to go into field development a
10 period of something like a year, maybe
11 18 months, is passed.

12 If you compare that with the
13 history, then that period is very, very
14 short. So the exploration overstated
15 delivery has a component that deals
16 with the amount of hydrocarbons to be
17 found, or better stated, I should say
18 the net present value of the
19 hydrocarbons to be found and the time
20 that it would take to develop these
21 projects to indeed get that value.
22 Pretty serious.

23 Q. Was there any reaction by
24 the ExCom to what you just described?

25 A. The value bit had been

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2 explained to them in the previous
3 slide, and I don't know whether you
4 think it is relevant enough to have a
5 look at the previous slide.

6 Q. If you believe it's relevant
7 for answering the question, then that's
8 fine.

9 A. I think -- I think it is.

10 Q. Okay, we can look.

11 A. So we then go to the
12 previous slide. The previous slide,
13 the upper graph shows on the vertical
14 axis the cumulative intrinsic business
15 value to be had from the exploration
16 programs of all the operating units,
17 summate -- summated versus the total
18 amount of exploration expenditure

19 required to do the program. It makes a
20 comparison between 1991 -- 1999 and the
21 year 2000. I drew a vertical line at
22 the one billion mark because one
23 billion was roughly the amount of
24 exploration money that we had
25 available.

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2 And if you then compare the
3 1999 line with the 2000 line, we see
4 that there is a significant increase in
5 the intrinsic business value. Whereas
6 in 1999 the expenditure of one billion
7 was expected to deliver 6 billion in
8 value, in the year 2000 it was expected
9 to deliver 8 billion.

10 And if you compare whether
11 there had been any change in the
12 so-called probability of success of the
13 exploration program, then there were no
14 major differences between 1999 and
15 2000, which meant that the explorers
16 believed that their success rate in
17 2000 was not better than in 1999.

18 So there was something else
19 that generates the value, that is a
20 timing element and a volume element.

21 So very clear message, and
22 of course I took great care that this
23 particular slide was well understood
24 before I moved to the slide that we
25 were discussing.

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2 Q. Okay. And just for the
3 record, the slide we were just talking
4 about appears on DB 07475.

5 MS. ASHTON: I think it's
6 474. I'm sorry, you're right, 475.
7 Apologies.

8 Q. When you say that you took
9 great care that 07475, that slide, was

10 well understood before you moved on to
11 the next slide, were you confident that
12 the message had been conveyed clearly
13 to the ExCom members?

14 A. Yes.

15 MS. ASHTON: Objection.

16 Q. Okay. Did they acknowledge
17 their understanding of what you were
18 conveying on that slide?

19 A. The absence of questions for
20 further clarification created the
21 impression with me that they had
22 understood the message.

23 Q. And that same question with
24 regard to the message that was conveyed
25 on the next slide, which is 07476.

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2 A. Correct.

3 Q. Now I think what started
4 going into the other slide was the
5 question if there was any comments or
6 questions from the ExCom about the
7 slide on 07476.

8 A. I don't remember any
9 particular comments. There was --
10 there were no specific questions to
11 clarify. It was clear at least to my
12 understanding that people had
13 understood the message. They are,
14 after all, very intelligent people.

15 Q. If you could turn the slide
16 -- I'm sorry, turn the page to the
17 slide that appears on DB 07479, and if
18 you can tell me what you were trying to
19 convey by this slide.

20 A. Okay. Now this is a pretty
21 complex slide with quite a few messages.
22 First of all, in the vertical axis we
23 have the liquid oil production forecasted
24 over the period 2000 till 2005. As you
25 can see, in 2000 the oil production from

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2 existing assets, i.e. assets that are
3 producing in the year 2000, amounts to a
4 total somewhere in the order of 2.2
5 million barrels per day.

6 Now let me correct that
7 because the colors aren't really there.
8 The existing assets produce 1 point,
9 say, 8 million barrels per day. Work
10 that will be finished during the year
11 2000 will add another, say, 400,000
12 barrels per day so that at the end of
13 2000 we will produce something like 2.2
14 million barrels per day.

15 The assets that are already
16 producing on the 1st of January 2000,
17 are expected to decline a total of 10
18 percent per annum over the business
19 plan period. So that their production
20 in the year 2005 has reduced to a level
21 below one million barrels per day.

22 Then on top of the existing
23 assets we add those projects that
24 already have taken FID, and a group of
25 relatively small projects in the

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2 operating units, and the statement is
3 that those projects that we approved in
4 the years preceding 2000 and the
5 smaller projects that add production to
6 the existing OUs, will at best maintain
7 the production level that we have in
8 the year 2000, i.e. roughly the 2
9 million barrels per day. And that the
10 growth that the new business plan is
11 predicting and the growth, of course,
12 that we as a company aspire, therefore,
13 can only be substantiated if we have
14 successful exploration and appraisal
15 followed by successful development
16 planning and new FIDs.

17 And it shows, unfortunately

18 we don't have all the colors so it's
19 hard to read all the elements that make
20 up that package, it shows that the
21 exploration program has indeed has to
22 be extremely successful because
23 exploration has to deliver projects
24 that can take FID very early on in
25 order to deliver the production.

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2 I'll try to put it even
3 simpler. This picture tells us that
4 everything that is ongoing, all the
5 commitments made in the past, all the
6 investment decisions taken, all the
7 money to be spent on those will keep us
8 level. Growth will only come from new
9 exploration and if you have growth
10 within the planning period, then the
11 new exploration needs to yield projects
12 that are already executed within the
13 business plan period, which means, that
14 from discovery to first production
15 there is a relatively short time, a
16 couple of years. That is the message.

17 Q. Were there any OUs that had
18 projects that fell within that
19 description, projects that could take
20 FID relatively early?

21 A. Well, most of the OUs had
22 their exploration in that category.

23 Q. Now, a moment ago in the
24 slide you mentioned that there were
25 assets that were producing, and I think

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2 you said the assets were in decline in
3 the production; am I correct? I don't
4 want to mischaracterize.

5 A. No, no.

6 Q. Am I correct?

7 A. This is the so-called no
8 further activity production, i.e. you

9 have a reservoir, you have put
10 production facilities in place, you
11 have drilled the production wells that
12 you think are required, you open the
13 taps, you start to produce. The
14 reservoir depletes, the pressure
15 normally drops, which means that the
16 production will become slower because
17 there's less energy to drive the fluids
18 from the reservoir, and if you don't do
19 anything else, the production will
20 decline as time proceeds.

21 Q. Were there any OUs that you
22 had in mind that fell into this category?

23 A. Yes.

24 Q. Which ones?

25 A. All 30 of them.

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2 Q. Okay. And that would
3 include some of the ones that we talked
4 about again --

5 A. All of them.

6 Q. Abu Dhabi, Nigeria?

7 A. All of them. This is a
8 natural process.

9 Q. If you can turn the page.
10 And before I get to the discussion of
11 that slide, again, was there any
12 comment or questions from the ExCom
13 after you had discussed the slide on DB
14 07479?

15 A. There were indications that
16 the ExCom members understood the
17 message.

18 Q. Okay. But you don't recall
19 any questions or verbal comments?

20 A. No. There were -- I mean it
21 was pretty clear that the -- that the
22 message came across.

23 Q. Okay. Looking at the next
24 slide on DB 07480.

25 A. Yes.

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2 Q. There are a number of
3 concerns that are identified here.
4 Taking the first bullet point, it says
5 "Existing assets require 800 million US
6 dollars in 2001 without adding
7 production." Do you recall what you
8 said with regard to that bullet point?

9 A. That's precisely what I
10 said. I said the existing assets in
11 order to maintain the technical
12 integrity, in order to safeguard the
13 health of the people working on those
14 assets, in order to safeguard the
15 environment of where we operate, those
16 existing assets require a total
17 investment of 800 million to maintain
18 the license to operate.

19 So for instance, we may have
20 a situation where a pipeline has become
21 corroded over time, we have reached a
22 point that the pipeline requires
23 replacement. We've also established
24 that replacing the pipeline is in
25 itself a profitable proposition because

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2 otherwise we will not be able to
3 produce the reservoir to its limit.

4 Replacing the pipeline will
5 not add production. Replacing the
6 pipeline will, however, cost a
7 significant amount of money.

8 So the existing assets to
9 keep them running require the
10 significant injection of funds. In
11 2000 it was foreseen to be 800 million
12 for 2001. Not an outrageous number. A
13 fairly normal number for as much as you
14 can say normal when you talk about 800
15 million, but in line with previous
16 years, also in line with future years.

17 Q. Skipping down a little bit
18 there's a reference that says "E&A
19 followup extremely optimistic when
20 compared with history."

21 A. Yes.

22 Q. First of all, what does E&A
23 stand for?

24 A. E&A stands for exploration
25 and appraisal.

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2 Q. Okay.

3 A. The followup of course
4 refers to preparing a business plan and
5 then go for project sanctioning and
6 then execute -- sorry, I said preparing
7 a business plan, I meant preparing a
8 field development plan. Go for project
9 sanctioning and then execute the field
10 development plan in order to get the
11 production going. That followup as a
12 function of time appeared to be
13 optimistic, appeared to be even
14 extremely optimistic when compared with
15 history.

16 And that bullet point should
17 not be seen in isolation to the two
18 previous bullet points, i.e. new projects
19 have aggressive final investment decision
20 dates, and previous FID projects are a
21 bit slower to deliver.

22 Q. So why does the E&A followup
23 have to be considered with the other
24 two bullet points?

25 A. Okay. You may remember that

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2 a few minutes ago we looked at the
3 production forecast and we looked at a
4 slide that showed, that clearly said
5 that we will do exploration in 2000,
6 and in 2001 and 2002 we will already
7 spend development funds, i.e. within a

8 period of, say, 18 months after
9 discovery of a new reservoir, we have
10 the plans ready to start spending money
11 on their development. And that is, in
12 my opinion, very quick.

13 And it's probably worthwhile
14 to look at a slide that comes later where
15 we look at the history of exploration
16 projects in the past.

17 Q. Which slide is that?

18 A. Then I think -- I think I
19 have to take you to slide DB 07482 with
20 the title "Exploration discoveries
21 1990-1999," subtitle, "Development
22 percentage at the date of 11/1/2000."

23 MR. FERRARA: I think this
24 may be more productive if we have a
25 question and an answer, otherwise the

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2 likelihood that we will finish this
3 within lives in being is not great.

4 MR. HABER: I think we will
5 because this actually was a slide I did
6 want to discuss.

7 MR. FERRARA: Maybe you
8 should ask him a question on it other
9 than what did you mean by the slide.

10 MR. HABER: Some of these
11 slides are complicated and he was
12 actually in the middle of an answer
13 where he was explaining certain issues,
14 certain bullet points and he was the
15 one that referenced the slide in --

16 MR. FERRARA: I didn't
17 understand that was part of an answer.
18 I thought he was just making a
19 reference to a slide, but go ahead.

20 MR. HABER: It was part of
21 an answer.

22 Q. Mr. Platenkamp, you can
23 continue.

24 A. So this slide depicts on the

25 vertical axis the percentage, on the
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2 horizontal axis time, and basically it
3 says that in a 10-year period following
4 discovery only 50 percent -- 15 percent
5 of what has been found has actually
6 reached production. I think that's
7 pretty clear. It takes time to get a
8 discovery into production.

9 If over a 10-year period we
10 develop 15 percent of what we find and
11 in the submissions of 2000 we -- we
12 expect to develop 34 percent, then you
13 have a four-fold acceleration, and I
14 could not identify any reasons to
15 substantiate a four-fold acceleration.

16 Q. Did any of the OUs provide
17 information in an attempt to
18 substantiate that type of acceleration?

19 A. They all had the project
20 schedules that yielded this result.
21 None of them provided comments how to
22 achieve this, or comments that this was
23 an acceleration when compared to the
24 past.

25 I think the individual OUs
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2 couldn't even see that. The individual
3 OUs submitted what they thought were
4 stretch targets but doable. And I
5 think if you looked at these projects
6 on a project-per-project basis that was
7 defensible, okay. It meant a bigger
8 petroleum engineering team, a stretch
9 target, maybe work a little bit harder.
10 For one particular project there is no
11 issue with that. However, if you sum
12 up all the projects of the operating
13 units, and all these projects have to
14 go through that stretch, say,
15 treatment, then of course it becomes a

16 different matter.

17 And if then the outcome is
18 that over a five-year period we get
19 more than 30 percent developed, which
20 means if you were to extend that to a
21 10-year period and maintain that level
22 of performance, you would develop 60
23 percent, whereas in the previous decade
24 you only developed 15 percent, that
25 there is a four-fold increase in the

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2 efficiency of project delivery.

3 Q. Did anyone on the ExCom
4 indicate their agreement with your
5 assessment that this five-year promise
6 of 34 percent was optimistic?

7 MS. ASHTON: Objection;
8 form.

9 A. There was no one in the
10 ExCom who raised objections to what I
11 presented.

12 Q. Did anyone make any comments
13 to what you presented?

14 A. I observed an occasional
15 sigh.

16 Q. Any particular member who
17 was vocal enough to sigh?

18 A. It was fairly evenly
19 distributed over the room.

20 Q. Just looking at the slide
21 for one more moment, there's a
22 reference to Brazil. Was there a
23 project in Brazil that the OU was
24 indicating could reach production by
25 2005?

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2 A. Obviously.

3 Q. Okay.

4 A. Otherwise, this line would
5 not be in this slide. The point being
6 that the submission of Brazil indicated

7 production in 2005, whereas we hadn't
8 started the exploration program.

9 Q. In Brazil?

10 A. In Brazil.

11 Q. Okay. Do you know if SDS
12 was doing any of the technical work for
13 that project in Brazil?

14 A. There wasn't even a project
15 in Brazil.

16 Q. Okay.

17 A. Nothing had started yet in
18 Brazil. We had obtained a license in
19 Brazil.

20 Q. Okay. So at the point that
21 you gave this presentation, all Shell
22 had, and by Shell I mean the group, had
23 obtained was just a license, correct?

24 A. And maybe we had acquired
25 some seismic. That I don't know for

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2 certain.

3 Q. I'm sorry, just when you
4 were nodding your head you were
5 agreeing that all you had was the
6 license?

7 A. All we had was the license,
8 I know that for certain. I think, but
9 I can't confirm that at this moment in
10 time, I think we had also acquired at
11 least some seismic.

12 Q. Okay.

13 A. Or we would have.

14 Q. Okay. Going back to DB
15 07480, the last bullet point, it says
16 "Not enough funds for promising
17 projects and strategic options." What
18 did you mean there?

19 A. Okay. Very, very, very good
20 question. As I already indicated, I
21 had the luxury of distributing a total
22 amount of 6 billion US dollars.
23 However, of that \$6 billion at least

24 800 million had to go to existing
25 assets to keep them in proper shape.

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2 Then an additional amount, significant
3 amount, had to go to those post-FID
4 projects that were ongoing, i.e.
5 projects where we had taken the
6 investment decision in years before and
7 where we were building production
8 facilities, where we were drilling
9 development wells, because a typical
10 project takes a number of years from
11 FID to first production. You make a
12 commitment in 1999 and you know that
13 you will be spending in '99, in 2000,
14 in 2001, etcetera, until it's ready.

15 So the prior commitments
16 also consumed a significant amount of
17 the 6 billion that I could spend.

18 And actually when I then
19 looked at what I had left, that was not
20 sufficient to fund promising projects
21 and strategic options.

22 So I did have something in
23 the portfolio that was very worthwhile
24 to do, very attractive but I couldn't
25 make funds available to do them because

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2 of previous commitments and the
3 requirements of the existing assets.

4 Q. What projects did you have
5 in the portfolio that you considered to
6 be very attractive?

7 A. Can I suggest that we move
8 to the next slide?

9 Q. Again, if it helps you
10 answer the question, yes.

11 A. The next slide illustrates
12 what I have said before. On the
13 vertical axis we have net present
14 value. Value to be realized upon

15 execution of the project. On the
16 horizontal axis we have the cumulative
17 Capex these projects require in 2001.
18 There is a vertical line at the 4
19 billion mark. And it is this 4 billion
20 mark that deals with prior commitments
21 and the 800 million existing assets.
22 So I only had the freedom to distribute
23 2 billion US dollars for 2001 over the
24 remainder of the portfolio.

25 There are three dotted lines

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2 here. The dotted lines reflecting the
3 value to be had from the investment at
4 the low, mid and high oil price that we
5 had at that moment in time in the
6 premises.

7 So on the right-hand side we
8 have what I labeled here the promise,
9 the value to be had from the new
10 projects. Now these new projects all
11 share at every oil price scenario the
12 fact that they are steeper, i.e. add
13 more value per dollar invested than,
14 say, the 2 billion, the last 2 billion
15 before the 4 billion mark, indicating
16 that these new projects, at least on
17 the basis of this submission, were more
18 profitable than projects such as Bonga
19 main and Athabasca Oil Sands already on
20 going.

21 It also illustrates that
22 this portfolio of very attractive
23 projects was densely populated.
24 Looking at the dots I would say there
25 were easily some 60 to 80 projects in

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2 that portfolio. And there is no
3 projects -- no project that is
4 particularly outstanding in size or in
5 profitability.

6 Q. After you discussed this
7 slide with the ExCom, do you recall if
8 there were any comments or questions
9 that were made by the members?

10 A. Yes, I think this slide
11 generated a little bit more discussion.

12 Q. And what do you recall in
13 that regard?

14 A. I don't recall any precisely
15 verbal statements, but I do recall a
16 general discussion like why is it that
17 our history is poorer in value creation
18 than our future, did we approve the
19 right projects in the past, or is this
20 something else. And I think that the
21 trend was no, we did the right things
22 in the past, we didn't have any other
23 information, and we doubt whether the
24 projects as presented for the first
25 time, the new projects, do indeed have

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1 ROELOF PLATENKAMP

2 this increase in profitability.

3 Hence, there was a general
4 understanding developing that the new
5 projects, although each individual
6 project was proper -- was doable as
7 described, collectively there was
8 over-optimism in the forward portfolio.

9 Q. Was there any particular
10 member of the ExCom who was more vocal
11 than others?

12 A. Well, if you have six or
13 seven ExCom members they all have their
14 own personality trait -- traits and
15 characteristics. Mr. Watts was clearly
16 in the room, Mr. Restucci was clearly
17 in the room, Mr. Sprague was clearly in
18 the room.

19 Q. And are those three members
20 of the ExCom who you recall voiced
21 their opinions after discussing this
22 slide?

23 A. Well, they expressed
24 opinions along the lines that I've just
25 caught.

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2 Q. Does anything stand out from
3 what was said that you can attribute to
4 Mr. Watts, Mr. Sprague or Mr. Restucci?

5 A. No, I think I've already
6 stated that. Did we get it wrong in
7 the past, are we too optimistic in the
8 future, there is indeed a significant
9 difference. If you look at the older
10 projects and the new proposed projects,
11 we did a good job in the past, there
12 must be some optimism in the forward
13 portfolio.

14 Q. Who was it that conveyed the
15 opinion that Shell had done a good job
16 in the past?

17 A. I did.

18 Q. And what was your reasoning
19 for saying that?

20 A. Because we, as a company we
21 have a pretty good track record.

22 Q. Any other reasons?

23 A. I think that's the most
24 important reason. And when we made
25 decisions as a company, we always made

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2 decisions on the basis of careful
3 analysis of the data and information
4 available after taking alternatives
5 into consideration, and at the moment
6 we took these decisions, as far as I
7 could judge, on the basis of what we
8 knew at the time we took the decisions,
9 those were the only right decisions to
10 take.

11 Hindsight is always easy.

12 Q. That is true. Was there
13 agreement with your analysis, with your

14 reasoning by the ExCom members?

15 A. Yes, yes. There was no
16 disagreement.

17 Q. If you can look at the slide
18 DB 07483. I'm just wondering, under
19 the bottom part where it says slipped,
20 and I take it these are projects --
21 well, rather than me characterizing,
22 why don't you just tell me briefly what
23 it says.

24 MR. FERRARA: What what
25 says?

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2 MR. HABER: This slide.

3 A. Okay. This slide lists a
4 number of projects that had their FIDs
5 planned in the year 2000. So when we
6 look at the business plan 1999, all
7 these projects were supposed to have
8 sanctioning and thus the final
9 investment decision in the year 2000.

10 Now a number of these
11 projects actually took final investment
12 decisions in the year 1999, namely, two
13 projects in Malaysia and one project in
14 Iran. Then there were a number of
15 projects that when we looked again at
16 these projects in the year 2000, these
17 projects were still scheduled to take
18 the final investment decision in the
19 year 2000. However, roughly half of
20 the projects that were supposed to take
21 FID in the year 2000 on the prognosis
22 of 1999, were considered in the year
23 2000 to take FID in the year 2001 or
24 later.

25 A number even made it into

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2 2004 and there were three projects
3 where we didn't even have a date for
4 the investment decision.

5 This means that roughly half
6 of the projects expected to take FID in
7 2000 appeared to be suffering a delay.

8 Q. And the -- what I'd like to
9 know is the reference to Shell

10 Australia, in particular does that
11 refer to the Gorgon gas fields?

12 A. The Northwest Shelf LNG
13 expansion and the Australia LNG train 1
14 were related, certainly the Northwest
15 Shelf were related partly to Gorgon. I
16 don't know the details of all these
17 projects at this moment in time, but,
18 yes.

19 MR. HABER: This is probably
20 a good breaking point so if we want to
21 take a few minutes.

22 THE VIDEO OPERATOR: Off the
23 record at 2:44, this is the end of tape
24 5.

25 (A recess was taken.)

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2 THE VIDEO OPERATOR: We're
3 back on the record, it's 3:11, and this
4 is tape 6.

5 Q. Mr. Platenkamp, do you
6 recall how long the presentation that
7 you gave on June 26th, 2000 lasted?

8 A. My recollection is that it
9 lasted about an hour.

10 Q. And at the time that you
11 concluded the presentation, was there a
12 question and answer period that
13 followed with the members of the ExCom?

14 A. No. Normally we would do
15 the questions and answers as they came
16 up during the presentation. So we had
17 no formal rule. I tell the story and
18 then they can ask questions. We always
19 try to do that as interactive as
20 possible to make sure that
21 understanding was built up as we

22 progressed through the presentation.

23 Q. I believe you said that Mr.
24 McKay had accompanied you to the
25 presentation?

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2 A. He was in the room with me,
3 that's correct.

4 Q. Did he make any comments
5 during the presentation?

6 A. He may well have made one or
7 two comments to clarify something. I
8 don't remember that.

9 Q. Okay. Did you discuss the
10 presentation with Mr. McKay after you
11 left the ExCom meeting?

12 A. When you go through this
13 kind of presentation then you walk out
14 and it's very normal that you discuss
15 what happened and how we're going to
16 take it forward.

17 Q. And do you recall having
18 such a discussion with Mr. McKay?

19 A. Yes, I don't recall the
20 precise details. We walked out of the
21 room and said okay, we go ahead with
22 the workshop as planned, let's get
23 ready for it.

24 Q. When you left the meeting,
25 did any ExCom member say anything to

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2 you in particular?

3 A. Not that I -- not that I can
4 remember. I had a number of people
5 commented that it was a good piece of
6 staff work that I presented.

7 Q. Do you recall any of the
8 members saying anything that can be
9 considered negative?

10 A. No, no, absolutely not.
11 Difficult issue, clearly understood,
12 difficult message, clearly understood.

13 But absolutely no -- no remarks that
14 expressed discontent or anything like
15 that.

16 I think this was a -- was a
17 difficult presentation clearly. I
18 think I presented an important point.
19 I wanted the ExCom to be fully aware of
20 the issues we were dealing with. I
21 also I think I made it clear earlier, I
22 wanted to be pretty clear that the
23 operating units delivered high quality
24 staff work. There is no doubt about
25 that. I referred to the internal

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2 consistency.

3 And the operating units had
4 also -- I'm looking for the proper
5 expression -- had also reacted to the
6 message that we had left over from
7 1999. In 1999, we, when we went
8 through capital allocation, after we
9 had weeded out the poorer projects, we
10 actually came to the conclusion that in
11 1999 we were a little bit short of
12 projects. So we had encouraged the
13 operating units to come forward with
14 projects. And of course come forward
15 with projects in a consistent manner,
16 in a manner aimed at growth. And I'm
17 convinced that all the individual
18 project teams that delivered their
19 projects to the OUs and then the OUs
20 delivering the projects in their
21 submission to us, that again, I've said
22 it before, those projects themselves were
23 thoughtful and within the isolation of
24 that project, given enough nurture and
25 care, they could deliver. That was the

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2 firm belief of the project teams,
3 against that promise. It's only when

4 you put the total together that you
5 recognize that you can't deliver all of
6 them in that manner.

7 So all these projects were
8 delivered with the best possible intent
9 and checked I think internally for the
10 doability.

11 So take one project, okay,
12 we have, maybe we have to increase the
13 number of petroleum engineers by 20
14 percent and put an additional drilling
15 engineer and maybe hire in a
16 contractor, then we can deliver at this
17 time scale. That's fine. But if you
18 do it for all of them and you see, for
19 instance, on the exploration side that
20 you have to have a four-fold
21 acceleration of what you're doing, then
22 maybe you need a four-fold increase of
23 staff levels, and that was never
24 anywhere there.

25 So I think what I'm trying
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2 to say is that the OUs, the project
3 teams delivered the projects that was
4 to the best of their ability, it's only
5 when you put it together that you
6 recognize something has to give, this
7 can't be done.

8 Q. But individually there had
9 to be some optimism that was not
10 achievable otherwise when you put them
11 altogether you wind up with the result
12 that you testified about earlier where
13 you have a number of 34 percent that is
14 too optimistic; isn't that correct?

15 MS. ASHTON: Objection.

16 MR. MORSE: Object to the
17 form; argumentative.

18 MS. ASHTON: Objection.

19 Q. You can answer.

20 A. The point I'm making is you

21 can take any project out of this
22 submission and you can talk to the team
23 that made the submission, and the
24 supervisor of the team, and the story
25 that you would receive would be a story
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2 that was consistent. Yes, we can
3 deliver against these milestones, but
4 there would be a number of provisos.
5 We need the staff, we need funding, we
6 need to get the permit in time,
7 blah-di-blah-di-blah. For an
8 individual project, all of that I think
9 were defensible statements. But if you
10 summate that, if you integrate that
11 over the entire investment program then
12 you have so many ifs that have to be
13 met that in the totality you ask
14 yourself can this really be done. And
15 that was the mirror that I was holding
16 up.

17 I think that's important to
18 understand. Those projects were
19 professionally described projects.
20 These were projects that may have been
21 stretching it, but we always went for
22 stretching our projects. But -- how
23 should I say that? -- these were good,
24 sound, professionals that put this in
25 the project portfolio. When you

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2 integrate it, you say, well, hang on a
3 second, something isn't quite -- quite
4 right.

5 Q. When you're referring to
6 putting stretch into the projects, are
7 you referring to the various provisos,
8 the ifs that you just testified about?

9 A. Some of the ifs. Also,
10 let's say normally when you do a study
11 of this type it takes 12 month, and we

12 -- we now say that we will do this in
13 eight month. And we think we can do
14 that because we have a smarter way of
15 doing simulations, we will do less
16 sensitivities because some of these
17 sensitivities are nonsensical. Now,
18 that's a pretty good argument and can
19 most likely be substantiated, but it is
20 a stretch if a normal simulation takes
21 12 months and you say I'm going to do
22 this in eight, but it's your
23 accountability, your responsibility
24 when you say I can do that with my
25 team.

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2 Q. So when you're talking about
3 the cumulative you're talking about all
4 the various OUs that sort of build in
5 that stretch, that's when you look back
6 and say, well wait a second, this is
7 not -- this is either not achievable or
8 it's too optimistic?

9 MR. MORSE: Objection to
10 form.

11 A. There is -- I simply
12 compared it with the outcome of the
13 previous years and I see a certain
14 disconnect and I wanted to hold up a
15 mirror, let's be careful, let's really
16 check this, yes.

17 Q. Okay.

18 A. But all those projects teams,
19 they're looking forward. They're not
20 looking over their shoulders.

21 Q. Right.

22 A. They're looking forward.
23 This is our project, this is how we're
24 going to do it.

25 Q. I believe earlier you

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2 testified about giving a presentation

3 to the CMD in I believe October of
4 2000.

5 A. I don't remember the precise
6 dates but there were two presentations
7 I gave to the CMD, one on the plan and
8 one on the options.

9 Q. When you say the options,
10 what are you referring to?

11 A. I'm talking to the strategic
12 options. So after we have made say the
13 foundation plan, then -- and there is
14 still room in the total Capex for the
15 Shell group, EP could get part of that
16 Capex and we could use that to do
17 certain strategic options. That's how
18 we labeled them.

19 Q. Okay. I'd like to discuss
20 the business plan.

21 MR. HABER: What I'd like to
22 do is mark as Exhibit 8 a document that
23 reads "2000 EP business plan - volume
24 2." And let me just give the Bates
25 range for the record. It's LON

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1 ROELOF PLATENKAMP
2 01241290 through LON 01241346.
3 (Platenkamp Exhibit 8
4 for identification, Bates stamped LON
5 01241290 through LON 01241346.)

6 Q. Mr. Platenkamp, have you
7 seen this document before?

8 A. Absolutely.

9 Q. And what is this document?

10 A. This document is the EP
11 business plan, volume 2, for the year
12 2000.

13 Q. Did you present this to the
14 CMD on or about October 23, 2000?

15 A. Yes, I did, with one
16 qualification. I presented a set of
17 slides that comprised most of the
18 information contained in this plan.
19 The business plan was given to the CMD

20 as pre-reading material.

21 The second point, going
22 through this one, I am not yet
23 convinced, convinced, sorry, that this
24 was the final business plan because I
25 see some annotations that someone must

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2 have made. It may be that this was not
3 yet the final document. I don't know.
4 I don't recognize the handwriting. It
5 may have been done after they received
6 the final copy.

7 Q. Why don't we just go through
8 some of the points that are made in
9 this document.

10 A. Yes.

11 Q. Actually, before I do that,
12 I want to ask you do you recall how far
13 in advance you provided the business
14 plan to the CMD as pre-reading?

15 A. There were very strict rules
16 for that. I don't remember the rules
17 precisely, but I would think they
18 received it at least a week before the
19 presentation, something of that order.

20 Q. And do you recall who the
21 members of the CMD were at the time you
22 gave the presentation?

23 A. Mark Moody-Stuart, Howard
24 ruse, Phil Watts, Joeren van der Veer,
25 Paul Skinner were the CMD members at

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2 the time. Mark Moody-Stuart was
3 chairman.

4 Q. Did anyone accompany you to
5 the CMD meeting when you made the
6 presentation?

7 A. Of course. First of all,
8 Phil was there on the one hand as a
9 sponsor of the presentation and on the
10 other hand as a CMD member. There were

11 two presentations. One I gave on the
12 plan, one on the strategic options.
13 There may have been one or two ExCom
14 members who attended the presentation.

15 Q. Do you remember if Linda
16 Cook attended the presentation?

17 A. This one was in the year
18 2000. At that moment in time Linda
19 Cook was part of the gas and power
20 organization, and I don't think she
21 attended the presentation.

22 Q. Do you recall if Bob Sprague
23 had attended the presentation?

24 A. I must admit I only -- I
25 don't remember who was there. I know I

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2 was there to give the presentation.
3 One or two ExCom members may have been
4 there as well to give moral support,
5 but I don't -- honestly, I don't
6 remember -- remember that.

7 Q. I'm just going to try to
8 refresh your recollection a little bit
9 more.

10 A. That's fine.

11 Q. Do you recall if Tim Warren
12 attended with you?

13 A. One of those presentations I
14 do believe Tim was present, yes.

15 Q. But you don't have a
16 recollection of which one?

17 A. No, I -- no, I don't. No
18 doubt we can find it out if we look at
19 the minutes of the CMD meetings, but
20 the main objective was to get the
21 message across. That was my job, and
22 that's what I was focused on, and I
23 don't remember who was there, no.

24 Q. What was the message that
25 you were trying to get across to the

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2 CMD by the presentation that you made
3 to them?

4 A. Okay. I take it we're
5 talking about the presentation of the
6 business plan.

7 Q. Correct.

8 A. The message I wanted to get
9 across is fairly straightforward. This
10 is the EP business plan. It is built
11 on a careful analysis of what we
12 currently have in the pipeline. It's
13 built on the existing asset base. We
14 believe it's doable, and we believe
15 this business plan should receive the
16 agreement of the CMD and subsequent
17 conference.

18 Q. Just jumping ahead, was the
19 business plan approved by the CMD?

20 A. Yes.

21 Q. And was the business plan
22 approved by the conference?

23 A. Yes.

24 Q. Okay. During the -- during
25 your presentation, do you recall if any

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2 of the members of the CMD had asked you
3 questions about the information that
4 you were giving or made comments about
5 the information you were giving?

6 A. Yes. During -- during the
7 presentation there were occasional
8 questions. Do I remember particularly
9 which questions? No, I don't. I
10 don't.

11 Q. Do you recall which members
12 of the CMD had asked the questions?

13 A. I remember Harry Roels
14 asking the question relating to
15 economics. I remember even though we
16 didn't have a finance member on the
17 CMD, the head of finance, Steve Hodgson
18 was present in the room. He asked me a

19 question about the finance aspects of
20 the EP plan. I think we had some
21 general discussion between Mark
22 Moody-Stuart and myself about the
23 outcome of strategic cost leadership.
24 But I -- that's about the extent that I
25 remember.

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2 Q. Do you recall what the sum
3 and substance of the discussion was
4 with Mr. Moody-Stuart about the outcome
5 of the strategic cost leadership?

6 A. Yes, I think the sum and
7 substance there was based on -- on the
8 cost savings that we had achieved, we
9 had reached a point where we could say
10 that EP had delivered on the cost
11 promises made at the moment we
12 initiated the strategic cost leadership
13 initiative.

14 If I remember right, we had
15 to deliver something like 4.2 billion,
16 and I think in the year 2000 we could
17 already demonstrate that we had
18 achieved that amount of cost savings.

19 Q. Other than the issues that,
20 or questions that you just mentioned by
21 some of the members of the CMD, do you
22 recall any others, others meaning
23 questions or comments that were raised
24 by members of the CMD?

25 A. I remember that there was at

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2 a certain moment in time a discussion
3 about the competitive performance of
4 Shell in terms of unit finding cost,
5 unit development cost and unit
6 operating cost, and the unit margin of
7 Shell. And I remember pointing out to
8 the CMD that we had the best unit
9 finding cost, and this is all based on

10 external data provided by Prudential.
11 That on the basis of unit finding cost
12 we were a dollar a barrel ahead of the
13 competition, on the basis of unit
14 development cost we were a dollar ahead
15 of the competition, on the basis of
16 unit Opex we were a dollar ahead of the
17 competition. And on the basis of crude
18 realization we were also ahead of the
19 competition due to the geographical
20 spread of the barrel and the API
21 quality, yet on the basis of unit
22 margin, this theoretical advance of
23 several dollars per unit barrel --
24 several dollars per barrel, we
25 apparently lost that margin due to the

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2 various tax regimes in which we were
3 operating. That was one discussion
4 that I still remember.

5 Q. And who did you have that
6 discussion with on the CMD?

7 A. Mark Moody-Stuart, Phil
8 Watts, Paul Skinner, they were all
9 involved.

10 Q. Which tax regimes are you
11 referring to in your prior answer?

12 A. The tax regimes in all the
13 countries where we operate. They vary
14 widely.

15 Q. Other than the issues that
16 you've just discussed, any other issues
17 come to mind where you recall questions
18 or comments from members of the CMD?

19 A. No, nothing else comes to
20 mind. If I were to read the minutes of
21 the meeting they would probably refresh
22 my memory, but nothing else comes to
23 mind at this moment in time.

24 Q. Have you seen the minutes of
25 the meeting?

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2 A. I have seen a draft version
3 of the minutes of the meeting and I was
4 asked to provide comments to the draft
5 minutes which I did. I haven't seen
6 the final minutes of the meeting at the
7 time.

8 Q. Okay. With regard to the
9 business plan, did you have any
10 involvement in the preparation of the
11 document?

12 A. Well, my main task was to
13 deliver the EP business plan, so yes,
14 this was my document.

15 Q. Were there people who
16 assisted you in preparing the document?

17 A. Yes, I had some 30-odd staff
18 helping me.

19 Q. Did that include Aidan
20 McKay?

21 A. Indeed.

22 Q. Did it include Remco
23 Aalbers?

24 A. Yeah, a very small part, but
25 yes.

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2 Q. Anyone else that you
3 mentioned?

4 A. Oh, yes. It included work
5 done by Fons Claessens of economics,
6 Pascal Poupet of economics. It
7 included work done by Bart Lismont of
8 portfolio, Peter van Driel of
9 portfolio. I shouldn't do this to you.

10 Q. We can help her with a lot
11 of the names.

12 A. But I mean there were quite
13 a few people contributing to this
14 document. Ajit Bansal contributed,
15 George Menane, Manuel Garcia. Many
16 people contributed to the document.

17 Q. I would like to just ask you

18 a couple of questions about the
19 information in the business plan.

20 A. Yes.

21 Q. If you could turn to Page 9
22 of the document, and that's the one that
23 ends with the last two numbers 99 of the
24 Bates range. On the top it says "3.
25 Objectives, strategic and challenges

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2 (continued)."

3 A. Yes.

4 Q. I'd like to direct your
5 attention to the statement under "Gas."

6 A. Yes.

7 Q. In particular the sentence
8 that reads, "We would like to retain
9 our strong competitive position in
10 deepwater by focusing on a limited
11 number of material (Gulf of Mexico,
12 Nigeria, Brazil and Angola) and
13 emerging (Egypt, Trinidad, Morocco)
14 basins." What was the basis for that
15 statement?

16 A. The basis was that we wanted
17 to have a focused portfolio, i.e. we
18 did not want to be everywhere where you
19 could be in deepwater, but those areas
20 where we believed we could be material,
21 and we wanted to maintain our strong
22 position in deepwater. And you can
23 only do that if you don't spread
24 yourself too thin.

25 Q. Okay. The next sentence in

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2 that paragraph reads, "In addition we
3 will try to leverage Shell Deepwater
4 Services (SDS) capabilities in novel
5 ways." What did you mean by that?

6 A. Precisely what it says.

7 Q. Well let me ask you how did
8 you intend to leverage SDS's capabilities

9 in novel ways?

10 A. Up to that moment in time,
11 we had used Shell Deepwater Services as
12 a service company to Shell ventures.
13 We were talking about the possibility
14 to use Shell Deepwater Services as a
15 service provider to other parties that
16 required deepwater expertise.

17 For instance, a company like
18 Petrobras in Brazil might have need of
19 specific expertise that Shell Deepwater
20 Services could provide. So services to
21 third parties would be a novel way to
22 leverage capabilities of SDS.

23 Q. Did you have any other ways
24 to leverage SDS's capabilities in mind
25 at the time?

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2 A. No. That was what we had in
3 mind, to the best of my knowledge.

4 Q. Under Caspian/CIS oil, the
5 third sentence reads "A very large
6 discovery has been made by OKIOC on the
7 Kashagan prospect in the northern part
8 of the Caspian Sea." What is OKIOC?

9 A. That's the name of the
10 company that had made the discovery of
11 a truly enormous field in the Caspian
12 Sea. And I am now trying to decipher
13 the acronym, but I think I failed, but
14 OKIOC is a company in which a number of
15 international oil companies
16 participated, such as Exxon Mobil,
17 AGIP, Shell, I think BP was in there
18 but subsequently sold out.

19 Q. Do you recall how large a
20 volume of gas was involved in the
21 Kashagan prospect?

22 A. I don't remember precisely
23 the amount that was involved. This was
24 early days the year 2000. We knew it
25 was a very large discovery, a giant

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2 field, a very large giant, but
3 additional appraisal were required to
4 determine with more certainty the oil
5 and gas initially in place, but it was
6 huge.

7 Q. Do you know who the operator
8 was of the project?

9 A. I don't know who the
10 operator was of that -- of that moment
11 in time, it was of course OKIOC, but I
12 do remember that at the end of the year
13 2000/early 2001, a decision had to be
14 made which of the international oil
15 companies was going to take the lead in
16 the development, and a number of
17 companies, amongst which Shell made a
18 bid, and in the end it was the Italian
19 company AGIP that was granted
20 operatorship for the development phase
21 of the field.

22 Q. Do you have a recollection
23 of what Shell's share was of the
24 project?

25 A. Not precisely. It initially

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2 was in the order I believe of something
3 like 16 percent. When one of the other
4 participants sold out Shell increased
5 its share I believe to something like
6 22 percent, but those numbers are
7 approximate.

8 Q. Was Shell doing any
9 technical work on the project?

10 A. Shell was doing its own
11 evaluations of -- of the prospect. It
12 was pretty clear that this was
13 material. It was also clear that this
14 was a project that would require lots
15 of expertise and before Shell made any
16 commitments to participate in the next

17 phase it needed to evaluate the
18 possibilities and the options.

19 Q. Do you know who from Shell
20 was doing the technical work?

21 A. Technical work was done
22 predominantly in the Rijswijk office of
23 Shell.

24 Q. Do you know if SDS had any
25 involvement in the technical work?

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1 ROELOF PLATENKAMP

2 A. SDS had no involvement in
3 the technical work. As far as I know,
4 this was not deepwater, it's shallow
5 water. As I said, it was done in
6 Rijswijk where the technical staff of
7 Shell International E&P is working.

8 Q. Okay. Do you recall anyone
9 expressing a desire to book reserves in
10 Kashagan in the year 2000?

11 A. No, I don't remember that.
12 I don't remember that.

13 Q. Do you recall anyone
14 expressing the importance of the
15 project to Shell in the year 2000?

16 MR. MORSE: Objection to
17 form.

18 A. There were many people who
19 were quite excited about this field.
20 It had been a very long time since a
21 field of that size had been discovered.
22 It was also in a completely new oil and
23 gas province. It is in the province
24 where there was little or no
25 infrastructure. So for everyone

0424

1 ROELOF PLATENKAMP

2 involved this was an exciting event,
3 and whenever you have an exciting event
4 people talk about it, people want to
5 participate, people want to be
6 involved. So many people were talking
7 about the Kashagan venture. The people

8 involved in Rijswijk and of course the
9 people involved in the organization of
10 Din Megat under which the Caspian area
11 fell, they were excited about it.

12 Q. You mentioned Din Megat.
13 Was he the regional business director?

14 A. Din Megat was the regional
15 business director.

16 Q. And that was for the region
17 EPM?

18 A. That was for the region EPM.

19 Q. And the EPM was the Middle
20 East if I'm correct?

21 A. The EPM was the Middle East
22 and Russia at that moment in time.

23 MR. HABER: I'd like to mark
24 as Exhibit 9, Platenkamp Exhibit 9, an
25 email exchange the last of which is

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1 ROELOF PLATENKAMP
2 from Din Megat, although the document
3 says Zaharuddin Megat and I probably
4 didn't pronounce his name correctly.
5 It's dated July 1, 2000. It's sent to
6 Remco Aalbers with a cc to Lorin Brass,
7 Stuart Brown, Martin Ferstl, Aidan
8 McKay, Mike Newman and Mr. Platenkamp.
9 And the subject line reads, re OKIOC -
10 Kashagan reserving. It has two Bates
11 ranges. The first is V 00371048
12 through V 00371049. And the second one
13 is Brass 0111 through Brass 0112.

14 (Platenkamp Exhibit 9
15 for identification, Bates stamped V
16 00371048 through V 00371049 and Brass
17 0111 through Brass 0112.)

18 Q. Have you seen this email
19 correspondence before?

20 A. I guess I have seen it.
21 Again, it's one of those emails on
22 which I was cc'd. It's a fairly
23 standard email from Remco to Mr. Megat
24 explaining that once you have drilled

25 an exploration well you are not yet in

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1 ROELOF PLATENKAMP

2 a position that you can book reserves.

3 Q. Do you recall discussions
4 with Mr. Megat where he had expressed
5 importance to book reserves in
6 Kashagan?

7 A. No.

8 MS. ASHTON: Objection to
9 the form.

10 A. The answer is no, I don't
11 remember that.

12 Q. Looking at the second email
13 on Page 1 from Mr. Aalbers to Mr. Megat
14 in which you were also cc'd, the first
15 paragraph of the email says, "I
16 understand the importance and pressure on
17 'reserves' booking for Kashagan." Do you
18 recall having discussions with Mr.
19 Aalbers about that sentence, or that
20 portion of the sentence?

21 A. No.

22 Q. Do you recall having
23 discussions with Din Megat about that
24 portion of the sentence I just read?

25 A. No. To me this is -- this

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1 ROELOF PLATENKAMP

2 is what always happens, you have a
3 discovery, in this particular case a
4 pretty large discovery and then people
5 are always keen to go to the outside
6 world and tell them what we find and
7 what we have found. This is fairly
8 normal practice.

9 Q. Who is Stuart Brown and what
10 was his position at that time?

11 A. Stuart Brown I think had just
12 been appointed to be the regional
13 business advisor in the EPM organization
14 for the Caspian.

15 Q. Were you ever asked to go to

16 the Kashagan project to investigate the
17 project?

18 MS. ASHTON: Objection to
19 form.

20 MR. MORSE: Objection to
21 form.

22 MS. ASHTON: Yes, objection
23 to form. I don't know what you mean by
24 investigate. If you know, you can
25 answer.

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1 ROELOF PLATENKAMP

2 A. No, I don't, I don't know
3 what is meant here.

4 Q. Looking back at the business
5 plan, Exhibit 8.

6 A. Yes.

7 Q. On the -- that's Page 11 of
8 the document under number 4, 2000 EP
9 business plan, and that's the Bates
10 number that ends with the last two
11 digits 01.

12 A. Yes.

13 Q. I'm looking at the right
14 side of the page under clustering of
15 resources.

16 A. Yes.

17 Q. And it says, the first
18 bullet point, "To develop and maintain
19 key exploration, organizational
20 capabilities, centers of excellence
21 (clusters) with critical mass to
22 promote organizational learning will be
23 established." What did you mean by
24 that?

25 A. Okay. Shell E&P had been

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1 ROELOF PLATENKAMP

2 without an exploration director for
3 quite some time. I don't know
4 precisely when this happened, but
5 somewhere around 1995 it was decided
6 that we did not need longer an

7 exploration director in Shell EP. I
8 think this coincided with the new EP
9 organization in which the BusCom was
10 formed; the BusCom being populated by
11 regional business directors who at that
12 moment in time had a predominantly
13 governing role and these regional
14 business directors would each also take
15 the responsibility for exploration. Up
16 to that moment in time there had always
17 been a separated global E&P exploration
18 director.

19 In the year 2000 it was
20 realized that this was no longer the
21 right way forward, and we installed in
22 the year 2000 a new head of global
23 exploration. And this new head of
24 global exploration of course had a task
25 to set about an organization that would

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1 ROELOF PLATENKAMP
2 deliver the best possible exploration
3 results.

4 And in order to do that, it
5 was decided to set up a number of
6 centers of excellence, clusters for the
7 various regions to support the
8 exploration activities in the various
9 regions, or the various topics.

10 So there would be a group
11 looking at portfolio management, there
12 would be a group looking, or a cluster
13 looking after technology, that kind of
14 activity. So it was rebuilding a
15 global exploration function which was
16 quite a change from the previous five
17 years.

18 Q. And who was the head of this
19 global exploration?

20 A. The first head was Mr. Andy
21 Wood, who was appointed early 2000 to
22 take that role.

23 Q. And how long did Mr. Wood

24 stay in that role, if you know?

25 A. I think Mr. Wood stayed in

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1 ROELOF PLATENKAMP

2 that role till I believe 2003.

3 Q. Who succeeded him?

4 A. That role was then raised in
5 importance. Up to that moment in time
6 the role was reporting within the SEPIV
7 organization. It was recognized in
8 2003 that in order to be truly
9 contributing to EP, it was necessary
10 that the global head of exploration was
11 a member of the ExCom. And when
12 Matthias Bichsel took that role in
13 2003, he did that from an ExCom
14 position.

15 Q. Moving down a little bit, on
16 the fourth bullet point on that page
17 there's a reference to clustering of
18 capabilities in place for deepwater.
19 What does that refer to?

20 A. Okay. Clustering of
21 capabilities was already a done deal
22 for deepwater in the year 2000 because
23 we had the capability and the
24 organization in Houston in Shell
25 Deepwater Services. So that was a done

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1 ROELOF PLATENKAMP

2 deal, a nice stick. We tried for the
3 new exploration organization to copy
4 the best practices learned from Shell
5 Deepwater Services and put clusters in
6 place in Rijswijk and The Hague to
7 bundle the capabilities.

8 Q. And was that done?

9 A. That was done, but I want to
10 be absolutely clear that we understand
11 this. Deepwater Services served as a
12 model. Deepwater Services had nothing
13 to do with the newly created
14 exploration capability clusters in the

15 center in Rijswijk and The Hague,
16 completely different. Deepwater is not
17 part of exploration.

18 Q. With regard to the
19 clustering that involved deepwater, how
20 did it -- how did that clustering
21 operate? Was there a sharing of
22 information, a flow of information that
23 went from Houston to say one of the
24 offices in Rijswijk?

25 MS. ASHTON: Object.

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1 ROELOF PLATENKAMP

2 Objection to the form.

3 Q. If you can explain the
4 process.

5 A. Again, Shell Deepwater
6 Services had nothing to do with the new
7 exploration organization that we were
8 building in The Hague and Rijswijk. So
9 Shell Deepwater Services worked on
10 behalf of those operating units that
11 had deepwater in their portfolio.
12 Shell Deepwater was used as an example
13 that by clustering activities in one
14 center rather than distributing all
15 these activities over the various
16 regions, you could get a far better
17 result.

18 Let me try to explain that.
19 It would have been an organizational
20 model to say Shell Oil, Gulf of Mexico,
21 you do your own deepwater, Nigeria, you
22 do your own deepwater, Philippines, you
23 do your own deepwater, etcetera, and
24 then you would have a deepwater
25 organization in each of the regions.

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1 ROELOF PLATENKAMP

2 By creating one big center in Houston,
3 you would have an organization that had
4 critical mass, more knowledge, more
5 power, etcetera.

6 And the same was true for

7 exploration. Rather than having
8 exploration distributed over all those
9 regions with regional centra reporting
10 into a boss without exploration
11 background, we thought the time was
12 there to build centra centrally that
13 could leverage their capability across
14 the regions. So in this context, SDS
15 was nothing but an example that it was
16 better to go for a centrally driven
17 organization.

18 Q. You can put this aside.

19 MR. HABER: What we're going
20 to mark as Platenkamp Exhibit 10 is an
21 email exchange, it's multiple emails
22 between Mr. Platenkamp and Mr. van de
23 Vijver --

24 MS. ASHTON: Can I make a
25 suggestion, can we have her mark it

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1 ROELOF PLATENKAMP

2 first so he can be reading it, because
3 otherwise he's waiting.

4 MR. HABER: That's fine.

5 MS. ASHTON: It may make it
6 a little faster. Thanks.

7 (Platenkamp Exhibit 10
8 for identification, Bates stamped V
9 00072742 through V 00072762 and DB
10 06842 through DB 06862.)

11 MR. HABER: Let me just go
12 back and note for the record what we've
13 marked as Platenkamp Exhibit 10. It's
14 a series of emails between Mr.
15 Platenkamp and Walter van de Vijver,
16 the last of which is dated January 29,
17 2004. There are also attachments to
18 the email exchange. There are two
19 Bates ranges. The first one is V
20 00072742 through V 00072762. The
21 second range is DB 06842 through DB
22 06862.

23 Q. Mr. Platenkamp, have you
24 seen this email correspondence before
25 today?

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1 ROELOF PLATENKAMP

2 A. Indeed.

3 Q. Can you tell us how --
4 withdrawn.

5 Can you explain the context
6 in which these emails were sent?

7 A. I'm not sure whether there
8 is an email missing, but it's also
9 possible that the initiation of this
10 series of emails is a telephone
11 conversation between myself and Walter
12 van de Vijver, who -- who called me and
13 wanted help from me to understand what
14 I had shared with the ExCom in January
15 and June 2000. This conversation took
16 place somewhere in January. I just
17 happened to be on holiday again. You
18 must get the impression that I'm always
19 on holidays. I was skiing.

20 So upon my return I sent an
21 email to Walter on the 28th of January,
22 and then he asked for some clarification,
23 and I sent a clarification a day later.

24 Q. Did he explain the reason
25 why he was looking for the information?

0437

1 ROELOF PLATENKAMP

2 A. Well, at that moment in time
3 what we now know in Shell internally as
4 the reserves crisis had started. Walter
5 wanted more information.

6 Q. Did he identify anything in
7 particular that he was looking for?

8 A. He wanted to know in
9 particular what I had shared with the
10 ExCom in the years that I acted as vice
11 president, strategy, economics and
12 planning.

13 Q. Did you have any subsequent

14 discussions with Mr. van de Vijver?
15 And subsequent to these emails is the
16 reference point.

17 A. I don't remember any further
18 email exchanges. And I don't think we
19 had any further discussions over the
20 telephone.

21 Q. Do you recall any
22 face-to-face discussions with Mr. van
23 de Vijver?

24 A. Not in 2004.

25 Q. Did you have any

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1 ROELOF PLATENKAMP
2 face-to-face discussions with Mr. van
3 de Vijver subsequent to 2004?

4 A. Never, ever.

5 Q. How about prior to 2004, and
6 I'm excluding the time that you were in
7 Bakersfield?

8 A. As I mentioned earlier this
9 afternoon, I had a meeting with Walter
10 in quarter 3 2001.

11 Q. Okay.

12 A. That was all. I have to
13 stand corrected. I also attended a
14 Christmas party that Walter gave I
15 believe December 2003 or December 2002.

16 I don't remember. I think December
17 2003. And -- at his residence in
18 Wassenwar where he invited senior staff
19 in E&P. And that's where I saw him for
20 the last time. So that must have been
21 either December 2002 or December 2003,
22 I don't remember precisely. There were
23 so many Christmas parties.

24 Q. Do you recall discussing any
25 business related issues during this

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1 ROELOF PLATENKAMP
2 time?

3 A. I remember very clearly that
4 we did not discuss anything related to

5 the business.

6 Q. Looking at Exhibit 10 --
7 before I get to that question. Do you
8 recall any subsequent communications
9 with Mr. van de Vijver, and notably
10 email, to what we just marked as
11 Exhibit 10?

12 A. I don't remember. There may
13 have been some further clarification,
14 but I don't remember.

15 Q. Okay.

16 A. I think this was the last
17 exchange we had, but...

18 Q. In your email, and I'm
19 looking at Page 1, the last paragraph
20 of the email you say "The key slide
21 from the presentation was the
22 following. And the difference" colon
23 -- I'm sorry, semicolon, "and the
24 difference between the proposed data
25 and the outcome of the ExCom meeting is

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1 ROELOF PLATENKAMP

2 large!" Why did you write that?

3 MS. ASHTON: Why did he
4 write it?

5 MR. HABER: Yes.

6 MS. ASHTON: Object to the
7 form. But you can answer it if you
8 have a reason for writing it that way.

9 A. I think that's pretty clear.
10 The proposed data which refer to the
11 data proposed for the 20-F and what
12 made it, and I'm not referring to 20-F,
13 but made it to the external world, that
14 difference is large.

15 Q. And what information, to be
16 specific, are you referring to?

17 A. Well it's in the table. The
18 proposed data were 37 percent. But as
19 we discussed yesterday, there are many
20 ways to look at that. At this moment
21 in time, proved reserves in line with

22 SEC regulations came to the foreground.

23 MS. ASHTON: I'm sorry, when
24 you say at this moment in time, when?

25 A. I meant 2004.

0441

1 ROELOF PLATENKAMP

2 MS. ASHTON: Okay.

3 A. And what I indicate here is
4 that in 2000 the SEC part, that was the
5 proposed data. So I don't know how to
6 express that. What I'm saying is if we
7 had focused only on SEC data, then the
8 proposed replacement rate was 37
9 percent.

10 Q. The next part of the
11 sentence reads, "By the way, in the
12 meeting we agreed to exclude Iran, but
13 the reserves appeared in the press
14 release." Were you referring to the
15 January 31st, 2000 meeting?

16 A. I was referring to the
17 January 31st meeting, and my
18 recollection in 2004 was that in the
19 meeting we agreed that Iran was -- that
20 we didn't know yet whether we could
21 book it or not. For the time being it
22 would be excluded. Subsequently it
23 became part of the 20-F.

24 Q. What reason did you have for
25 pointing that out to Mr. van de Vijver?

0442

1 ROELOF PLATENKAMP

2 A. Because it wasn't included
3 in the 37 percent.

4 Q. And in pointing out the
5 difference between the 37 percent and
6 the 56 percent number, does this
7 refresh your recollection as to what
8 number was reported by Shell?

9 A. If I remember correctly, the
10 56 made it to the 20-F, and something
11 close to a hundred percent made it to
12 the external disclosure in total,

13 regarding all the resources.

14 MR. HABER: If I can have
15 about two or three minutes I can let
16 you know if there's anything further
17 that I intend to ask.

18 THE VIDEO OPERATOR: We'll
19 go off the record 4:13, this is tape 6.

20 (A recess was taken.)

21 THE VIDEO OPERATOR: We're
22 back on the record, it's 4:22, this is
23 tape 6.

24 Q. Mr. Platenkamp, I just have
25 very few questions, perhaps even less.

0443

1 ROELOF PLATENKAMP

2 Have you heard of Project Rockford
3 before?

4 A. No.

5 Q. Were you ever asked by anyone
6 at Shell to do work in connection with,
7 as you termed it before, the crisis with
8 reserves?

9 A. Can you clarify the
10 question.

11 Q. Did anyone contact you in or
12 about the end of 2003 to request your
13 assistance in reviewing all the
14 information that was related to the
15 reserves crisis, as you termed it?

16 A. No, no. I was not
17 approached in 2003.

18 Q. Were you approached in 2004?

19 A. In 2004 I was only asked to
20 be interviewed.

21 Q. Who asked you?

22 A. I don't remember. One of
23 the company people in London of group
24 audit. They invited me out to London
25 where they questioned me for a couple

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1 ROELOF PLATENKAMP

2 of hours -- of hours.

3 Q. Was that questioning done by

4 a law firm by the name of Davis Polk &
5 Wardwell?

6 A. It was part -- it was part
7 of the program that Davis Polk did.

8 Q. Have you ever heard of a
9 project by the name of Project Hugis?

10 A. Project?

11 Q. Hugis, H-u-g-i-s?

12 A. No. No.

13 MR. HABER: Subject to any
14 other questions that anyone has, for
15 the time being I'm done.

16 MR. FERRARA: Perhaps we
17 have one question for clarification to
18 Mr. Platenkamp.

19 EXAMINATION BY MR. FERRARA:

20 Q. Mr. Platenkamp, I'd like to
21 direct your attention back to exhibits
22 number 2 and 3 of your examination here
23 today, Exhibit number 2 being the
24 memorandum that was sent to the ExCom
25 in preparation for the January 31st,

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1 ROELOF PLATENKAMP
2 2000 meeting, and Exhibit 3 being the
3 PowerPoint screens that you used to
4 support your presentation to ExCom on
5 January 31st, 2000.

6 A. Yes.

7 Q. Do you have those in front
8 of you?

9 A. I have those in front of me.

10 Q. I believe you have
11 previously testified that in both of
12 these documents you recommended to
13 ExCom that the proved reserves number
14 to be included in the form 20-F was 37
15 percent; isn't that correct?

16 A. That is correct.

17 Q. As you know, in the 20-F
18 that was filed with the Securities and
19 Exchange Commission in year 2000 for
20 year end '99, at Page 41 the proved

21 reserves were reported to be net of
22 divestments and acquisitions 56
23 percent; isn't that right?

24 MR. HABER: Objection to
25 form.

0446

1 ROELOF PLATENKAMP

2 A. That's correct.

3 MR. HABER: Go ahead.

4 A. That's correct.

5 Q. Did you believe at the time
6 that the 20-F was filed in 2000 that
7 those filing it had a reasonable basis
8 for believing and reporting crude
9 reserves at 56 percent?

10 A. Yes, I did.

11 MR. FERRARA: I have no
12 further questions.

13 MR. HABER: Thank you very
14 much, Mr. Platenkamp. We very much
15 appreciate your time over the last two
16 days. Thank you.

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0447

1 ROELOF PLATENKAMP

2 THE VIDEO OPERATOR: We'll
3 go off the record. It's 4:25. This is
4 the end of tape 6, volume 2.

5 (Time noted: 4:25 p.m.)

6

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11 Subscribed and sworn to before me

12 this _____ day of _____, 2006.

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0448

1
2 STATE OF NEW YORK) Pg__of__Pgs

3 ss:

4 COUNTY OF NEW YORK)

5 I wish to make the following changes,
6 for the following reasons:

7 PAGE LINE

8 _____ CHANGE: _____

9 REASON: _____

10 _____ CHANGE: _____

11 REASON: _____

12 _____ CHANGE: _____

13 REASON: _____

14 _____ CHANGE: _____

15 REASON: _____

16 _____ CHANGE: _____

17 REASON: _____

18 _____ CHANGE: _____

19 REASON: _____

20 _____ CHANGE: _____

21 REASON: _____

22 _____ CHANGE: _____

23 REASON: _____

24 _____ CHANGE: _____

25 REASON: _____

0449

1
2 CERTIFICATE

3 STATE OF NEW YORK)

: ss.

4 COUNTY OF NEW YORK)

5 I, GAIL F. SCHORR, a Certified
6 Shorthand Reporter, Certified Realtime
7 Reporter and Notary Public within and for
8 the State of New York, do hereby certify:

9 That ROELOF PLATENKAMP, the
10 witness whose deposition is hereinbefore set
11 forth, was duly sworn by me and that such
12 deposition is a true record of the testimony
13 given by the witness.

14 I further certify that I am not
15 related to any of the parties to this action
16 by blood or marriage, and that I am in no
17 way interested in the outcome of this
18 matter.

19 IN WITNESS WHEREOF, I have
20 hereunto set my hand this ____ day of
21 _____, 2006.

22
23
24
25 _____
GAIL F. SCHORR, C.S.R., C.R.R.

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1 E X H I B I T S

2			
3	DESCRIPTION	PAGE	LINE
4	(Platenkamp Exhibit 5 for	281	21
5	identification, Bates		
6	stamped PBW 0006178 through		
7	PBW 0006186.)		
8	(Platenkamp Exhibit 6 for	311	18
9	identification, Bates		
10	stamped V 00120307 through V		
11	00120370 and DB 07471		
12	through DB 07534.)		
13	(Platenkamp Exhibit 7 for	317	21
14	identification, Bates		
15	stamped PBW 0003646 through		
16	PBW 0003648.)		
17	(Platenkamp Exhibit 8 for	407	3
18	identification, Bates		

19 stamped LON 01241290 through
20 LON 01241346.)
21 (Platenkamp Exhibit 9 for 425 14
22 identification, Bates
23 stamped V 00371048 through V
24 00371049 and Brass 0111
25 through Brass 0112.)

0451
1 (Platenkamp Exhibit 10 for 435 7
2 identification, Bates
3 stamped V 00072742 through V
4 00072762 and DB 06842
5 through DB 06862.)

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