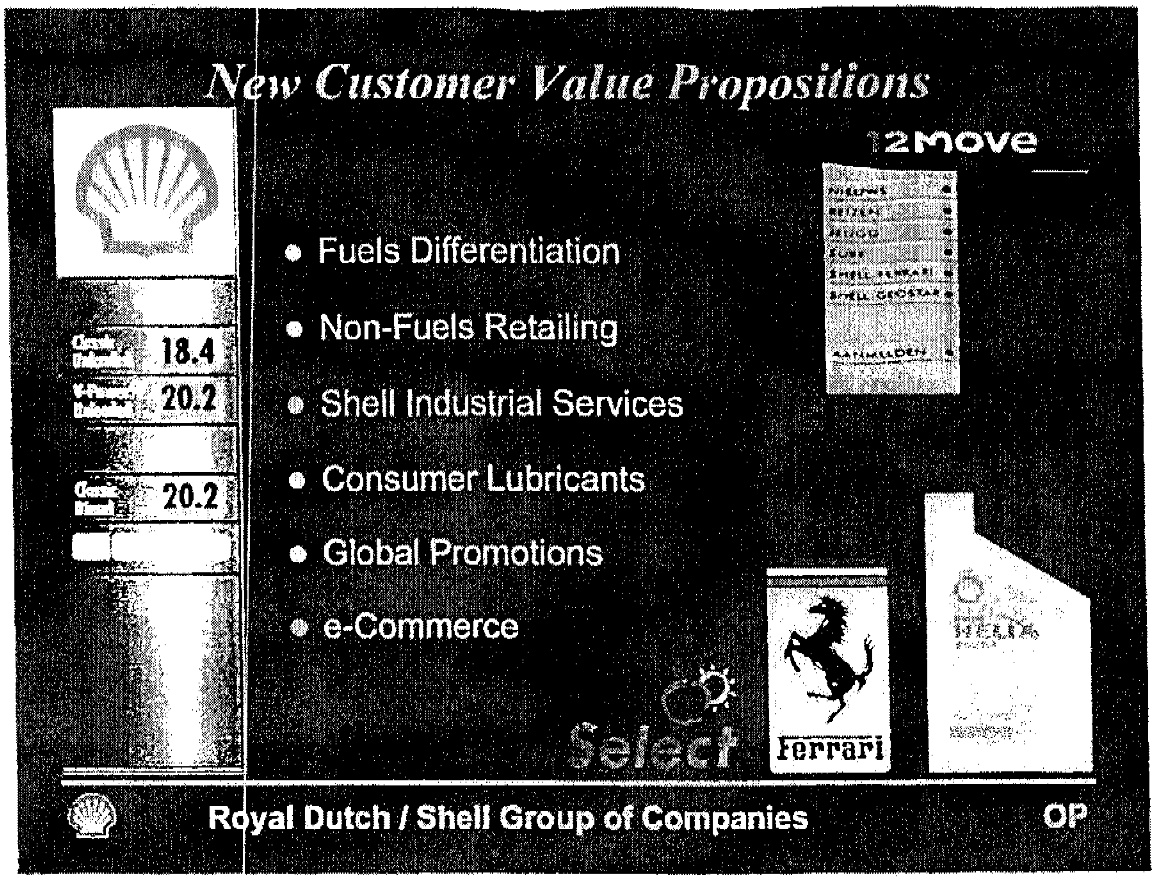

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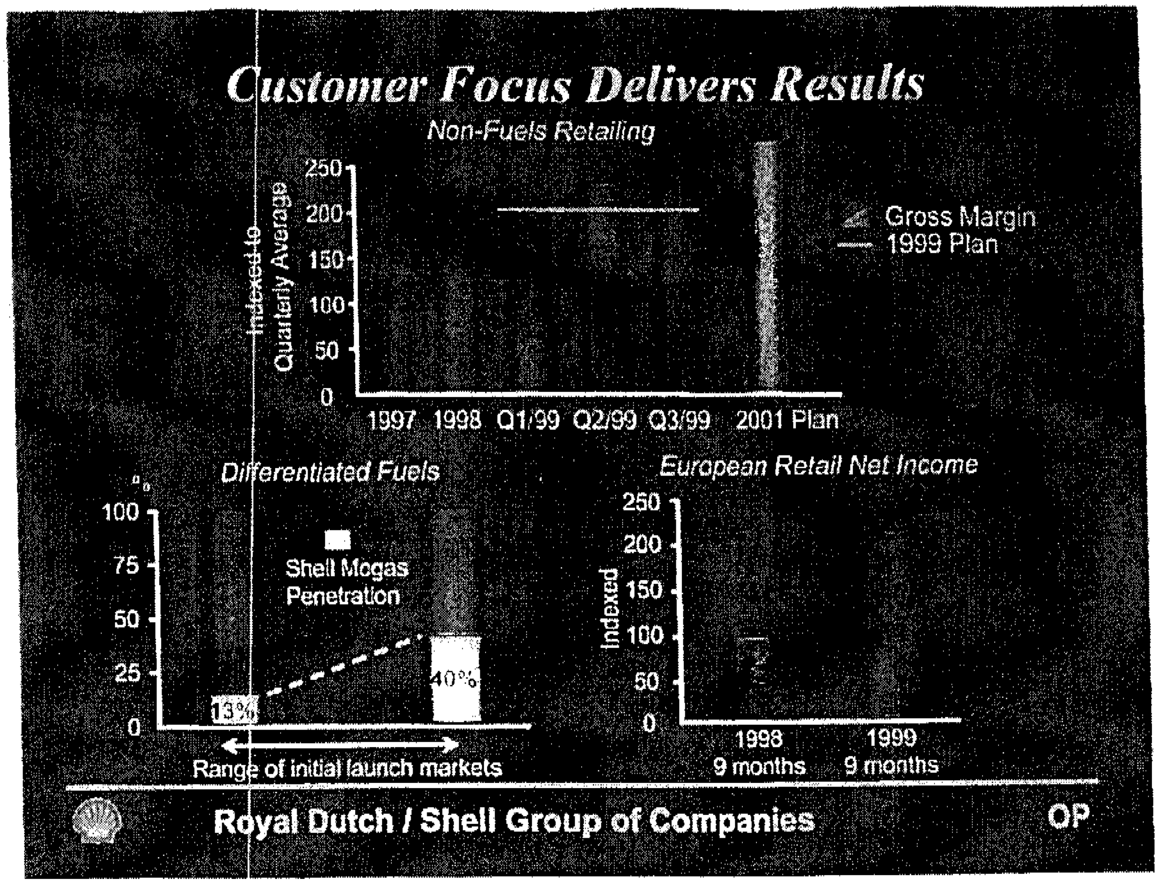

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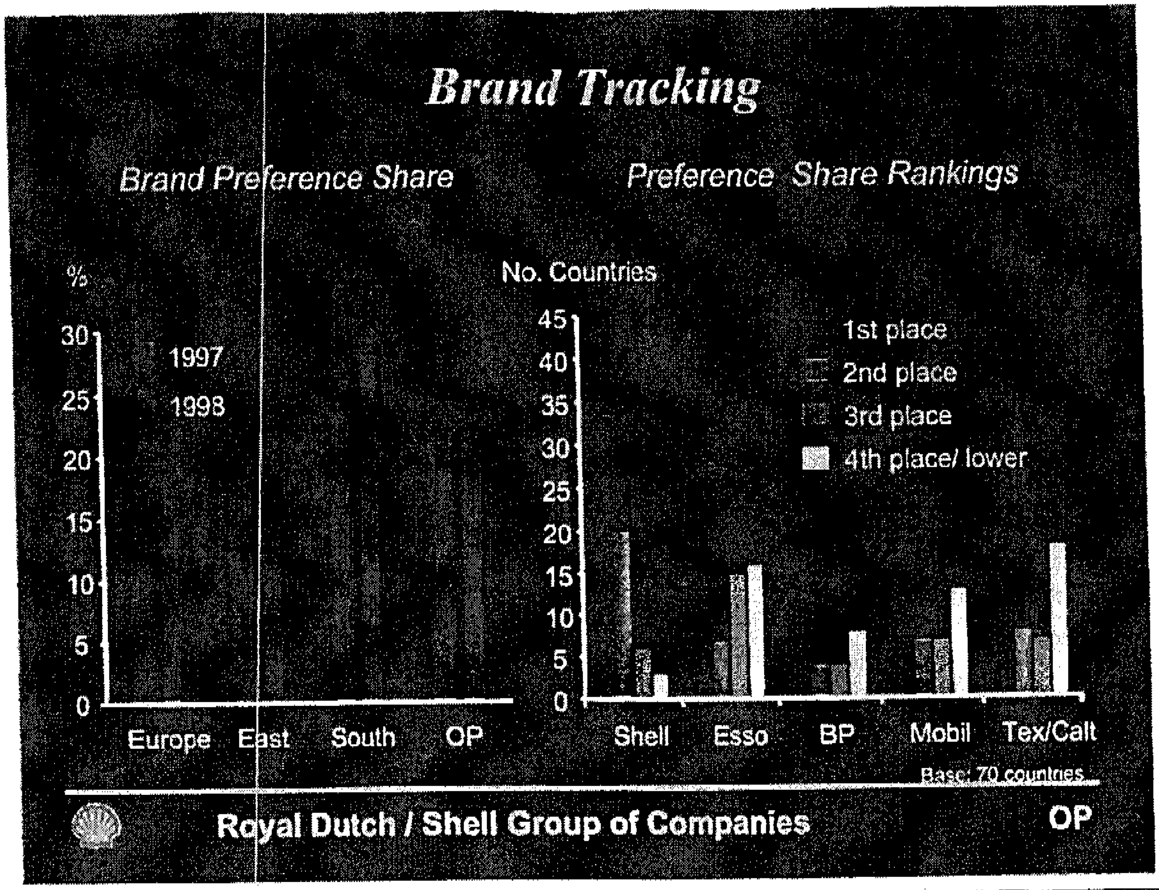

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Capital Discipline

Capital Expenditure - $ billion

Annual Average 1996 - 98		LE 1999	Planned 2000
0.9	Manufacturing & Supply	0.4	0.3
2.3	Marketing	1.2	1.5
3.2	**Total**	1.6	1.8

Excluding USA

Royal Dutch / Shell Group of Companies OP

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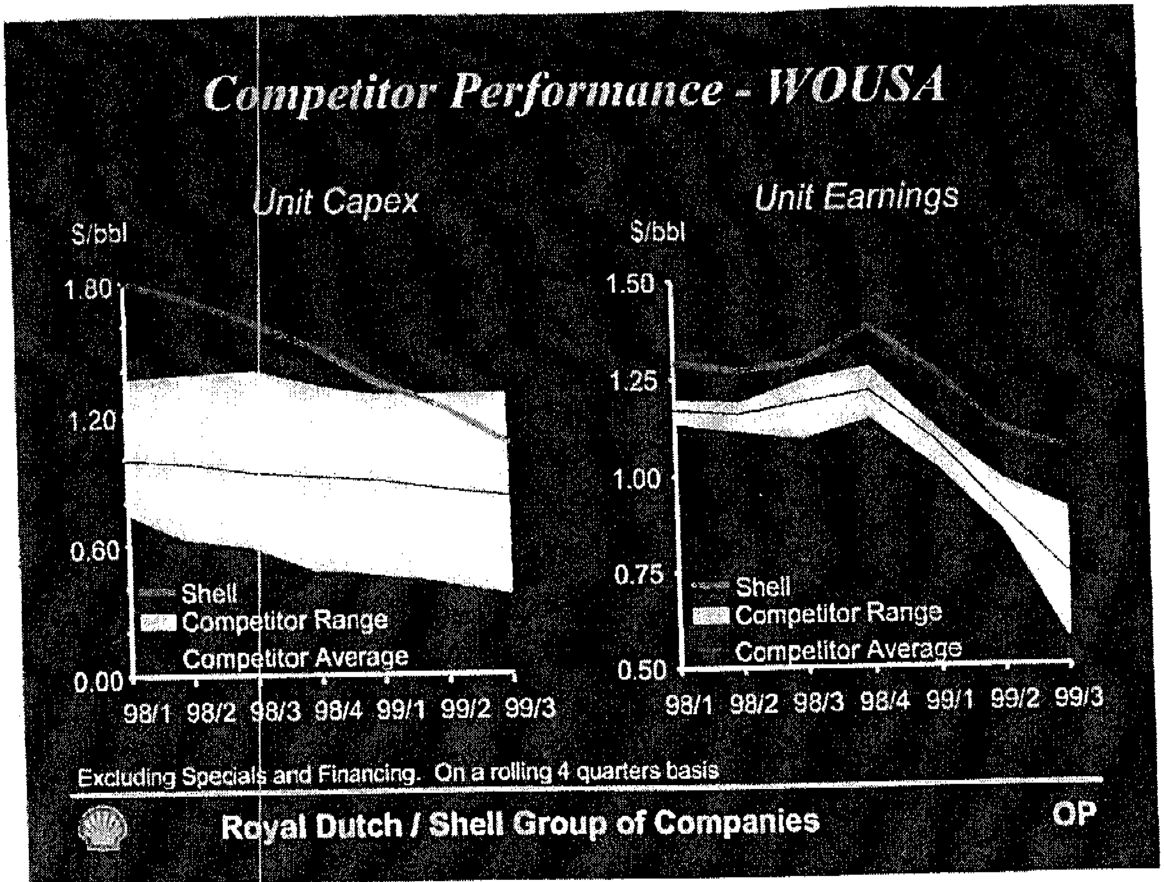

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OP Summary

Cost

- LE cost improvement increased to $1.3 bln incl US Alliances
- 1st quartile Solomon refining performance
- Workforce down by 4,500 (1998-2000)

Portfolio

- Rationalisation of refining capacity
- Lower refining cover
- Further European Retail action
- Action on US downstream
- New customer value propositions:
  - Fuels differentiation
  - Non-Fuels retailing
  - e-Commerce

Capital Discipline

- Refining capex limited to HSE/C&M plus Scotford
- Selective investment in Marketing

Royal Dutch / Shell Group of Companies OP

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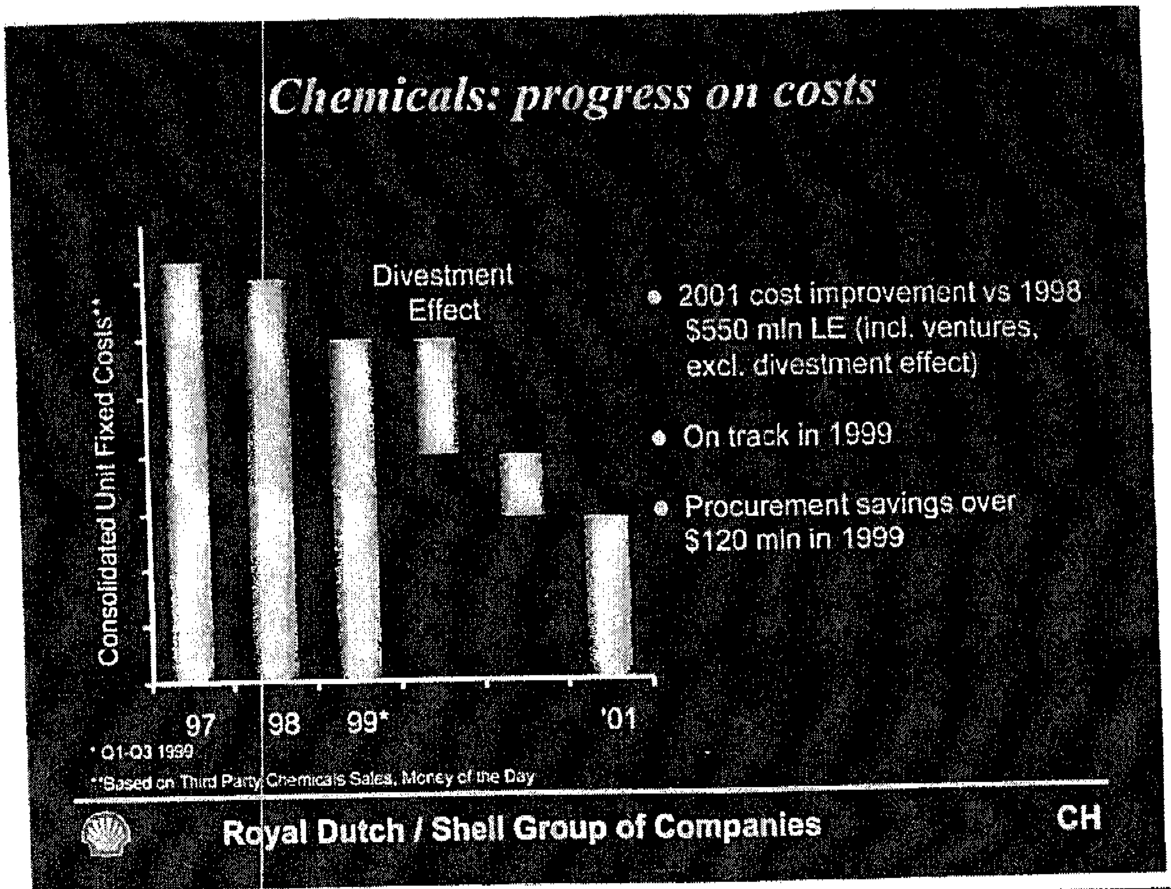

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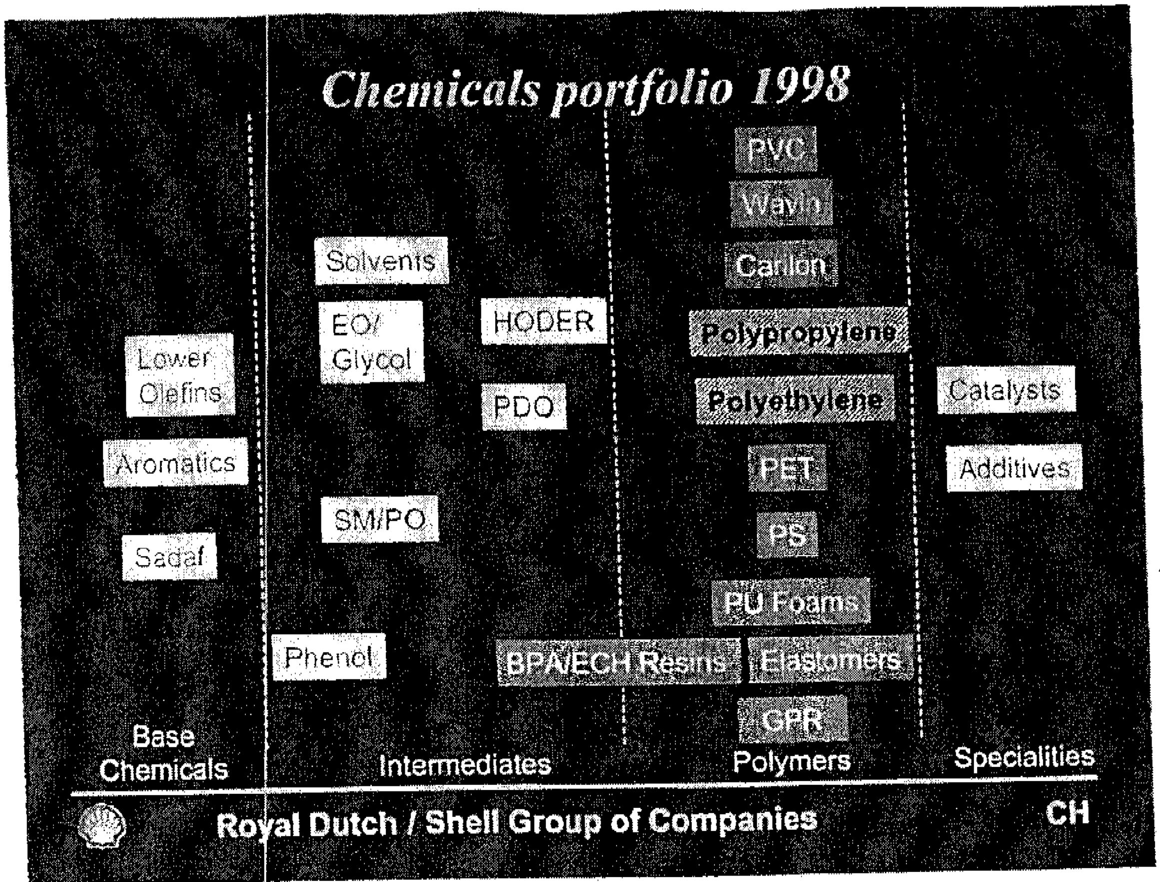

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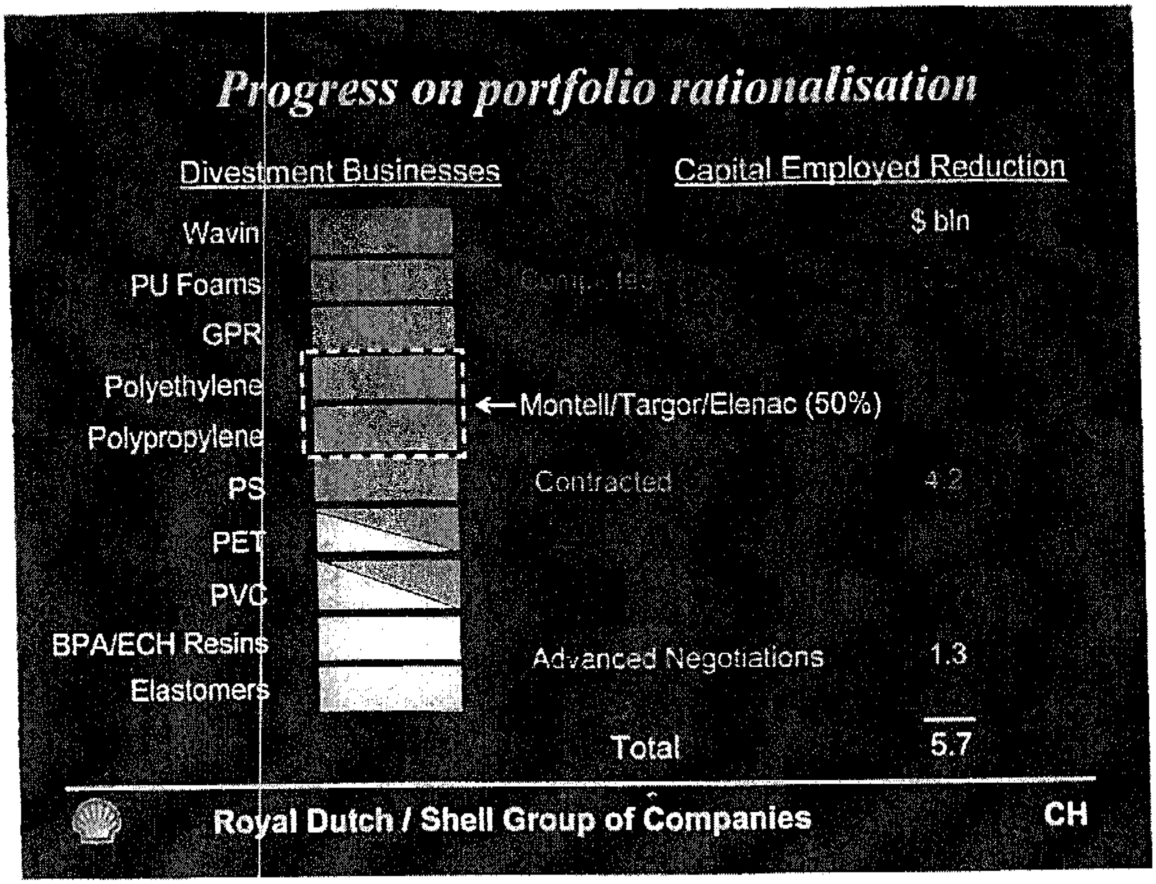

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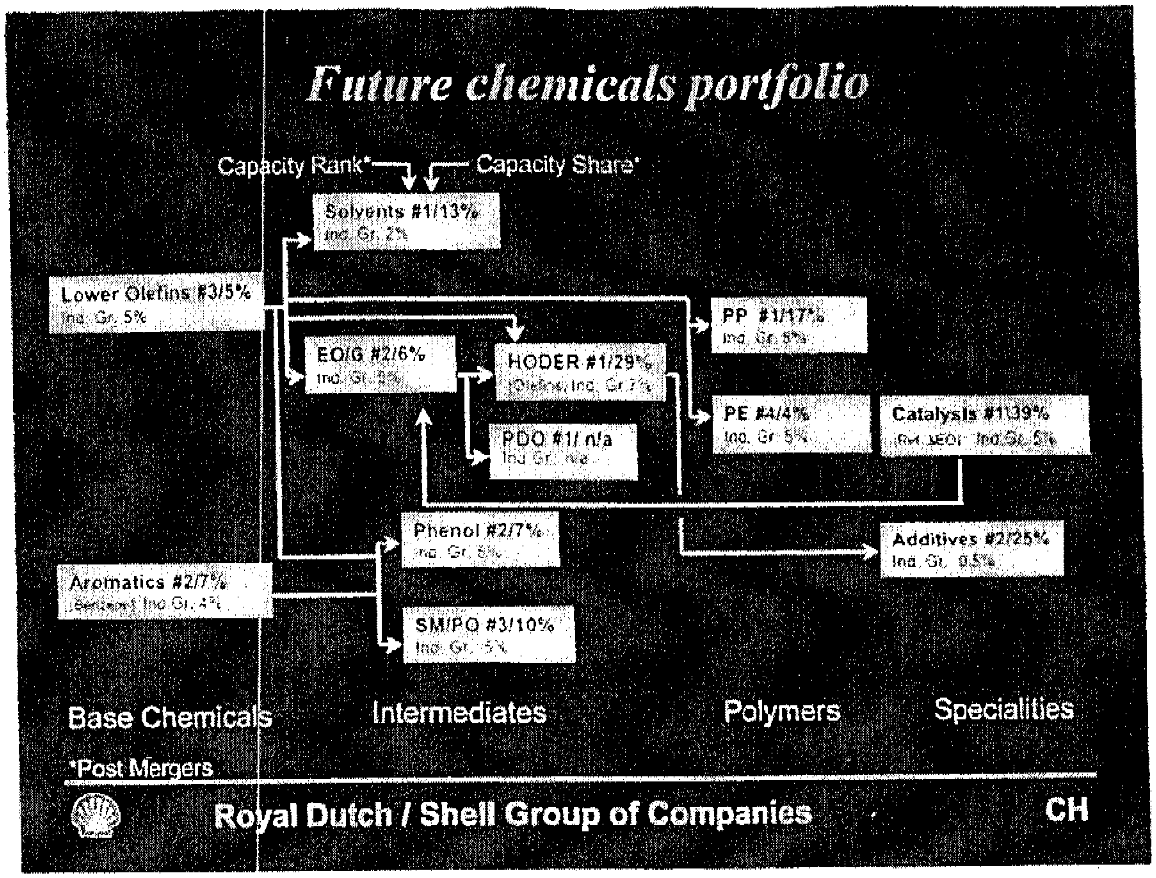

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World-leading polyolefins venture

Shell 50%/BASF 50%

Montell/Targor/Elenac

- $6bln revenue
- Global focus in PP World #1
- European focus in PE EU #2, World #4
- Leading technology
- Market share: 17% PP; 4% PE
- $100mln+ synergies
- Capital empl. reduction > 50%

- a leading world polyolefin company

Royal Dutch / Shell Group of Companies CH

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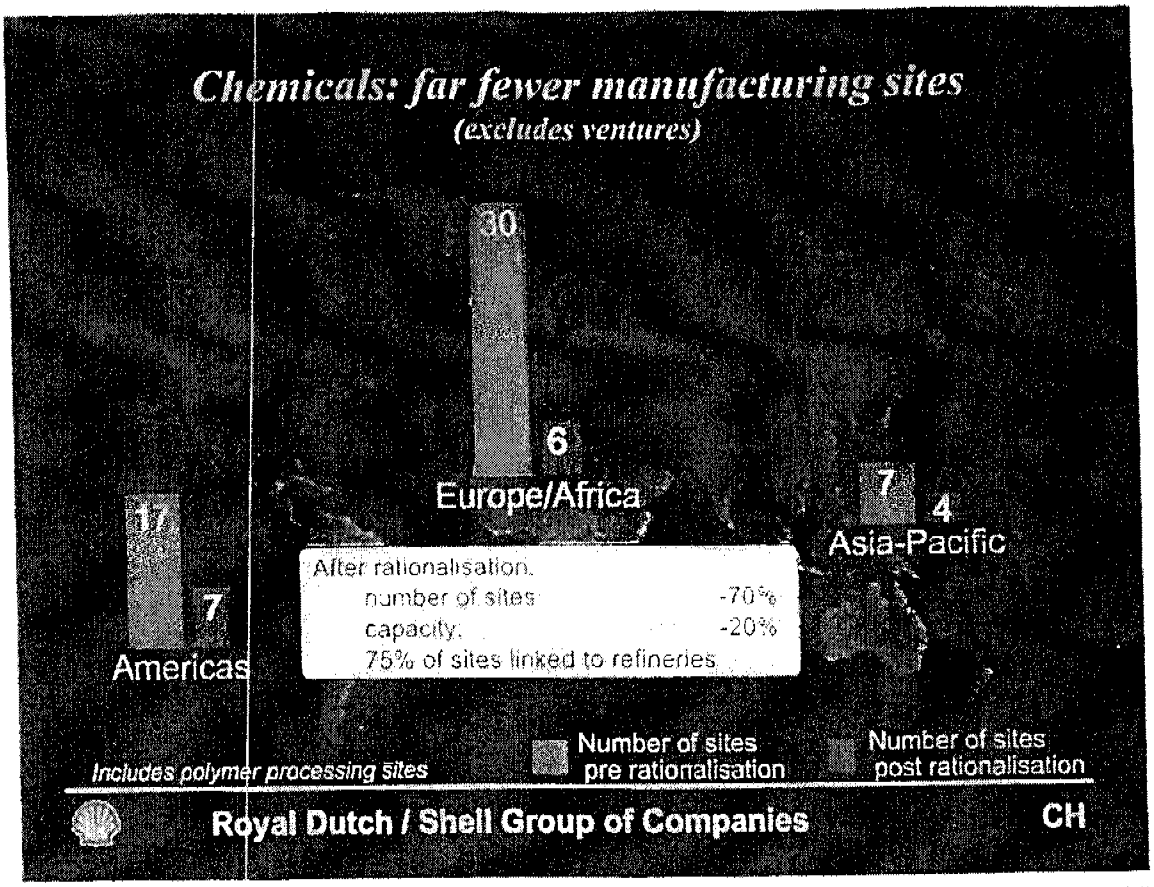

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Chemicals Summary

Cost

- Cost improvement 1998 - 2001: $550 mln LE
- Additional procurement savings
- Workforce reduction '98 - '00

-cost reduction	1,300
-divestments (incl. Montell)	9,900
Total	11,200

Portfolio

- 5% ROACE benefit from portfolio action
- Divestments lowers capital employed by $5.7 bln
- Underlying volume growth of 6% a.a.i.
- World-scale plants serving global markets

Capital Discipline

- Capital investment averages $0.9 bln pa
- Investment focus on debottlenecking and cost reductions

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NOTES:

Continued capital investment discipline*

	1999 LE $bln	2000 $bln	2001-2002 $bln average
EP	5.6	5.7	6.0
GP	0.7	0.7	0.8
OP	1.6	2.1	1.9
Chems	1.5	1.0	0.8
Other**	0.6	0.7	0.5
Total	10.0	10.2	10.0

*Capital investment includes capital expenditure, exploration expense and new investment in associates

**Other includes new loans to associates

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NOTES:

Share buybacks an integral part of Shell's financial management

- Strong operating cash flow covers dividends and capex
- High oil price in short term
- Significant divestment proceeds (~$12 bln)
- Dividend policy unchanged
- Maintain operationally required cash balances only
- Multiple year buy back programme under consideration
  - Appropriate financial position necessary
  - Enabling fiscal regime needed

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Cost Improvements

(relative to 1998)

	Total $mln	Cost Improvement $mln	Expl. Exp. Saving $mln
1H 99	610	450	160
1999 LE	1,800	1,100	700
2001 LE	4,000	3,200	800

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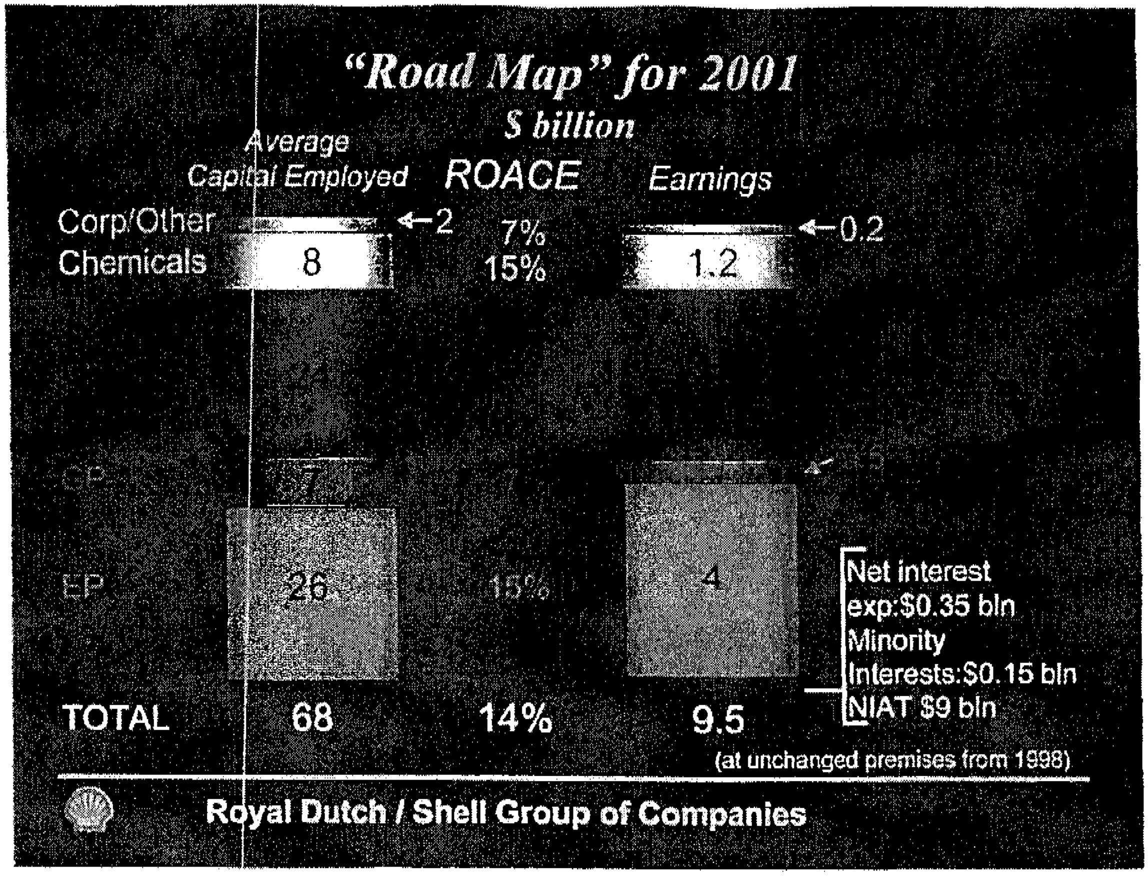

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Milestones

	EP	GP	OP	Chemicals	Other
Q4 99	EA FID Soroosh/ Nowrooz FID Athabasca FID Bonga FID	NLNG1 startup	Shell Haven closed Scotford FID	SMPO PDO started up Deer Park phenol startup	Solar cell plant Germany
2000	Europa startup Shearwater startup Altura sale	NLNG2 startup Oman LNG startup SMDS startup	Sola closed	Norco cracker expansion Moerdijk cracker Chemicals sales completed Scotford E. Glycol	Wind plant Germany Coal sale completed

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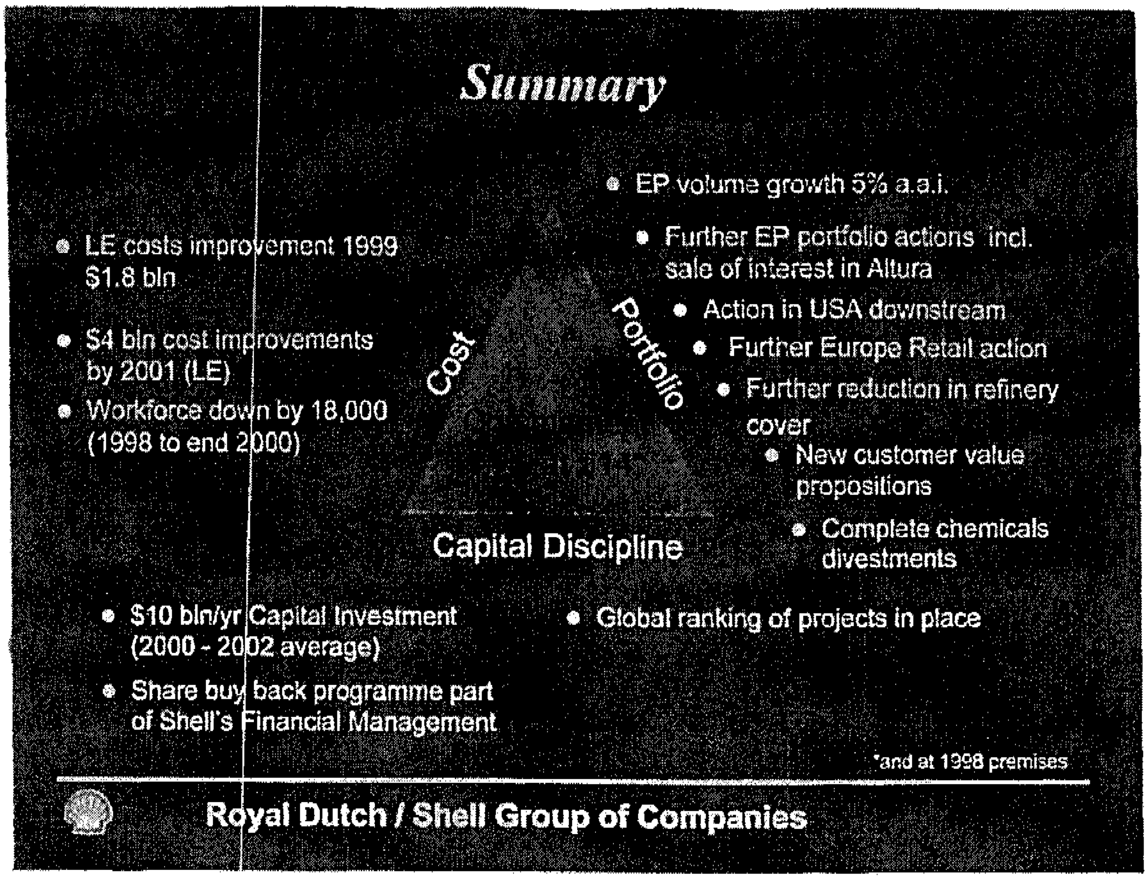

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WELCOME AND OPENING REMARKS

MR. MARK MOODY-STUART, Chairman of the Committee of Managing Directors of the Royal Dutch/Shell Group of Companies and Chairman of the "Shell" Transport and Trading Company, plc.: Good morning, ladies and gentlemen. I am Mark Moody-Stuart, and I would like to welcome all of you here in New York and also give a very warm welcome to all those listeners who are logged on via the Web to the *Shell.com* site.

A year ago we presented a radical set of plans based on four fundamental points: sorting out our portfolio, increasing our capital efficiency and attacking our costs, all delivered through a fundamental increase in personal accountability across the business. We have hammered away at those targets on a global basis with discipline and determination. Today, with Maarten van den Bergh and Steve Miller, I would like to update you on our progress and give you a view of how we see things developing from here. I am going to review progress against last year's targets overall, and then look at the market and the competitive environment. Steve Miller will say something on our global businesses, I will come back and deal with the EP business, and Martin will talk you through the other business sector plans. Then I will summarize the way forward.

DISCLAIMER

As always, I have to remind you that we are making forward-looking statements, so please read the health warning disclaimer chart very carefully. We have put it in the handout and it is also on the Web.

TARGETS AND CHALLENGES

This slide is the final slide of last year's presentation. I described the specific actions we were aiming at in 1999 and 2000. I am going to run through our progress on those. It is also a reminder of those key themes that underpin our actions in cost, portfolio and capital discipline that you are going to see repeated time and again through today's presentation. Last year we spoke about plans to divest some 40 percent of the Chemicals business, about the restructuring of Tejas and also about some portfolio actions in the upstream.

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PORTFOLIO ACTIONS ANNOUNCED

As you can see from this slide, our portfolio actions have in fact covered every area of our business. Not all these items have been completed and only some of the money is in the bank, but with the signing of the agreement on Montell, announced last week, about $8 billion is either contracted or completed. We expect substantial progress on the rest of the deals, a further $4 billion, in the next few months. This $12 billion is certainly the largest restructuring of our portfolio we have ever undertaken, and was done in the shortest time. It was made possible by assigning personal accountability for each part, and also by the global business structures with chief executives in place for each of our businesses. The resulting portfolio will have a very clear strategic focus, without the structural pockets of underperformance that have hindered us in the past.

Portfolio restructuring will not stop here. A continued focus on this portfolio is now an absolute way of life in Shell. There are no sacred cows, and there is absolutely no place for any business to hide any part that is underperforming through detailed segmentation.

A MORE COMPETITIVE ORGANIZATION

As I said, a great enabler for the three themes of cost, portfolio and capital efficiency has been the restructuring of our organization, and this process began with the transformation of our old matrix structure. That had served us well in the past, but was not appropriate in today's fast-moving, global business environment. The change to an organization with fully accountable CEOs with global accountability and responsibilities was completed this year. But the changes are much deeper than this. The decision-making speed and the cost of making decisions has been greatly improved by flatter organizations. Our skills are continually being upgraded by a greater openness to external recruiting and tapping different skills within Shell through a Web-based, open resourcing system. For example, we have externally recruited fast-moving consumer goods people at local and regional levels throughout our Oil Products business. Remuneration with bonuses and options is now a very important part of the structure that meets the needs of the business while matching the aspirations of our people. Service organizations within the business now compete with third parties to sell services both inside and outside Shell. For example, Shell Global Solutions, which handles our products technology, and Shell Services International for Information technology. Shell Global Solutions is winning business externally in markets. That sharpens the customer focus and helps us fund the essential work to keep us technologically in the lead.

COST IMPROVEMENTS - $1.8 BILLION

We originally targeted some $900 million of cost improvements and $700 of expiration expense savings this year. That would have been a total of $1.6 billion. Cost improvements through work force reductions, procurement on a more global basis, technology applications, and debottlenecking of our plants now means we expect a total cost improvement of some $1.8 billion in 1999. I should remind you that we have a conservative and clear definition of our cost improvements that we track regularly and report half-yearly to you, and we will be doing that again in February. This helps our accountability framework for delivering results, but it also means we have many other forms of self-help that are not included in our cost-improvement numbers. It includes depreciation benefits, businesses being divested, capital spending efficiencies and so on.

DISIPLINED CAPEX PROGRAMME

A vital part of the progress this year has been the capital discipline. We generate very large amounts of cash, but we have deliberately chosen to limit the way we spend it. This change from getting projects over a hurdle rate and then getting the money, to very tough competition within and across the businesses for capital, with capital release tied to performance delivery in every bit of the business, is a very big change. I think these two processes represent one of the biggest and fastest mindset changes in Shell we have ever seen, and are very healthy. At times this process has been bloody, and at first it was a bit rough at the edges. However, this more limited span has not stopped us from committing to many superb new projects, some of which are listed here you will hear about later in the presentationÄin the deepwater, Brutus and Bonga, and Iran Soroosh/Nowrooz, the Athabasca project, LNG, some power plants and styrene polymer and propylene oxide in Chemicals; a lot of excellent new projects.

CUSTOMER FOCUS – Helps Grow Profits

There is not only a greater focus on our operating and capital expenditure, but also a real passion for our customers in all our business areas. For example, in non-fuels retailing, we have 20 million customers a day who come to our retail sites for an opportunity to conveniently top off their shopping. The results speak for themselves in sales and profit growth in our retail business. Another area, the go-ahead for the EA field development in Nigeria, was also a breakthrough by focusing on the needs of the customer. In that case the customer was the government of Nigeria. The funding mechanism was found within the existing framework of meeting their needs. The same happened in Iran, where linking the projects allowed us to meet the needs of that customer, NIOC, and beat the competition. A smaller but important recent success was the award to Shell Services International, our IT service provider, of an outsourcing contract to provide those services to Enterprise Oil plc in the U.K. It is SSI's first award through competition from a non-Shell company in the EP field, and we hope to extend it to other enterprise in non-U.K. locations.

E-BUSINESS INITIATIVES

I am going to tell you in a moment about an example of Shell Capital's activity, but first let me mention some of the e-business initiatives underway. One is the Shell Internet Service Provider we started in Belgium and The Netherlands offering free Internet access, including a portal with news, direct links to the Shell Farrari site and Shell Geostar, which is a pan-European car-journey planner service that gives driving directions and local information details, and so on. *coralconnect.com* is a Web-based trading information service provided by Coral in the United States, and e-procurement activities are providing us with great opportunities to lever our purchasing power. We have a Group-wide, e-procurement project that we expect to be in place early next year. There are many other examples I could go on about. Our aim is to encourage very rapid, independent experimentation in all the areas of our business, based on an infrastructure that goes right across the Shell Group and takes advantage of the brand.

EURO SHELL FUEL CARD

I mentioned Shell Capital, our new financial services business, and this is just an example of how it is working with Shell Europe Oil Products to improve our fuel cards offer. The euroShell card is our premier fuel card in Europe. It does over 5 billion eurodollars of transactions, and about one in six of the gallons sold by Shell in Europe are handled by those cards. Our traditional national operating structure meant that in the past, each operating company handled its own eurocard business. Starting this year, Shell Europe Oil Products itself, conglomerations of those operating companies and Shell Capital took our first ever pan-European cards business and assumed responsibility for it in a reinvigorated way, with all card activities across Europe under a common management. That enables a 45 percent reduction in cost over two years through common systems and best practice. But perhaps even more important, it will allow the full potential of euroShell to be unleashed for the benefit both of customers and of shareholders, as we develop and roll out new products and services across Europe and meet a broader set of our customers' needs.

BRENT OIL PRICES

Let me now focus on some of the key elements of the market environment that underpin our plans. First, and very important, is the oil price. When oil prices collapsed in 1986, all oil companies responded with very dramatic cost improvements, and also deployed and developed new technologies. This has halved the full cost of new supply from non-OPEC sources on average to around $14 a barrel. This is a general figure; there are much lower-cost areas. With oil price above about $14 a barrel Brent, that will strongly encourage new investment from non-OPEC and reduce or impact on OPEC's market share. We expect competition and technology to continue this process and drive down the long-run marginal cost. The rate of progress is slow, but that is why we maintain our view that $14 a barrel Brent is an appropriate planning premise for the medium to long term. It may not apply next year, but in the medium to long term, we strongly believe it will.

GAS GROWS FASTER THAN OIL

A further key element of our view of the future is that gas is going to grow much faster than oil. The trend we have seen through this century is to reduce the carbon intensity of fuels. Gas is going to take some of oil's market share in exactly the same way oil replaced coal. This happens under both the scenarios we use in our long-range planning. That is shown by the ranges on the chart. This relative gas growth is driven by the combination of society's demand for a clean, convenient economic fuel combined with the effects of the spreading globalization of gas and power markets.

Those statistics are telling. Carbon dioxide emissions from combined cycle gas turbine power plants is about one-half of those from the older coal-fired power stations. We believe those companies well placed in the gas business are well placed to thrive in the future.

PLAN ASSUMPTIONS

Let's have a quick look at the plan assumptions for next year. As I said, $14 Brent remains our oil price assumption. For the first time, we are sharing with you our gas realization assumptions in line with our disclosure of gas realizations. We do see somewhat stronger gas prices in the United States as the market here grows. Outside Europe, we have assumed the old connection between gas and oil continues—the gas-oil price relationship—so our expected realization is based on the same $14 Brent price premise. If anything, I think we may be a bit conservative on our GDP growth assumptions. We expect the chemicals environment to continue to be pretty tough next year before we see any upturn.

PLANNED REFINERY ASSUMPTIONS

Turning to refining premises, 1999 was a very tough year for refining, with margins at record low levels and long periods of run cuts. The big exception was the West Coast of the United States, where a number of industry outages meant that those who had their kits running enjoyed very good refining margins.

While we do expect the future to be a bit better than this very miserable year we have had, we still expect 2000 to be tougher than we saw it a year ago, so we brought our premises down somewhat. That is driven by a number of factors. There is new capacity, a very new refinery that has come on in India, the Reliance Refinery, and new refinery capacity in Taiwan, which affects not just Asia but displaces Middle East exports, which will then affect refining margins in Europe. So we see no end at the moment in middle distillates, which affect all areas. We do expect some recovery in later years, particularly in the Asia-Pacific, where demand growth is going to offset the impact of new plants. We hope there will not be so many new plants constructed there.

CHANGING COMPETITIVE LANDSCAPE

We have seen some very important changes in the competitive landscape, with a number of very big and important mergers. Those mergers offer the merged companies very substantial cost savings. This spurs us on to our own cost-improvement efforts. But even more important than that is how they affect our competitive position in terms of relative skills and experience, which are absolutely vital in insuring that Shell remains a partner of first choice for governments and others, and is also a premium and attractive employer.

BUILDING A STRONG COMPETITIVE POSITION

It is important in terms of our strength in the growth areas of deepwater and gas, and in terms of our global reach and access to customers. While our competitors grow, I think we should remember we do retain leadership in operated and deepwater production. We still have the biggest gas reserve space of any private company, and we are still the leading major in the LNG business.

But our competitive strengths go way beyond this and cover all our business areas. We have the lowest finding and development costs in the industry. Our regular brand preference surveys, which Maarten will show you later, demonstrate that we are the best-known and preferred brand in the oil industry. Our very large access through our extensive retail network gives us great opportunities to build on non-fuels retailing and also e-commerce activities. We have a strong cost position in manufacturing plants in both Chemicals and refining. In Chemicals, post-rationalization, some 75 percent of our capacity will be world scale.

Our downstream Gas and Power business is building on the lowest-cost position in LNG and on a leading position in the development of power plants. As the energy mix gets lighter, we believe we are in a very strong position with our gas activities, including gas-to-liquid technology. Our young hydrogen business and our renewables business, looking further into the future, are the first little shoots of new development there.

Just before I go to the EP business, let me say a few words on the global business we have created and how it impacts on our United States business, and on the role of Steve Miller as Chairman and Chief Executive of Shell Oil. Steve came to the U.S. to head up our businesses here. As someone who had been on the Board of the parent companies and a member of the leading team, he is an essential link to the U.S. Steve remains a key member of the Shell leadership. He is a part of our global strategy decisions and our global appraisals, and he participates in the development of senior group leaders from the U.S. and elsewhere around the world. He is a very important link to the U.S. for me. Why don't I let him tell you a little more about his role.

MR. STEVE MILLER, Chairman and Chief Executive Officer, Shell Oil Company: Thank you, Mark, and good morning, everybody. It is a pleasure to be here with you today. As you heard in Mark's introduction, over the past two years the Royal Dutch/Shell Group has become a truly global company in the way it has organized its business sectors. It is interesting that we very seldom use the terms "world excluding Shell Oil and Shell Canada" or "world outside the USA." Those are terms I kind of grew up with throughout my Shell career. But we are now using terms consistent with the rest of the industry to facilitate your understanding of the work we do, both domestic and foreign.

You have heard of fundamental changes in the way we do business. These are changes espoused in my previous role on the Committee of Managing Directors, and that I continue to nurture in my role as Chairman and CEO of Shell Oil Company. Our new Group structure can realize very substantial synergies from working in a more aligned way, as shown in the Chemical businesses and the deepwater EP business.

While we have globalized our processes for setting strategy, making portfolio decisions and investment planning, we are giving local operations the necessary freedom to achieve world-class execution. We believe the solution to ongoing challenges in the marketplace will be generated by the people closest to the action. While strategy is defined by global leadership, I would remind you that implementation is local. At the end of the day, it is implementation that makes the difference. The changes you see today are part of Shell's plan to place domestic operations into a global context.

The organization structure within Shell has changed as well. For example, in my role as a global leader I work with the Committee of Managing Directors to develop the Group's portfolio strategy, assess and challenge global business strategies and appraise global business performance. I am also actively engaged with the development of senior group leaders.

In my role as a domestic leader, I provide a very senior group leadership presence in a market of utmost importance to Shell's success. Having the right relationships in the United States is vital for our endeavors in the rest of the world. We respect the U.S. market and recognize the impact of the U.S. on the global economy. As you know, the

United States has achieved tremendous advances in technology, commerce and finance. The U.S. offers an immense reservoir of talent, creativity, drive and innovation to the Group. For example, the expertise in deepwater technology developed in Shell Oil is now employed by some 20 Group companies around the world—a good example of learning and synergy.

Another example of Shell's creativity is the new business model represented by the joint ventures formed in the downstream part of our business. In my board and chairman positions with these ventures, I am actively engaged and continue to make these innovative approaches work better for Shell and our shareholder partners. To be successful in the U.S., we most think globally and act locally. In fact, my role is that bridge towards greater connectivity between the global businesses and the local organizations.

Having said that, I will turn it back to Mark to pick up the first of the global businesses, EP.

MR. MOODY-STUART: Thank you, Steve.

DEEPWATER OPERATED PRODUCTION

I will deal with the EP business. Our areas of focus in Exploration and Production are deepwater, gas and gaining vital access to those major resource holders. We have many competitive advantages in deepwater. We are the largest private operator in deepwater over 500 meters, where the challenge really starts. We have 37 deepwater discoveries in the Gulf of Mexico, 12 of which are already in production. Our total operated production is 550,000 barrels of oil equivalent a day, more than the total of all the other private companies put together, excluding Petrobras. We have the most experience in full-cycle operations and developments, with four of them using tension-leg platforms—Auger, Mars, Ursa and Ram/Powell, and with a fifth under construction. Our development costs per barrel have been driven down by two-thirds in the last five years.

You see we left a space there on the chart between BP Amoco and Others, because we know the other big super major has a very strong position in deepwater, and they will be driving up the competition.

FINDING AND DEVELOPMENT COST

Our finding and development costs per barrel lead the competition. This is using data from a Schroders study that reflect both our focus on costs and the high reserve-replacement ratios. For the five-year period from 1994 to 1998 and the three-year period from 1996 to 1998, we outperformed our competitors. This chart shows the top eight companies in the June 1999 Schroders study. I think it again demonstrates our leading position in the industry. That is very important in making us attractive as a partner to governments and national oil companies.

DRILLING THE LIMITS ™"

We are also striving to improve our costs. We have several programs that insure best-practice and get us to the closest we can come to the theoretical limits across the world on all our access. In our "Drilling the Limit ™" program, we take the best-ever from each well in an area-- not the best well in each area, but the best-ever we have done in each element of the well—and put together a theoretical well, the "limit" well. Drilling the Limit aims to achieve the technical limits in all phases of well design and execution. It involves real planning to see the risks and determine why we do not meet these limit figures, both centrally and locally. Then it institutionalizes this process around the world.

In the U.S. deepwater Gulf of Mexico, Drilling the Limit this year has reduced our drilling times below the levels of previous years and below the industry averages. This time-saving directly benefits costs. In 1999, on the 70 wells where we have applied this technique, we saved about $150 million. That is about one-quarter of the well costs of those 70 wells.

E P COST IMPROVEMENTS vs. 1998

EP is on track to meet its 2001 cost-improvement target of $1.1 billion, and to meet the $320 million target for 1999. Our latest operating expenditure for 1999 in total is estimated about 10 percent below 1998. Additionally, we will be getting some $700 million in savings in exploration expense this year. The total savings on exploration expense and cost improvements together should amount to $1.8 billion by 2001 relative to 1998Äalthough in the exploration figure there are some uncertainties, since if we saw very good opportunities, we might increase it somewhat.

There are many contributors to the savings. A global procurement program, for example, is expected to contribute some $700 million, spread between operating costs and exploration expense, that will go into these figures and development costs. Manpower reductions overall amount to some 8 percent in 1999 versus 1998, and will be 14 percent in 2000 against 1998.

OIL PRODUCTION and GAS SALES

Production forecasts provide an assessment of future value creation, but they are impacted by portfolio management activities, the divestment activities. In addition, they do not adequately reflect new activities in areas such as Iran, where the volumes are excluded from both the reserves and the production reporting. They also do not reflect areas such as Oman upstream, where actual price levels significantly impact the reported volumes. It is a bit like a production-sharing contract.