

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

**IN RE ROYAL DUTCH/SHELL
TRANSPORT SECURITIES
LITIGATION**

)
) **Civil Action No. 04-374 (JAP)**
) **(Consolidated cases)**
) **Hon. Joel A. Pisano**
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)
)

DECLARATION OF RODNEY SIDLE

I, RODNEY SIDLE, declare and say:

1. I am a Senior Reserves Consultant for Shell International Exploration and Production, Inc. (“SIEP”). From late 1999 to 2004, I was the Reserves Manager for Shell Exploration and Production Company (“SEPCo”), part of Shell Oil Company (“SOC”), the United States subsidiary of the Royal Dutch Shell Group of Companies (“Group”). In December 2003, I became the Regional Reserves Manager and a Reservoir Engineering Functional Lead for EP Americas after SEPCo was reorganized into this regional organization.

2. Unless otherwise stated, I make this declaration on personal knowledge and am competent to testify as to the matters set forth herein.

3. I understand that an issue in this case involves the nature and extent of any United States conduct from April 8, 1999 to March 18, 2004 relating

to the estimation or reporting of proved reserves that Royal Dutch Petroleum Company (“Royal Dutch”) and The “Shell” Transport and Trading Company, p.l.c. (“Shell Transport”) (collectively, “Shell”), later restated. I am making this declaration in connection with Shell's submissions on this issue. I previously was deposed in this matter on October 30-31, 2006. I understand that the Court and the parties have access to the transcripts of those proceedings.

BACKGROUND

4. I attended the University of Akron, in Ohio, and graduated with a Bachelor of Sciences degree in Chemical Engineering in 1974. For my entire professional career, I have been employed in various positions within the Royal Dutch/Shell Transport Group of Companies.

5. I first was employed by Shell's United States operating unit, Shell Oil Company (“SOC”), in California as a production engineer in 1974. In 1976, I transferred to SOC’s Houston office, where I worked as a reservoir engineer and, later, as a reservoir engineering supervisor. In 1982, I spent a year in SOC’s Exploration and Production corporate office. I returned to California in 1983 and served in several management roles for SOC subsidiaries.

6. In 1990, I returned to SOC’s E&P corporate office in Houston, and, in 1993, I transferred to Shell Western Exploration and Production, where I served in a variety of positions, including a brief period as a reservoir engineer for

Shell Exploration and Production Technology Applications and Research (“SEPTAR”).

7. As already noted, from 1999 to the 2004, I was the Reserves Manager for SEPCo, the SOC subsidiary that was Shell’s Exploration and Production operating unit in the United States, based in Houston.

8. Until 1984, SOC was listed independently on the New York Stock Exchange and, accordingly, was required to and did submit its own regulatory filings with the Securities and Exchange Commission (“SEC”), separately from Shell. After Shell acquired SOC, it was delisted in 1984, but it remained an SEC registrant until November 1999, because SOC-specific debt mandated continued filings with the SEC.

9. As SEPCo’s Reserves Manager, I was responsible for ensuring that SEPCo's Annual Review of Petroleum Resources ("ARPR") was consistent with the Group Guidelines for the reporting of proved reserves. Because of my work for SEPCo in the United States, I became very familiar with the relevant SEC standards for registered oil and gas companies as applied in the United States.

10. In 2004, I was appointed Senior Reserves Consultant for SIEP, a position I still hold. I am part of the Hydrocarbon Resource Coordination (“HRC”) group that is based in The Hague, in the Netherlands although I am based in Houston, Texas. I am responsible for advising SIEP on reserves estimation,

providing training and guidance on reserves, and reviewing proposed reserves changes. By “reserves,” I mean the whole spectrum of Shell’s petroleum resources, from scope for recovery all the way through to proved reserves.

11. From late 2003 to 2004, I was a member of SIEP’s Reserves Committee, which was formed in late 2002 to review Shell’s disclosures of its proved oil and gas reserves. I subsequently continued to attend meetings in an informal capacity.

12. I am currently a member of the Society of Petroleum Engineers (“SPE”) and the Society of Petroleum Evaluation Engineers (“SPEE”).

GUIDELINES FOR REPORTING PROVED RESERVES

13. Companies registered in the United States and engaged in oil and gas production are required to report to the SEC their “proved oil and gas reserves” each year according to the standards in 17 C.F.R. § 210.4-10 (“Rule 4-10”). Rule 4-10 defines “proved oil and gas reserves” as “the estimated quantities of crude oil, natural gas, and natural gas liquids which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions, i.e. prices and costs as of the date the estimate is made.”

14. Accordingly, as a foreign registrant, Shell discloses its proved oil and gas reserves for the Shell group of companies in its Annual Report and in the SEC filing, Form 20-F.

15. Shell implemented its own guidelines, known internally as Petroleum Resource Volume Guidelines (the “Group Guidelines”), which classify hydrocarbons into several categories. The Group Guidelines were prepared, distributed, and revised as necessary by the Group Reserves Coordinator, based in The Hague, the Netherlands.

16. The Group Guidelines have two purposes. First, their hydrocarbon volume classification scheme facilitates Shell’s internal business planning by providing Shell with a more extensive inventory of its reserves base than the proved reserves volume represents. Second, the Group Guidelines are intended to provide guidance to Shell’s operating units regarding the SEC requirements for reporting proved reserves.

17. SEPCo also implemented its own set of guidelines for reporting proved reserves (the “SEPCo Guidelines”). The SEPCo Guidelines were distinct from the Group Guidelines, because SEPCo’s parent company, SOC, historically had been required to report to the SEC independently from Shell. In addition, the SEPCo Guidelines were designed to address United States-specific reserves issues,

while the Group Guidelines had been formulated to address the multitude of different reserves issues faced by all Shell operating units throughout the world.

18. As SEPCo's Reserves Manager, I was responsible for ensuring that SEPCo's reported proved reserves complied with both the SEPCo Guidelines and the SEC's requirements for reporting proved reserves.

19. From approximately 2000 onward, I was also responsible for harmonizing the SEPCo Guidelines with the Group Guidelines – a task that involved reviewing SEPCo's practices to make sure they aligned with those allowed by the Group Guidelines. In doing so, I sought to ensure that SEPCo could continue to apply its own guidelines in United States-specific contexts for which the Group Guidelines provided no explicit direction. To this end, I occasionally needed to explain to the Group Reserves Coordinator and the Group Reserves Auditor (both of whom were based in The Hague) why SEPCo's approach to a certain issue (such as excluding from SEPCo's share of reserves any hydrocarbon volumes that were royalty volumes paid to the United States government) was permissible.

20. As a member of SEPCo, my focus was on applying reserve rules to our United States fields rather than applying the Group Guidelines outside the United States. Occasionally, however, the Group Reserves Coordinator asked me – as well as other Reserves Managers from operating units around the world –

to comment on Group Guidelines. My comments were limited to reservoir engineering and reserves reporting knowledge that I had gained through working in the United States, to issues particularly related to SEPCo, and to the general information that I acquired about proved reserves reporting as a member of the Society of Petroleum Engineers.

21. I had no knowledge of or experience with Shell's international operations and their reserves reporting issues with fields outside the United States. My expertise therefore was limited to applying Rule 4-10 in the United States context.

22. For this reason, I did not and could not comment on the Group Guidelines' compliance with Rule 4-10.

RESPONSIBILITIES AS SEPCO RESERVES MANAGER

23. As SEPCo's Reserves Manager, I was responsible for SEPCo's proved reserves reporting, although my recommendations were subject to review and challenge by the Group Reserves Coordinator in The Hague and, ultimately, by SIEP's Executive Committee, also in The Hague.

24. SEPCo did not restate any proved reserves for year-end 2002 or for prior years.

25. I did not have any control over the proved reserves reporting of any Shell operating unit other than those that were part of SOC (predominantly

SEPCo) until EP Americas' reorganization in the second half of 2003; nor did I have any decisionmaking power in any other operating unit's ARPR.

26. I also did not have any authority over the persons in The Hague who were responsible for translating operating units' ARPR submissions into Shell's external reports of its overall proved reserves.

DEALINGS WITH OTHER OPERATING UNITS

27. During my assignment as SEPCo's Reserves Manager, I had very little contact with other operating units on the subject of proved reserves. Only on rare occasions was I asked to comment on other operating units' proved reserves. Because of my background as a reservoir engineer, however, I was consulted on a few occasions by other operating units, generally about technical engineering issues.

28. For example, in November 2000, I had technical discussions with members of the Shell Deepwater Services ("SDS") team that worked on the Block 18 field in Angola. These discussions took place over the course of a couple of meetings in Houston and addressed technical issues such as analysis of core samples, subsurface mapping, and potential development plans. However, I was not involved in the Angola Block 18 personnel's final review and decision about whether to report proved reserves.

29. Similarly, in approximately September 2001, I was involved in technical discussions in Houston regarding the potential development of the BS-4 field in Brazil. I evaluated the status of the technical work already completed for the field and gave recommendations for what additional technical engineering work would be needed to develop confidence in the project so that an investment could be made. Ultimately, however, no proved reserves ever were reported for BS-4.

30. In addition, in 1999, during my brief tenure at SEPTAR, I participated in a Value Assurance Review (“VAR”) in Houston for another Brazil field, the BC-10 field. VAR refers to the process that Exploration and Production used during the late 1990s for planning and screening new ventures. Under the VAR scheme, new Exploration and Production projects must move through five separate stages of increasing economic, technical, and operational scrutiny: VAR-1 (project initiation), VAR-2 (project feasibility), VAR-3 (project concept selection), VAR-4 (immediately before final investment decision), and VAR-5 (post-implementation review). The VAR for the BC-10 field was a review of the exploration plan for the field and was not related to proved reserves. In fact, Shell never reported proved reserves for BC-10.

31. In approximately September 2001, I was involved in technical discussions in Houston concerning the Bonga Southwest field in Nigeria. In

particular, I participated in a Value Assurance Review in which I reviewed the field's technical data to ascertain whether it satisfied the criteria for VAR-1 and VAR-2. In January 2002, there was a proposal to report proved reserves for Bonga Southwest. As the proposal occurred late in the reserves reporting year, the Group Reserves Coordinator asked me to help review the technical work and consider whether the field was sufficiently mature to meet Shell's standards for reporting proved reserves. I gave my opinion that proved reserves could not be reported, and Shell ultimately did not report any proved reserves for Bonga Southwest.

32. During my tenure as SEPCo's Reserves Manager, I also occasionally spoke with the Group Reserves Coordinator and the Group Reserves Auditor. These informal interactions generally involved questions regarding SEPCo-specific issues.

PROJECT ROCKFORD

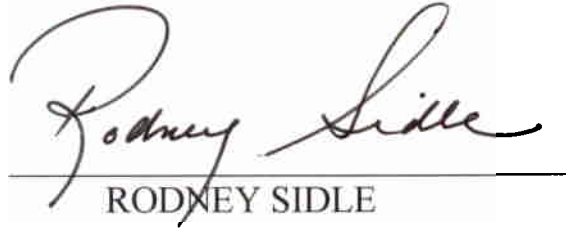
33. Except to the limited extent described above, my involvement with proved reserves reporting for operating units other than SOC including SEPCo did not begin until I started working on "Project Rockford," the study that Shell launched in late 2003 to ascertain the extent to which any proved reserves needed to be recategorized. I performed that work in the Netherlands.

34. I was invited to join the Project Rockford team because, as a result of my experiences in the United States with SEPCo proved reserves

reporting and my general knowledge of SEC compliance issues, I was able to provide technical support to assist the reserves recategorization process.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Dated: Houston, Texas
June 13, 2007



RODNEY SIDLE