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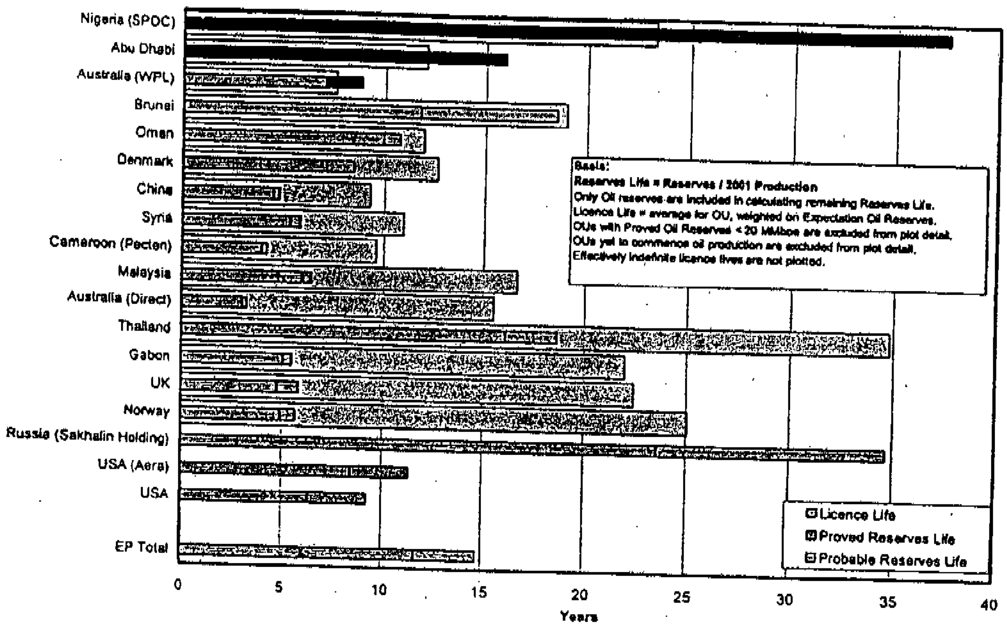
Attachment 1e

Oil: Reserves Life compared with Licence Life (1.1.2002)



SPDC and Abu Dhabi cannot produce their currently booked oil reserves without significant increases in production rate compared with 2001. For illustration, production must increase by 70% and 40% respectively by 2008 to ensure production of Proved Reserves within licence. The corresponding figures for Expectation Reserves are 140% and 40%.

Woodside ("Australia (WPL)") must maintain 2001 production levels to ensure production of Proved Reserves within licence, increasing slightly to secure Expectation Reserves.

Brunei and Oman (PDO) must maintain current production levels throughout the remaining licence duration to ensure production of Expectation Reserves: this might prove to be a challenge for the latter.

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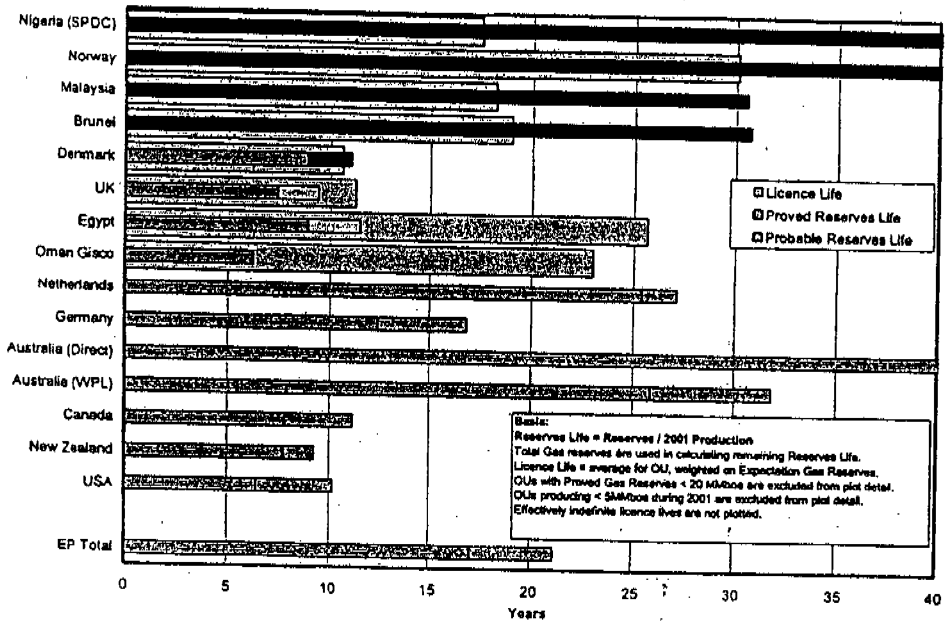
Attachment 1f

Gas: Reserves Life compared with Licence Life (1.1.2002)



SPDC, Norway, Malaysia and Brunei cannot produce their currently booked gas reserves without significant increases in production rate compared with 2001. For illustration, production would need to increase by the following amounts in each case by 2008 – and hold constant thereafter - to ensure production of the booked within-licence reserves:

	Proved	Expectation
SPDC (Train 4/5 &6?)	150%	340%
Norway (Ormen Lange to FID?)	70%	100%
Malaysia (MLNG-TIGA?)	60%	80%
Brunei	15%	70%

Denmark and the UK must maintain current production levels throughout the remaining licence duration to ensure production of Expectation Reserves.

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Attachment 1g

Hydrocarbon Resource Challenges by OU

Nigeria (SPDC): Oil production must increase by 70% by 2008 in order to produce the currently booked Proved Oil Reserves (2500 MMboe). Alternatively, licence extension must be secured. 50% of gas proved reserves (some 250 MMboe) is "dedicated" to non-LNG outlets, unlikely to materialize – transfer to Train 4 & 5 (&6?). Moratorium on new Proved Reserves bookings.

SNEPCO: Has one of the highest Proved:Expectation Reserves ratios of any OU (0.78), despite not yet having commenced production. Possible Bonga and Erha over-bookings are to be managed, severe challenge to mature Bonga SW in 2002 (appraisal and development studies outstanding).

Abu Dhabi: Production must increase by 40% by 2008 to enable production of booked Proved Reserves. Alternatively, licence extension must be secured.

Australia: Gorgon stranded gas (560 MMboe Proved Reserves booked), possible barriers to commercialization of much of the SFR portfolio.

Brazil: 900 MMboe commercial resource, mostly undiscovered. Heavy oil (assumed), possibly presenting both technical and commercial constraints.

Brunei: ca. 20 MMboe legacy Proved Reserves still to be unwound.

Canada: Peace River – 1200 MMboe SFR, heavy oil, possibly difficult to commercialize. Mackenzie Delta – 200 MMboe commercial gas resource stranded by lack of infrastructure.

Kazakhstan: 1200 MMboe SFR, scope to accelerate pace of maturation?

Namibia: 1000 MMboe gas SFR (Discovered & Undiscovered) at risk due to lack of critical mass for development.

Netherlands: Waddenzee: ca 25 MMboe Proved Reserves at risk if project does not go ahead. Possible GIIP- and compression-related upsides in Groningen currently being worked.

Norway: Ormen Lange booking to date at risk if project does not go ahead (100 MMboe Proved Reserves already booked, 400 MMboe total resource).

PDO: Challenge to yield target production rates and hence reserves delivery.

Russia: Sakhalin SFR maturation constrained (or not?) by LNG contract fixtures. 3800 MMboe total commercial resource on consolidated basis: reduced by 2300 MMboe on deconsolidation.

Venezuela: Urdaneta West: 2100 MMboe commercial resource, heavy oil, much of it currently "licence locked", but the real issue is technology and economic project maturation.

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Attachment 2a

2002 Proved Reserves Additions: Latest Estimate

Million Boe	↑↓	Proved Reserves Additions Plan	LE	Delta	Reserves Replacement Ratio Plan, %	LE, %
Organic						
Kazakhstan	Kashagan Declaration of Commerciality + Arman		384	384		27.4
USA	Mars WF/Auger/Glider/OSO Marlin↑ Shawnee, Crossbones& others↓	139	145	5	9.8	10.3
Angola	Block 18 FID ↑	33	95	62	2.3	6.8
Brunei		67	66	0	4.7	4.7
Canada		50	50		3.5	3.6
Nigeria (SNEPCO)	Bonga SW challenge to reach VAR3 in 2002	116	49	-67	8.2	3.5
Iran	PSV effect		38	38		2.7
UK	Carrack West/Curlew↑, Shearwater/Cormorant/N&S↓, Scoter deferred	68	36	-31	4.8	2.6
Denmark		24	32	8	1.7	2.3
Venezuela	Not a gain: Plan figure was inadvertently omitted from EP total		25	25		1.8
Netherlands		30	25	-5	2.1	1.8
Malaysia	PSV/PSC effect, Tiga Papan/Ubah/Ramin↓, D35/St Joseph↑	31	23	-8	2.2	1.6
Syria		13	15	2	0.9	1.1
Egypt		11	11		0.8	0.8
Gabon		7	7		0.5	0.5
Pakistan	Bahdra-3 well result(↑). Query Plan figure.	10	5	-5	0.7	0.4
Australia (SDA)		0	4	4	0.0	0.3
Brunei (FCE)		3	3		0.2	0.2
Argentina		3	3		0.2	0.2
Germany	Changed / deferred drilling programme	17	2	-15	1.2	0.2
Thailand	Reduction pending completion of studies Q3/Q4	4	1	-3	0.3	0.0
Australia (WPL)		0	0		0.0	0.0
Russia	Deconsolidation deferred	-92		92	-6.5	
USA (Ass Comp)	Aera included in USA LE	4		-4	0.3	
Bangladesh	Changed / reduced activity level	4		-4	0.3	
Brazil	BS-4 deferred	41		-41	2.9	
Oman (PDO)	Production forecast exposure / uncertainty	76		-76	5.4	
Namibia	Kudu appraisal	125		-125	8.8	
Brazil (Pecten)			-3	-3		-0.2
Norway		7	-8	-15	0.5	-0.6
Oman (GISCO)	Virtual PSV / PSC effect		-23	-23		-1.7
New Zealand	Pohokura	4	-28	-32	0.3	-2.0
Total Organic, without upside		796	957	161	56	68
Upside:						
Enterprise	Application of Shell guidelines & Growth - TBC		50	50		3.6
Total Organic		796	1007	211	56	72
Production	Includes ExCom adjustment	1419	1399	-21		
A&D						
	Adjust total RRR so far for effect of A&D production					-3.3
ENTERPRISE (KMOC@46%)	KMOC = 131 mln boe		1141	1141		77.9
Norway	Draugen		33	33		2.2
USA	Rockies		27	27		1.8
TOPCO NZ			9	9		0.6
UK	Goldeneye		7	7		0.5
DR Congo (Zaire)			-17	-17		-1.2
Iran	Farm out		-38	-38		-2.6
New Zealand	Portfolio rationalization + transfer to TOPCO NZ		-71	-71		-4.9
Total A&D			1091	1091		71
Total Organic + A&D		796	2098	1302	56	143
Production Organic + A&D		1419	1465	45		
Strategic Options						
Whale		154	154		10.9	10.5
Libya Block 47		21	21		1.5	1.4
Stephenson		13	7	-7	0.9	0.4
Alibekmola notional		13		-13	0.9	
AIOC notional		81		-81	5.7	
Venezuela light oil		86		-86	6.0	
Libya gas		90		-90	6.3	
Namibia Gas (FLNG) incremental		145		-145	10.2	
OU projects		-2	-2		-0.1	-0.1
Total Strategic Options		601	180	-421	42	12
Grand Total		1397	2277	881	98	155
Production Grand Total		1419	1465	45		

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Attachment 2b

2003 Organic Proved Reserves Additions: Unconstrained Capital Allocation Portfolio

Organic		Proved Reserves Additions 2003 only: Million boe	Reserves Replacement Ratio %
Russia (Sakhalin Holding)	Piltun-Lunskoye Deconsolidated basis	398	25.8
Norway	Ormen Lange Post FID Development	118	7.7
China	West to East Upstream	110	7.1
Nigeria (SNEPCO)	Bonga South-West (if deferred from 2002)	72	4.7
USA	RMPA-Pinedale 02 5-Rig Base	61	4.0
Nigeria (SNEPCO)	Erha Main Field Development	56	3.6
China	Changbei Upstream	54	3.5
Enterprise	Enterprise Growth 2003+ (estimate)	50	3.2
USA	Ursa 02 Inc9 Waterflood	36	2.3
China	East China Sea Development	22	1.4
Nigeria (SNEPCO)	Bolia	21	1.4
UK	564 - Phyllis	21	1.4
USA	RMPA-Yugo 02 Base	20	1.3
China	Bonan Oil: BZ25-1 Oil Development	20	1.3
Brunei	CA03 WB 100 AU West Existing	15	1.0
Netherlands	Onshore Rotliegend Play	14	0.9
Brunei (FCE)	ML South Cluster Exploration	14	0.9
USA	Brutus 02 Base	13	0.8
Syria	AFPC Project - Tranche 1a (FID 2002)	12	0.8
China	East China Sea Exploration	12	0.8
UK	568 - Starling	12	0.8
Brunei	CA03 WB 248 Champion SE Water Injection	11	0.7
Netherlands	Offshore Rotliegend Play	11	0.7
UK	559 - Harrier Shallow	10	0.7
Denmark	SOGU Tranche 1	10	0.6
USA	SOC.Tr.1.MarsBasin.EB2	10	0.6
Brunei	CA03 WB 200 AU East Existing	9	0.6
UK	504 - Nessie	9	0.6
Germany	Tranche 1/ 2003	9	0.6
USA	SOC.Tr.2Fwd.Texas1 (Forward Curve)	9	0.6
Brunei	CA03 WB 429 1704A BANGAU Exploration	8	0.5
UK	454 - Schiehallion Claw (420)	8	0.5
China	Bonan Gas	8	0.5
UK	001 - Existing Assets	7	0.5
Malaysia	PM302: Bunga Dahlia	7	0.5
Australia (Direct)	T1-4 EP	7	0.4
Denmark	SOGU Tranche 2	6	0.4
USA	RMPA-Pinedale 02 6th Rig Option	6	0.4
UK	501 - Firm E&A - Cutter	6	0.4
Oman	Existing Assets (including Corporate Overheads)	6	0.4
UK	336 - Tranche 2b - FID2003	6	0.4
UK	114 - Penguin (416)	6	0.4
UK	330 - Tranche 1 - FID2003	5	0.4
Gabon	Existing Assets (ga)	5	0.3
Pakistan	Indus Deepwater Exploration Well (Notional)	5	0.3
Brunei	CA03 WB 314 AU Daral Tr1 FID04	5	0.3
Other projects		185	12.0
Grand Total		1526	99
Production Grand Total		1541	

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Attachment 2c

Projects with major Proved Reserves Additions in 2004 – accelerate to 2003?

The following would be the prime contenders, as viewed today, for acceleration from 2004 in order to redress the 2003 deficit against the 100% RRR aspiration. They are the *only* projects (as submitted for Capital Allocation) with unrisked Proved Reserves Additions in 2004 that exceed 100 mln boe, or 7% RRR:

Project	POS to FID	Category	Unrisked PRA[3]	Unrisked RRR
Australia Ceduna	10%	E&A	130	+9%
Australia Sunrise LNG	15%	Development	340	+23%
Egypt NEMED gas	24%	E&A	130	+9%
Egypt NEMED Lc 59	11%	E&A	340	+23%
Iran Bangestan	15%	SO[4] (organic?)	300	+21%
Qatar SMDS	50%	SO (organic?)	350	+24%
Russia Zapolyarnoye Neocomian	50%	SO (organic?)	760	+53%
Saudi Arabia CV1 Upstream	10%	SO (organic?)	730	+51%

Attachment 2d

2003 Other Upside Potential

In addition to the ongoing efforts within the OUs (the fruits of which are not yet sufficiently mature as to be reflected firmly in OU plans), the following specific items can be identified from the Capital Allocation project portfolio and from assessment of the overall business:

Project	PRA	RRR
Secure Whale Strategic Option, de-risk, "organic"?	600	+42%
Secure Salym Strategic Option (de-risked)	120	+8%
Other Strategic Options (Itau, Kuwait OSA), risked basis	150	+10%
Retain Sakhalin consolidated	600	+42%
T&OE quick wins (highly uncertain)	up to 150	up to 10%
Total potential gain identified	**up to 1630**	**up to 112%**

[3] Proved Reserves Additions in 2004, million boe
[4] Strategic Option

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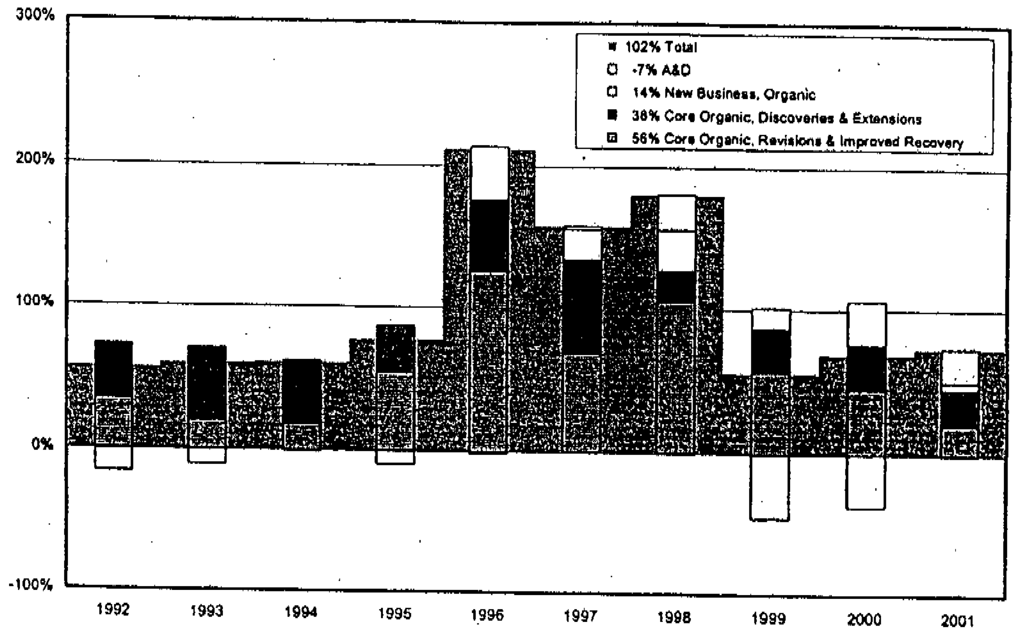
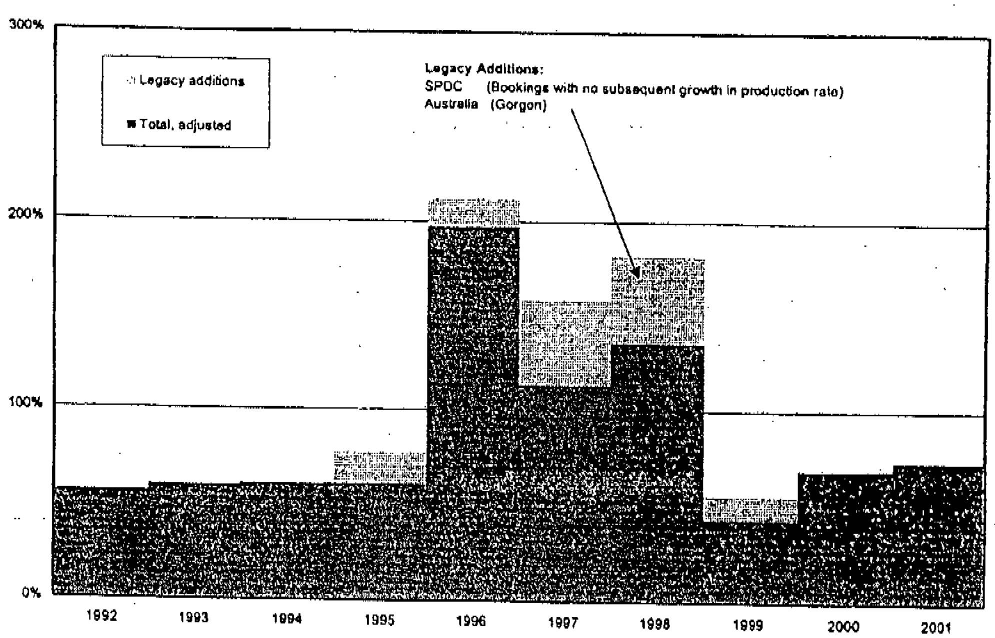
Attachment 3a

Historical Contributions to Proved RRR



Attachment 3b

Legacy / Premature Bookings



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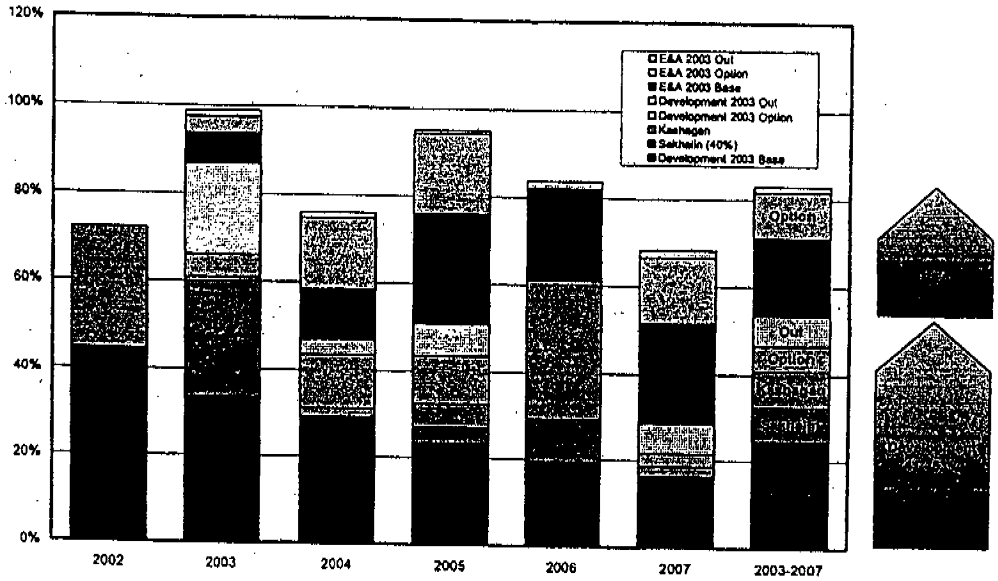
Attachment 3c

Plan Period Organic Proved RRR



"Base, Option and Out" rankings apply to 2003 only: the programme for 2004+ has yet to be built and rankings may change for later years

This plot shows the full 2002 Capital Allocation data set for Existing Business. Only the programme for 2003 has so far been ranked and constrained to fit within Capex and Expex budget ceilings (the "Base" elements referred to in the plot), and this ranking must be viewed as very preliminary.

Enterprise is carried in "Base Development" at 4% a.a.i. production growth and 50 million boe per year Proved Reserves Additions: these figures to be confirmed upon receipt of Enterprise plan data.

Indications are that organic RRR averaged over the Plan Period (2003 – 2007) will be at least 59% (41% from Development activities, including Sakhalin and Kashagan; 18% from new Exploration and Appraisal activities).

Without expenditure restraint, the maximum deliverable organic RRR would be 83% (53% from Development, 30% from new E&A).

With expenditure restraint applied to 2004 and beyond, the organic RRR delivered by the Plan will clearly be at some point between these two extremes.

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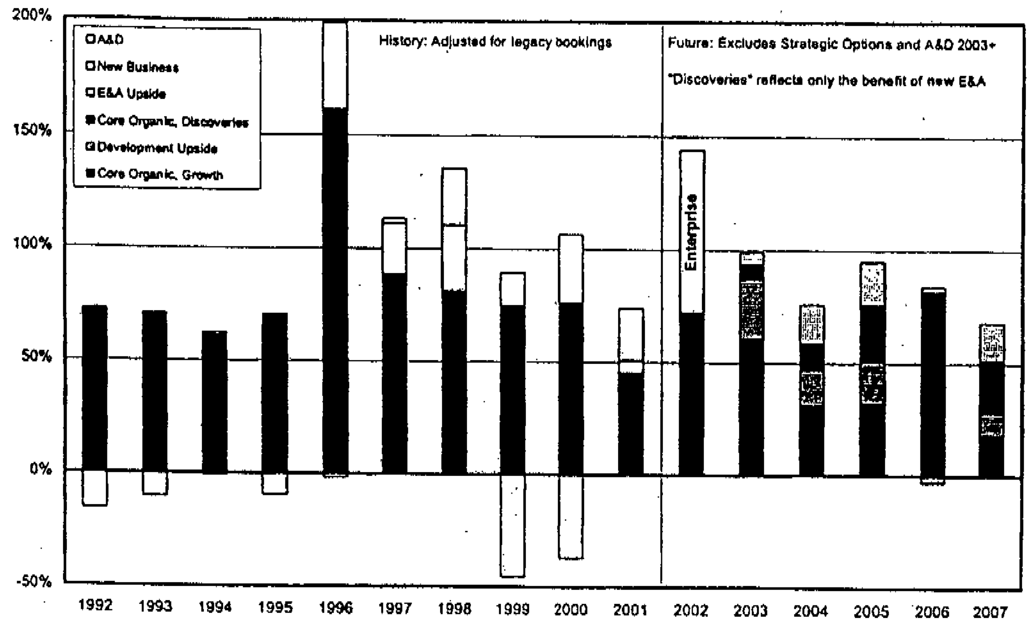
Attachment 3d

Plan Period Organic Proved RRR in context with History



This plot attempts to show the outlook for organic Proved RRR in context with the past. Full consistency in the view cannot be achieved, since the Capital Allocation data for the future is not segregated to show the true contribution from (historical) E&A activities:

"Core Organic, Growth" equates to "Revisions and Improved Recovery" in the historical part of the plot, but to "Development activities" in the future. Consequently this includes reserves that actually stem from recent exploration discoveries.

"Core Organic, Discoveries" equates to "Discoveries and Extensions" in the historical part of the plot, but only reflects the contribution of new E&A activities going forward.

Enterprise is carried in "Core Organic, Growth" at 4% a.a.i. production growth and 50 million boe per year Proved Reserves Additions: these figures to be confirmed upon receipt of Enterprise plan data.

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Unknown

From: Pay, John JR SIEP-EPB-P
Sent: 19 July 2002 19:13
To: Holm, Shirley SR SEPCO
Cc: Van De Vijver, Walter SI-MGDWV; Brass, Lorin LL SIEP-EPB; Harper, Malcolm M SIEP-EPB-P; Brouwers, Max M SIEP-EPB; Nauta, Jaap J SIEP-EPB-P
Subject: CMD Reserves Outlook Draft Slides

Importance: High

Shirley,

I'd be grateful if you would print out the attached, Notes format.

Walter, a previous draft has been discussed with Lorin. There is much work to be done before Tuesday's presentation, but the core information is present. I've tried to address the points you listed to Lorin, but let me know if you want a different level of detail and / or emphasis.

Slide no. 8 (**2002 - 2007 Organic PRA vs. Expenditure**) takes a while to get your head around, but I think tells an interesting story.

John Pay
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CMD Brief Reserves Outlook.ZIP...

EXHIBIT
PENGAD 800-631-6989
12
Brass

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Unknown

From: Pay, John JR SIEP-EPB-P
Sent: 19 July 2002 19:13
To: Holm, Shirley SR SEPCO
Cc: Van De Vijver, Walter SI-MGDWV; Brass, Lorin LL SIEP-EPB; Harper, Malcolm M SIEP-EPB-P; Brouwers, Max M SIEP-EPB; Nauta, Jaap J SIEP-EPB-P
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CMD Brief Reserves Outlook.ZIP...

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Shell International Exploration & Production BV

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Reserves Outlook

CMD July 22 – 23, 2002

EPB-P, July 2002

VIJVER 0879

Summary

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Commercial Hydrocarbon Resource Base:	76 billion boe
Within Licence:	50
Further constrained to:	45 Oil sands, Sakhalin dilution
of which, "challenging"	10 Heavy oil, Pacific gas market, production growth required
Organic Proved Reserves Replacement Ratio (RRR) 2003 - 2007	
Unconstrained portfolio, existing business	up to 83%
With expenditure constraints	60 – 70%
Shortfall vs. 100% RRR	2 – 3 billion boe
Options to address shortfall	
OU efforts, RtL, T&OE	Definition in progress
Big ticket upside (e.g. Sakhalin)	0.5 – 1.0 billion boe
Licence extensions	Potentially High

Clear focus must remain on securing licence extensions, especially SPDC Nigeria, Abu Dhabi and Oman

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Hydrocarbon Resource base at 1.1.2002

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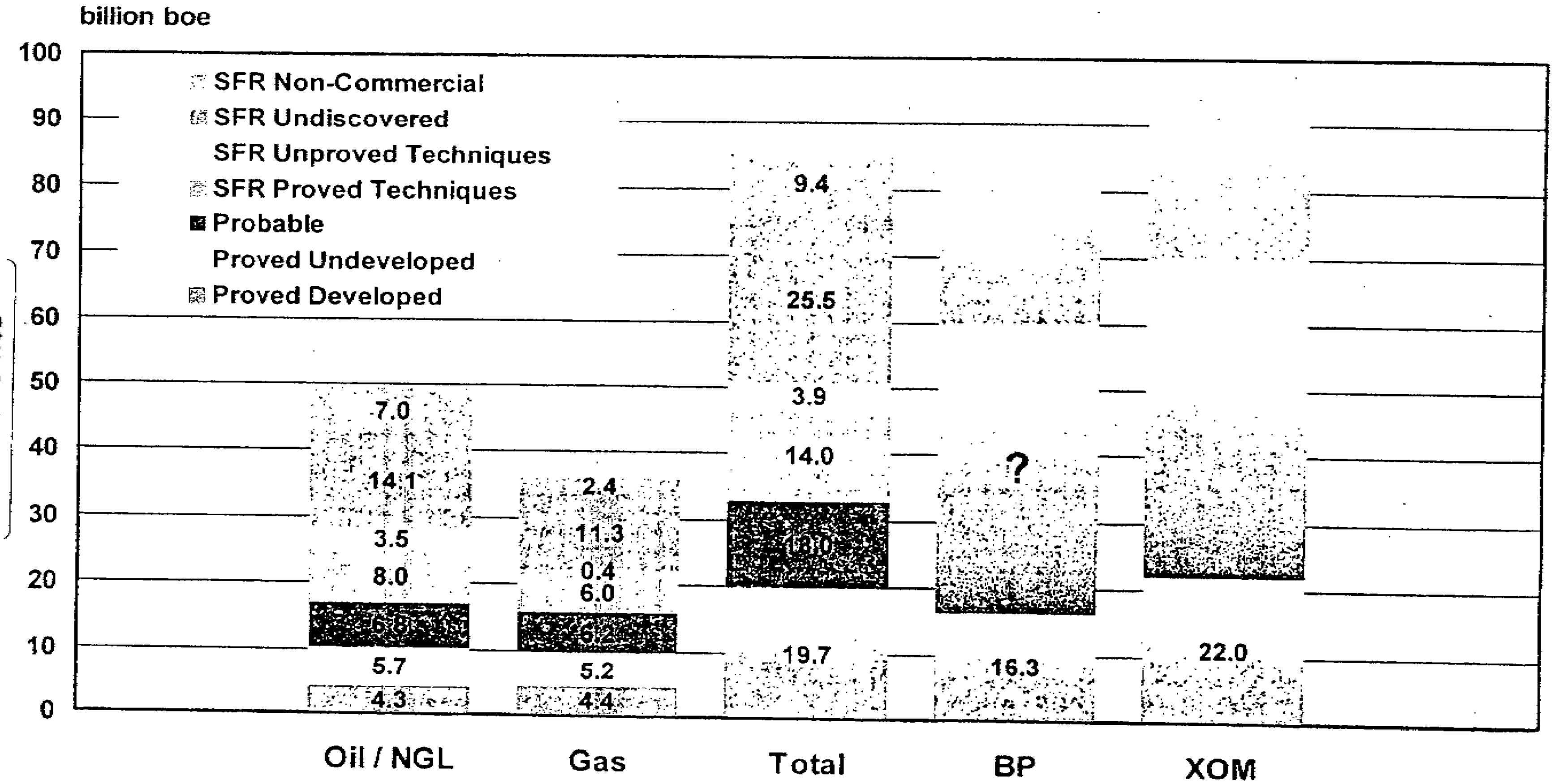

Includes Oil Sands and Oil Shales

Includes Associated Companies

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Shell International Exploration & Production BV

Most confidential

Reserves Outlook

CMD July 22 – 23, 2002

EPB-P, July 2002

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Summary

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Commercial Hydrocarbon Resource Base:	76 billion boe
Within Licence:	50
Further constrained to:	45 Oil sands, Sakhalin dilution
of which, "challenging"	10 Heavy oil, Pacific gas market, production growth required
Organic Proved Reserves Replacement Ratio (RRR) 2003 - 2007	
Unconstrained portfolio, existing business	up to 83%
With expenditure constraints	60 – 70%
Shortfall vs. 100% RRR	2 – 3 billion boe
Options to address shortfall	
OU efforts, RtL, T&OE	Definition in progress
Big ticket upside (e.g. Sakhalin)	0.5 – 1.0 billion boe
Licence extensions	Potentially High

Clear focus must remain on securing licence extensions, especially SPDC Nigeria, Abu Dhabi and Oman

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Hydrocarbon Resource base at 1.1.2002

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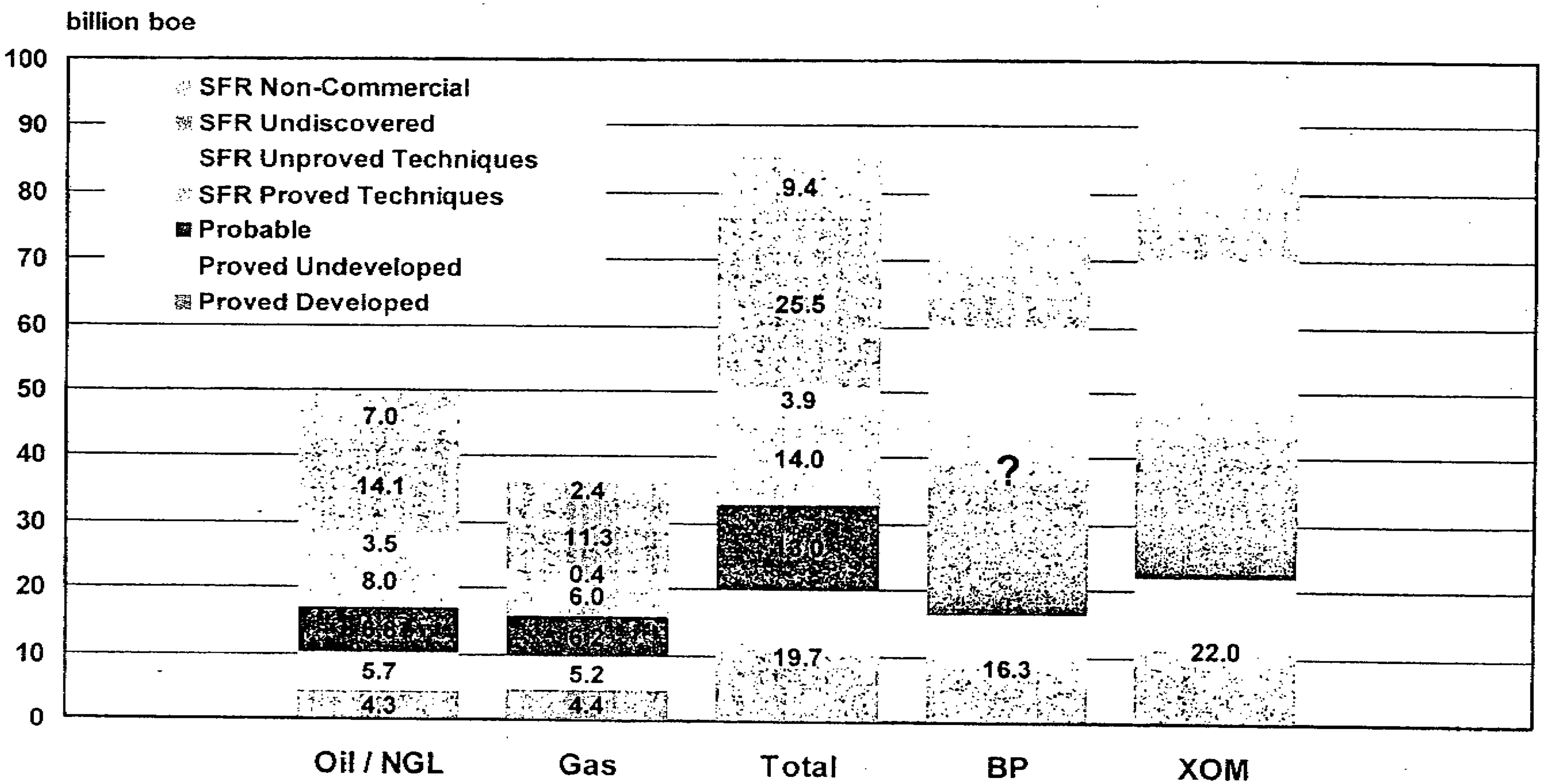

Includes Oil Sands and Oil Shales

Includes Associated Companies

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Licence-locked Resources

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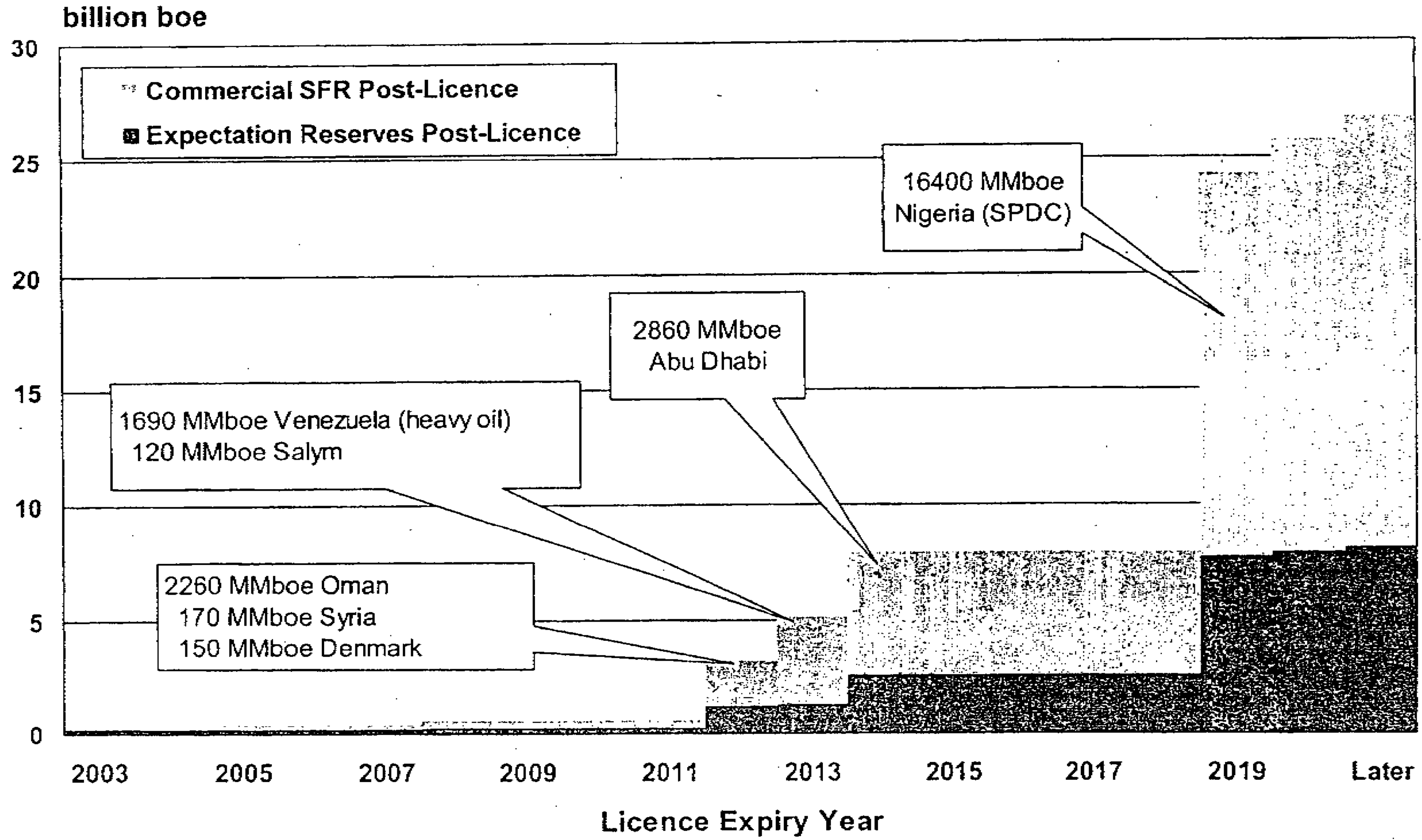

Extensions may be difficult to secure because of the long remaining lead-time

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V00230885

Oil Reserves Life

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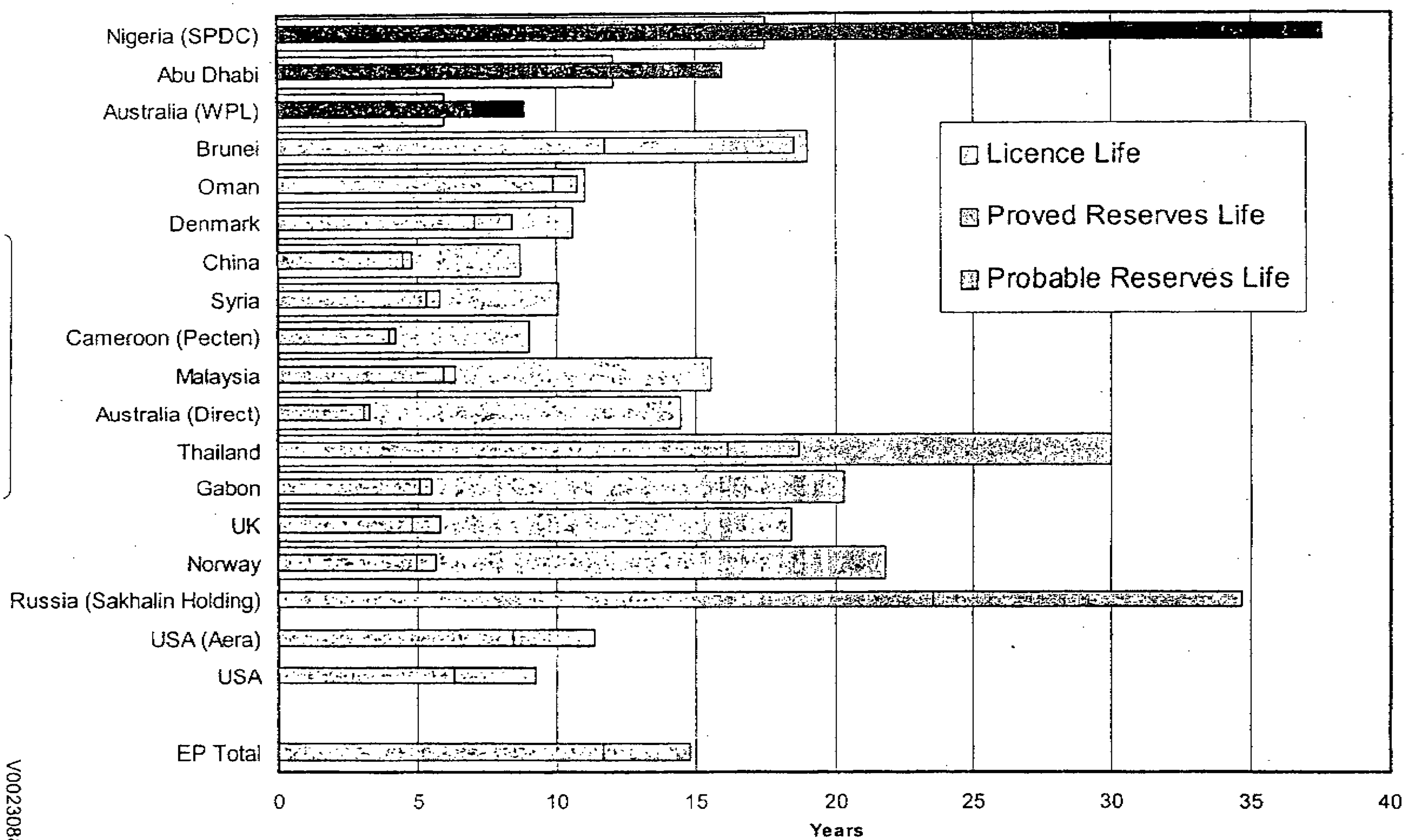

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Gas Reserves Life

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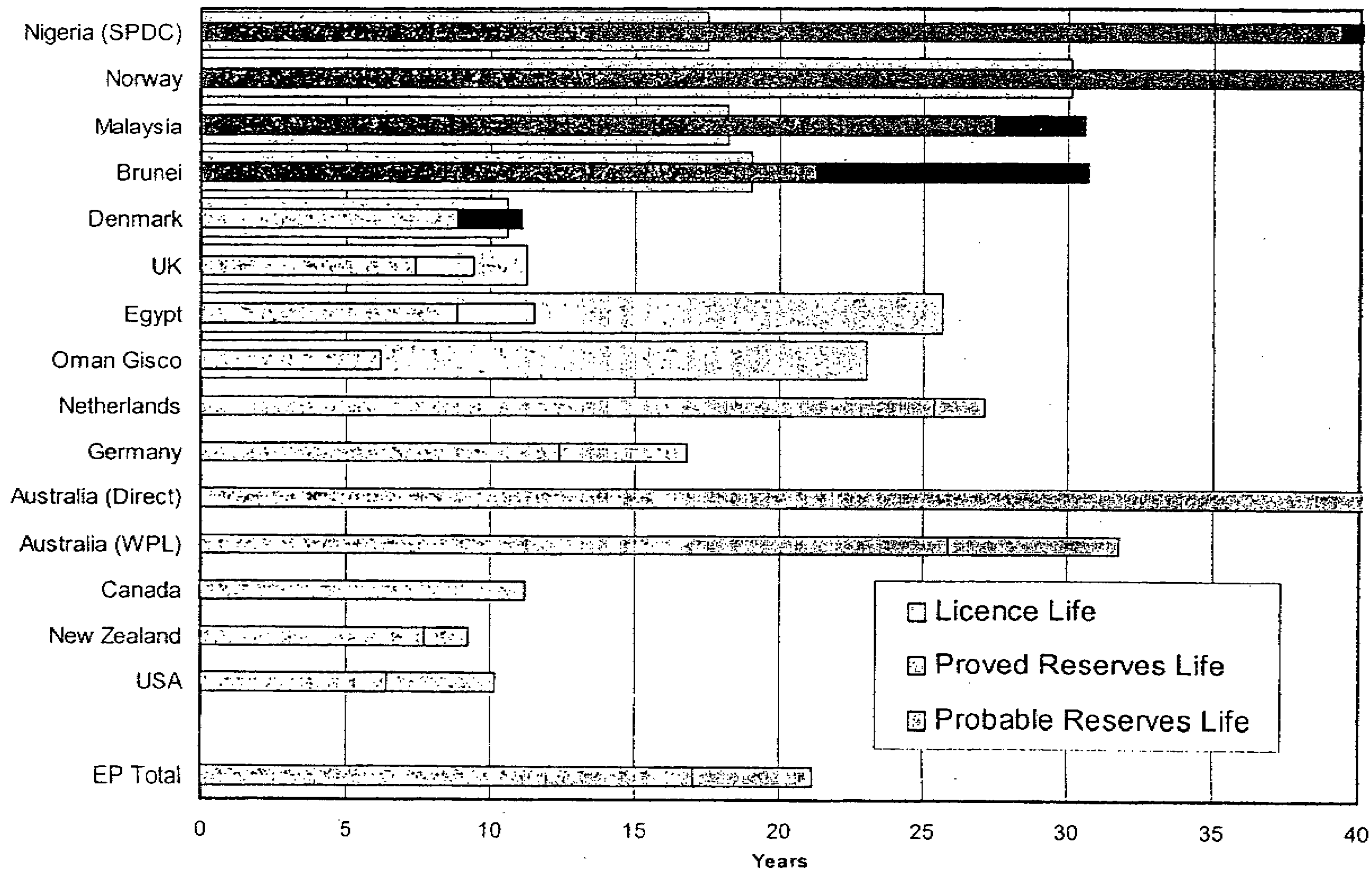

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Organic RRR: Capital Allocation Portfolio

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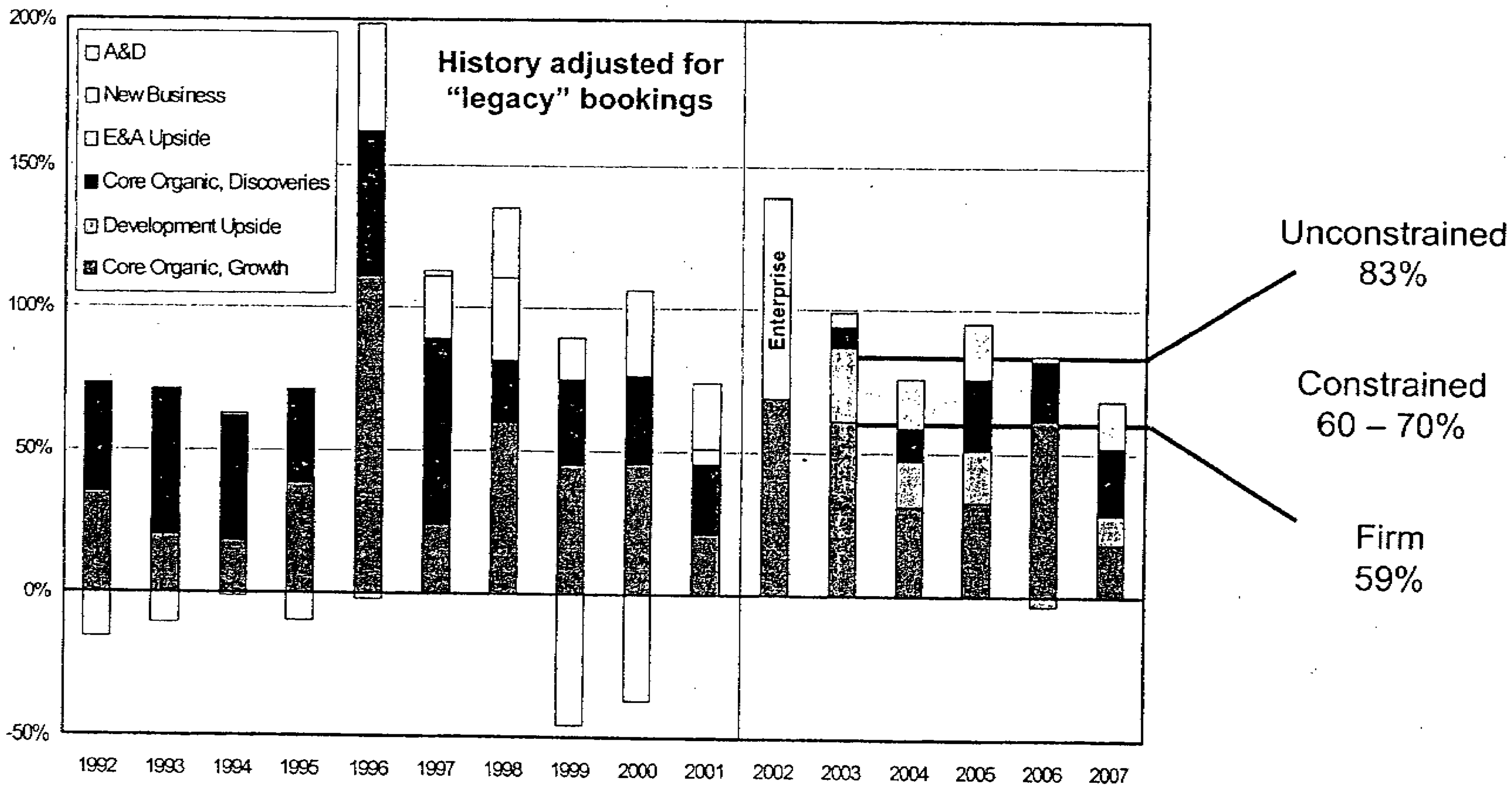

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2002 – 2007 Organic PRA vs. Expenditure

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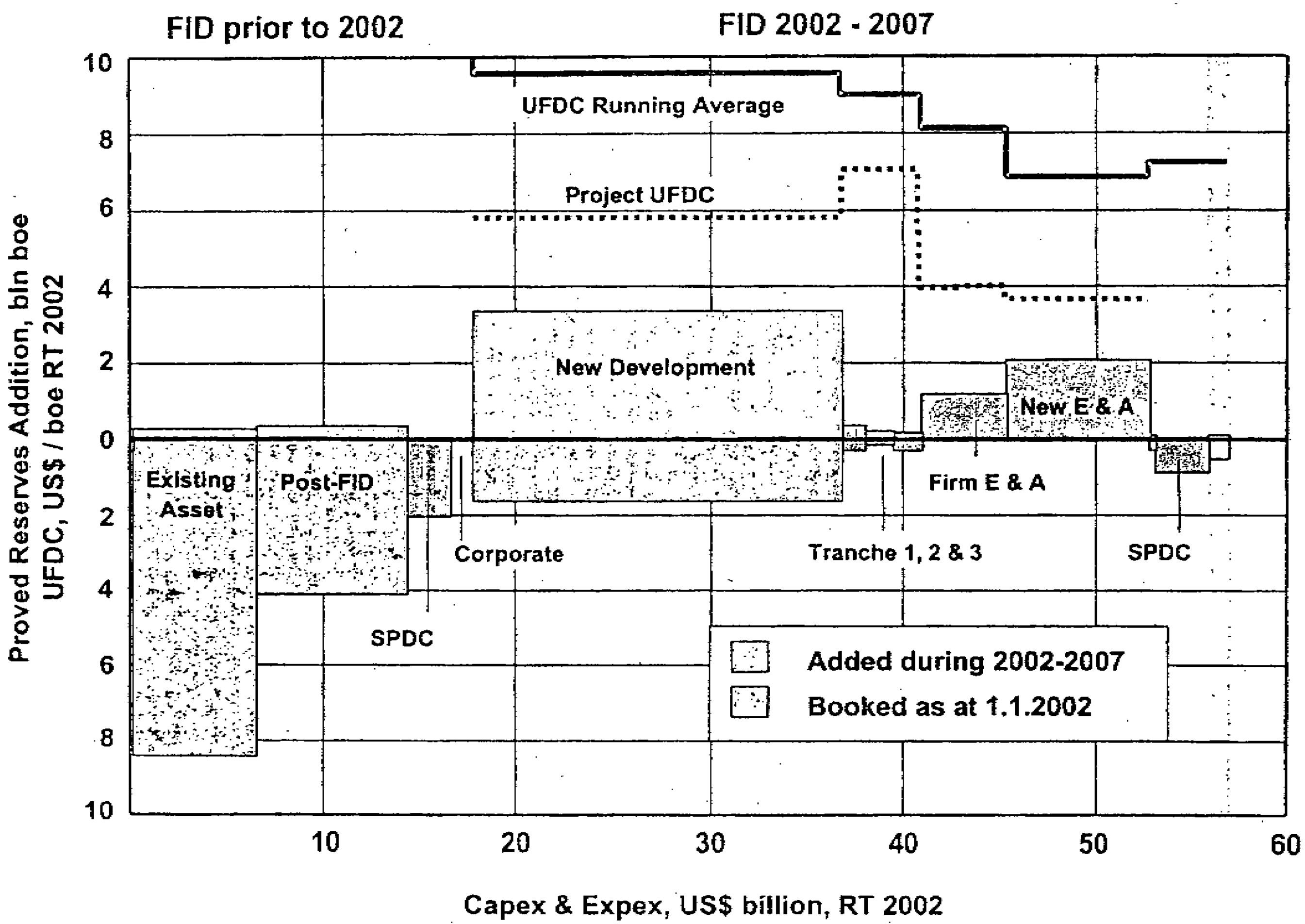

The entire portfolio delivers a minimum UFDC of US$ 7 per boe.

Curtailing expenditure tends to increase average UFDC

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Upside potential: Existing and New Business

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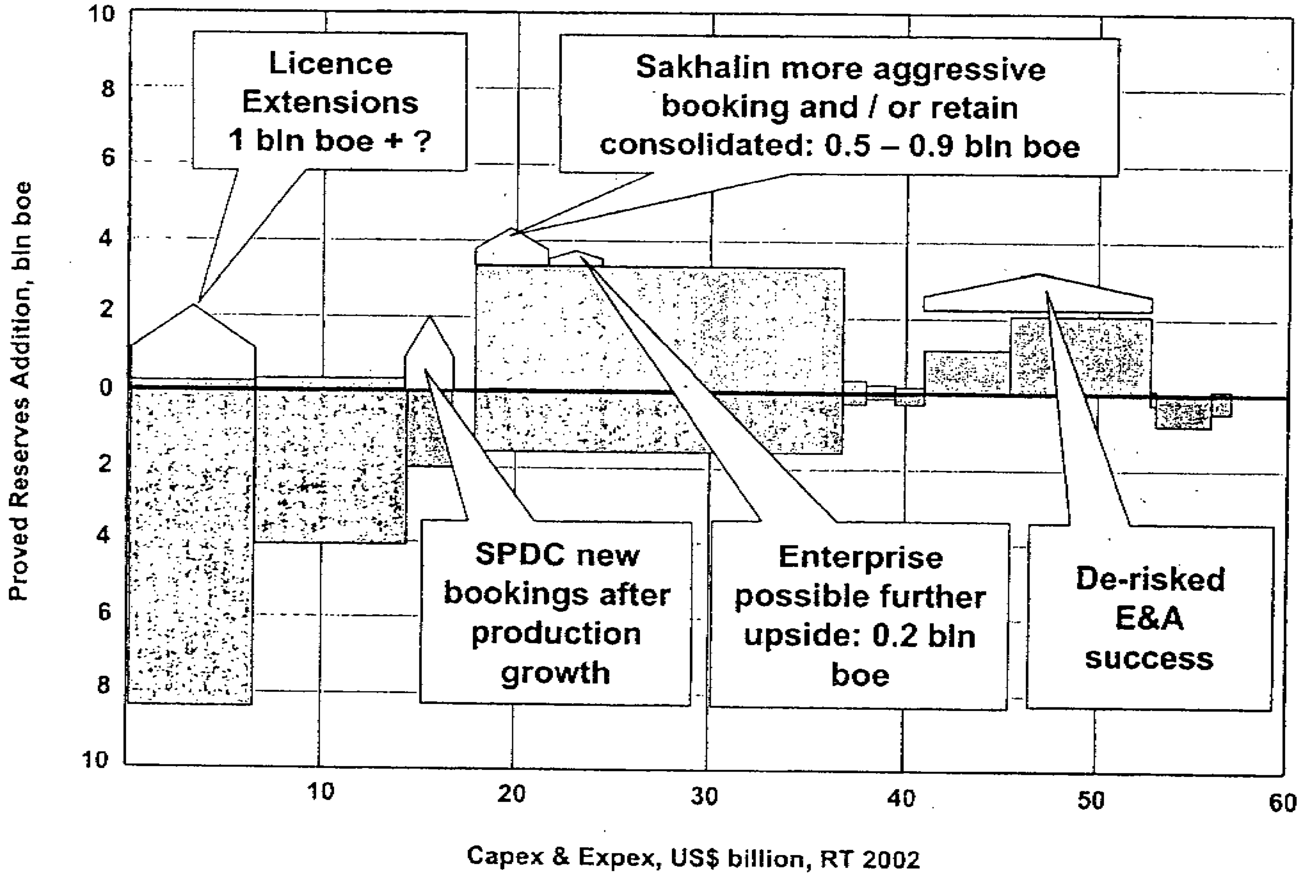

Strategic Options with organic potential

Unrisked, billion boe

CV1 / CV3:	0.7
Libya gas:	0.6
Kuwait OSA:	0.3
VLNG:	0.2
V Cretaceous:	0.2
Salym:	0.2
Bangestan:	0.1
Aktobe:	0.1
Total Unrisked	**2.4**

T&OE

Medium term	0.1
Long term in definition	

We need to add at least another 3 billion boe to Proved Reserves to be sure of reaching US$ 5 per boe average UFDC 2002 - 2007

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V00230890

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New Development: Preliminary 2003 Rankings

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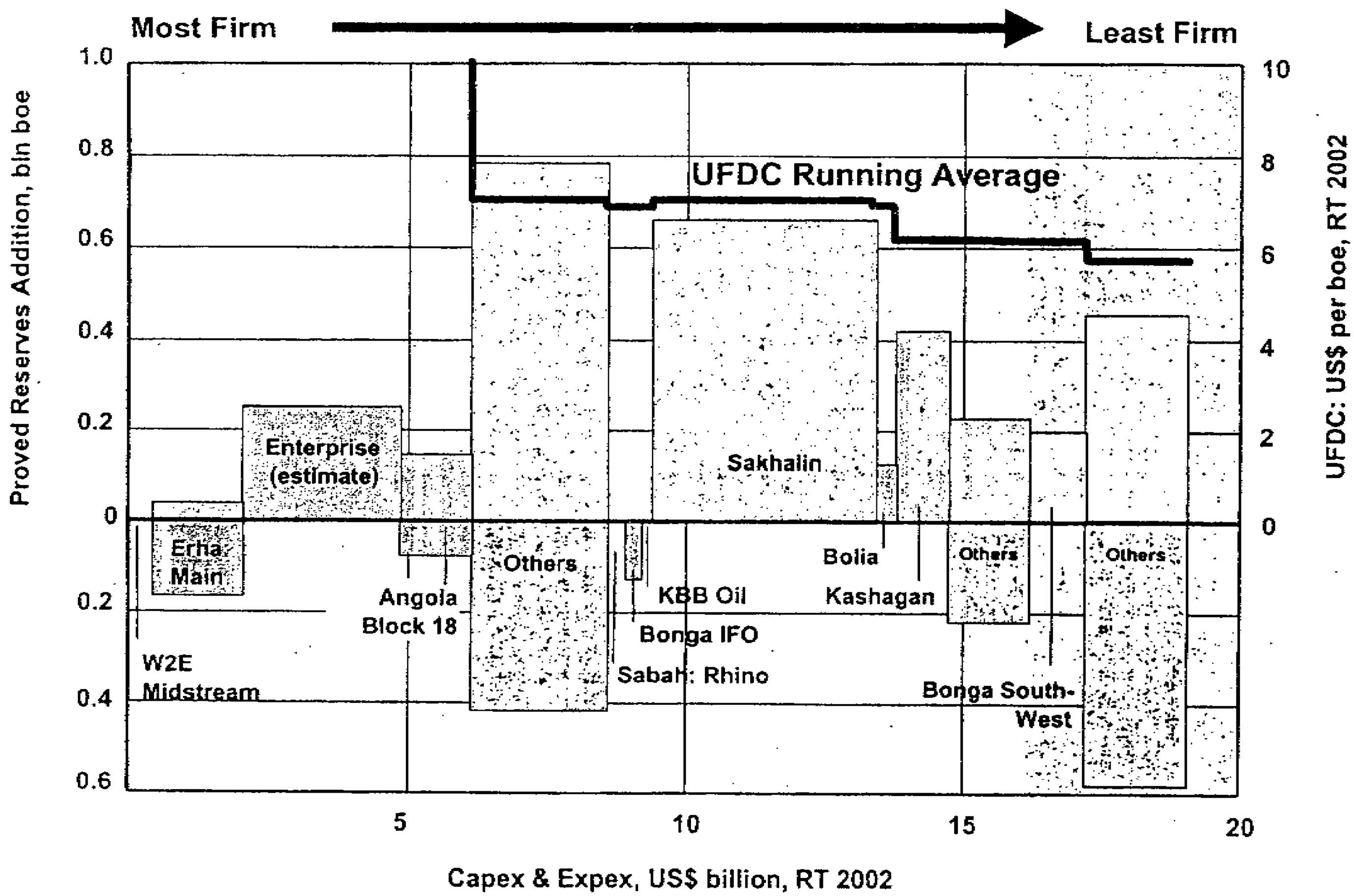

For the "New Development" section of the portfolio, UFDC also declines with increasing expenditure

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FID prior to 2002

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Project	FID	Booked Reserves Million boe	Added 2002 – 2007 Million boe	Capex + Expex US$ mln RT 2002
Corporate		**280**	**0**	**190**
Existing Asset		**8380**	**270**	**6310**
SPDC		**1980**	**0**	**2250**
Bonga Main Field Development	1999	247	-20	1099
EPB - AOSP Update	2000	600	0	778
RMPA-Pinedale 02 5-Rig Base	2001	65	211	772
Holstein 02 Base	2001	66	46	484
Soroosh and Nowrooz	1999	210	-82	482
Nakika 02 Base	2000	100	45	443
MLNG Dua PSC New	2001	163	-17	427
Groningen GLT	2001	761	0	338
GISCO	1996	295	-24	266
114 - Penguin (416)	2001	33	13	224
MLNG PSC New	2001	268	-55	194
Halfdan Phase III	2001	44	18	192
119 - Goldeneye (415)	2001	52	27	183
Others		1190	130	1969
Total (Post-FID projects only)		**4090**	**290**	**7850**

VIJVER 0892

FID 2002 - 2007

Most Confidential

Project (>US$ 150 mln)	FID	Booked Reserves Million boe	Added 2002 – 2007 Million boe	Capex + Expex US$ mln RT 2002
Piltun-Lunskoye (Sakhalin)	2002	0	659	3983
Enterprise Growth 2003+ (estimate)		0	250	2800
Erha Main	2002	166	36	1594
Angola Block 18	2002	75	145	1287
Kashagan	2002	0	422	962
West to East Project Midstream	2002	0	0	462
RMPA-Yugo 02 Base	2002	0	77	277
Denmark GSA4	2002	0	38	205
Kazakhstan CPC	2002	0	0	152
West to East Upstream	2002	0	110	151
Bonga SW	2003	0	198	1021
Pohokura Development - Post FID	2003	71	-21	212
Bolia	2004	0	123	398
Sabah: Rhino	2004	0	0	288
Bonga In-Field Opportunities	2004	130	-2	253
KBB Oil	2004	0	0	233
Ormen Lange Post FID Development	2004	109	228	210
Others		1040	1030	4510
Total		**1590**	**3290**	**19000**

VIJVER 0893

List of focus areas plus potential quick-wins already identified.

LE stories summarized from CMD note

VIJVER 0895

Forward Action

Most Confidential

T&OE

- Mainly medium to long term
- Shorter term wins actively sought

Licence extensions

- SPDC, Abu Dhabi, Oman, possibly others (smaller)

New Business

- Russia, Strategic Options portfolio "organic" potential

Oil sands

- Athabasca expansion, new projects

E&A follow-up

- Pace of discoveries maturation.

OU Initiatives (with RtL, T&OE)

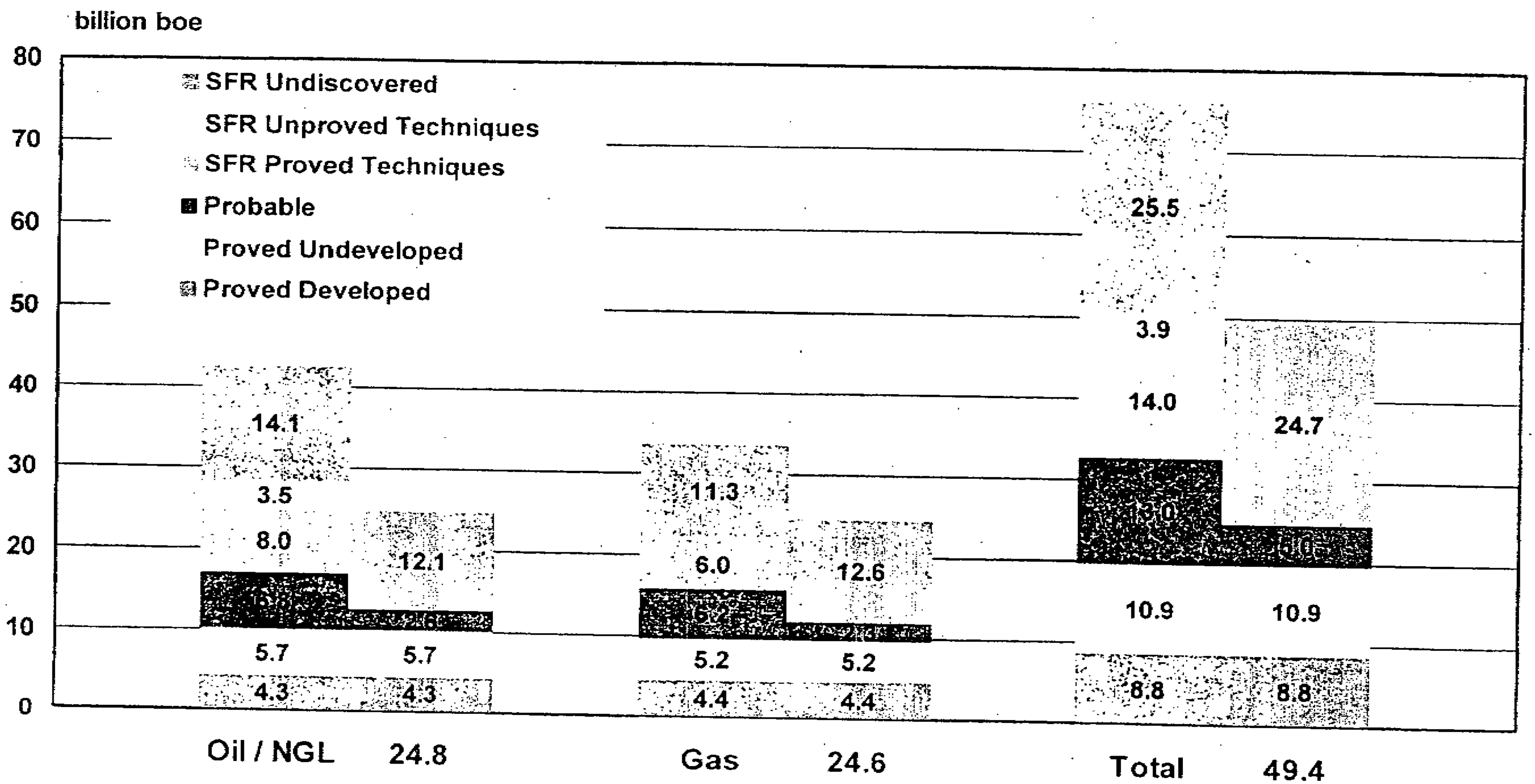
VIJVER 0896

Back-up

VIJVER 0897

Within-Licence Resources

Most Confidential



Approximately one third of the commercial hydrocarbon resource base is licence-locked

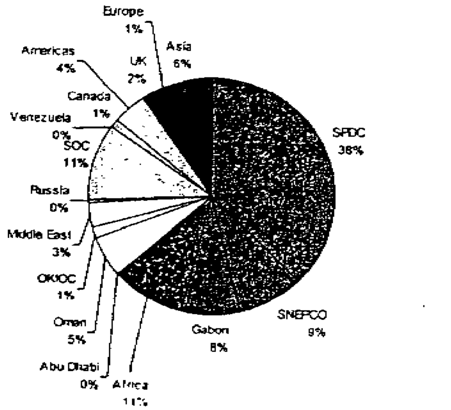
VIJVER 0898

FOIA Confidential Treatment Requested

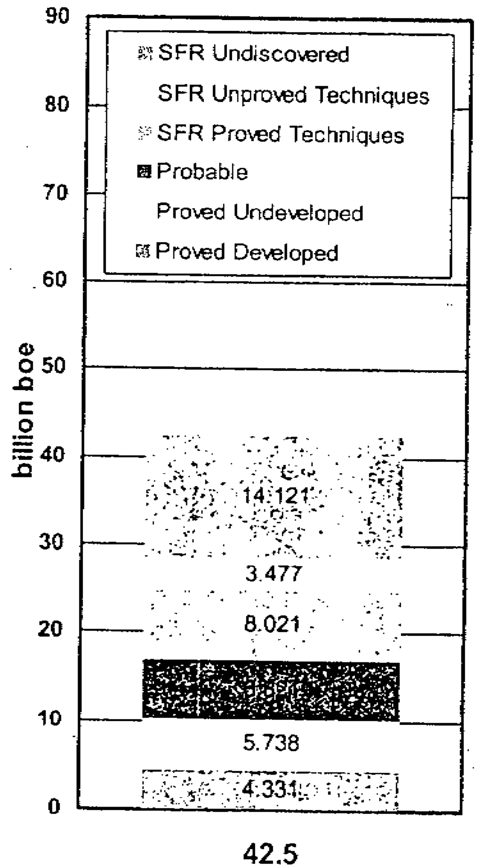
V00230898

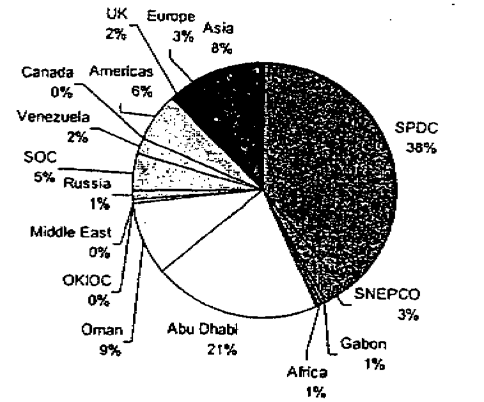
Oil / NGL Resources: Distribution

Most Confidential

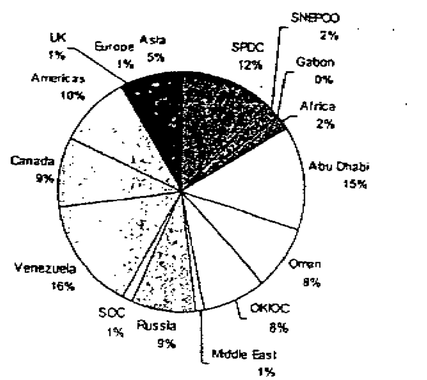


Undiscovered 14.121 bln boe





Probable 6.821 bln boe



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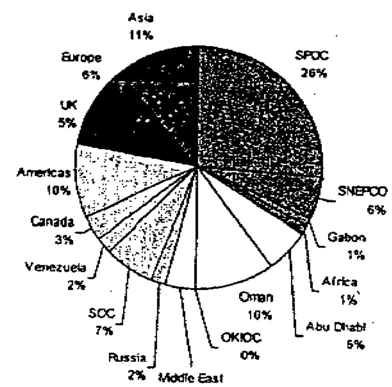


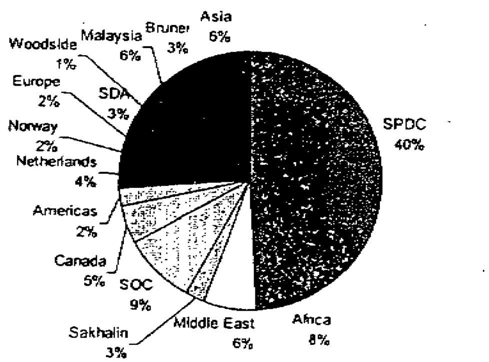
Proved 10.069 bln boe

VIJVER 0899

FOIA Confidential
Treatment Requested

Gas Resources: Distribution

Most Confidential



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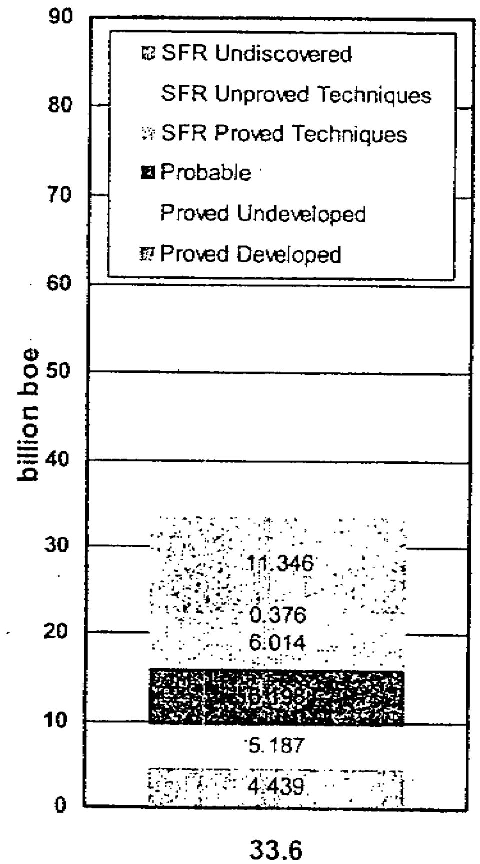
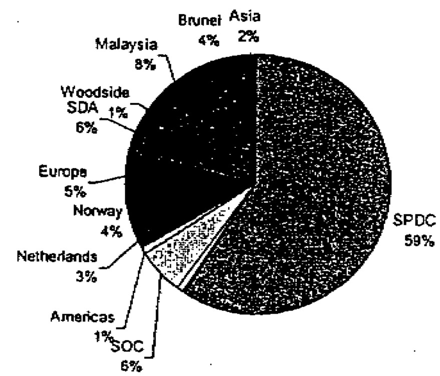
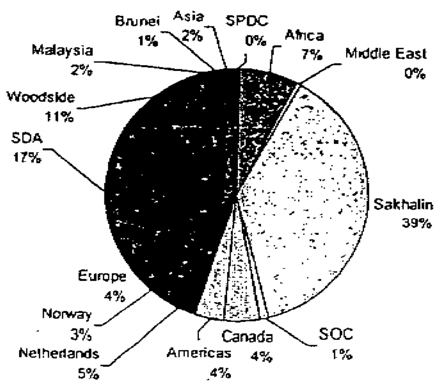




Probable 6.198 bln boe



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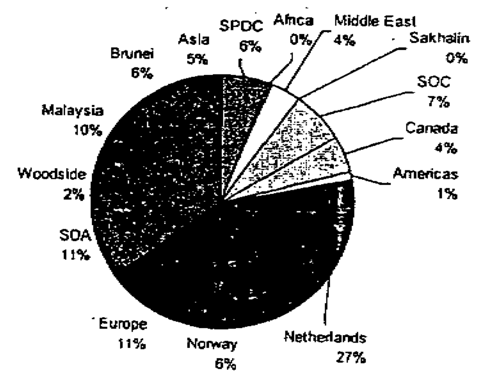


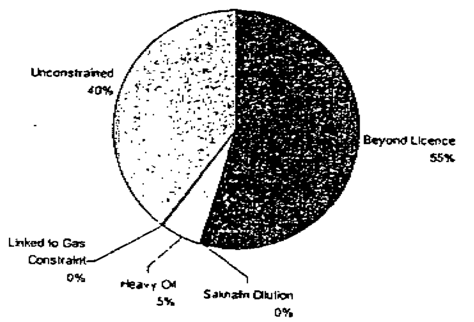
Proved 9.626 bln boe

VIJVER 0900

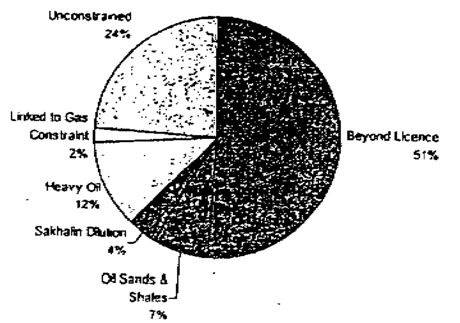
V00230900

Oil / NGL Resource: Constraints

Most Confidential



Undiscovered **14.121 bln boe**



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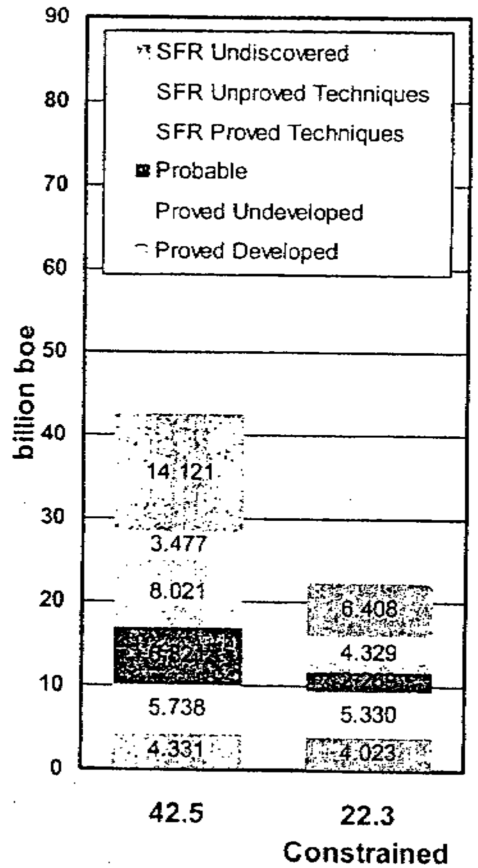
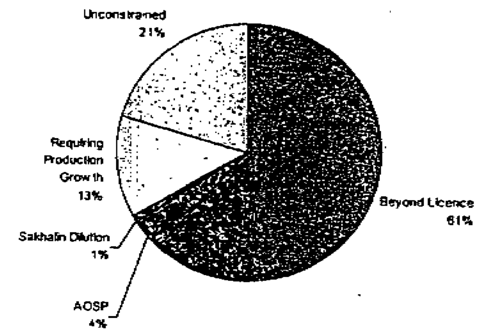
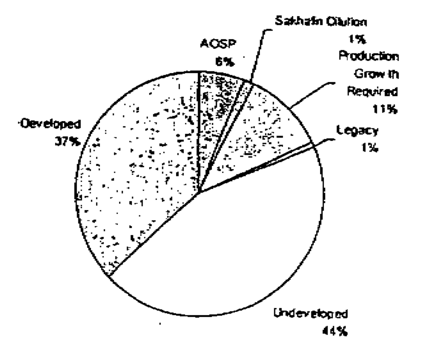




Probable **6.821 bln boe**



Proved **10.069 bln boe**

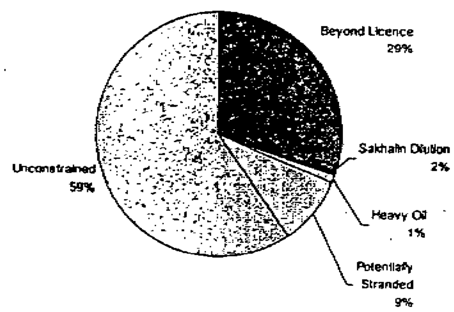
VIJVER 0901

FOIA Confidential
Treatment Requested

V00230901

Gas Resources: Constraints

Most Confidential



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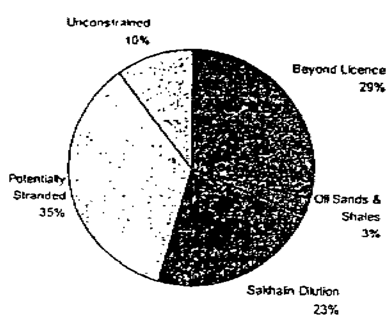

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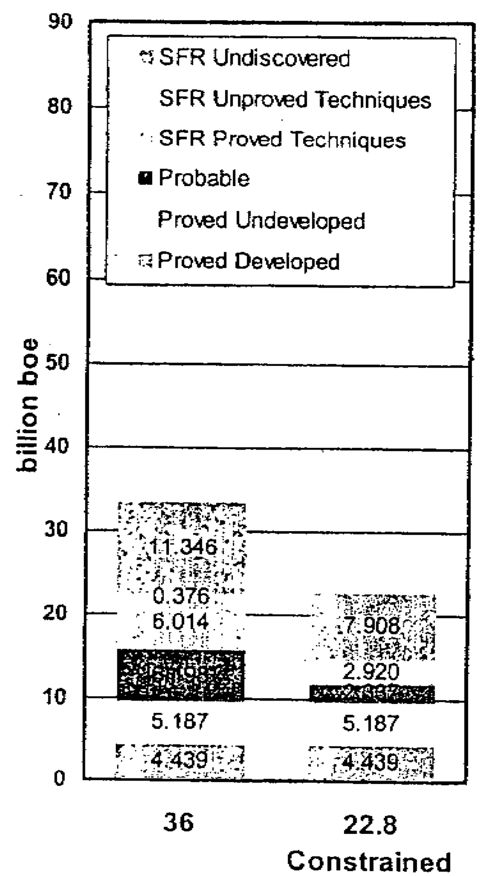
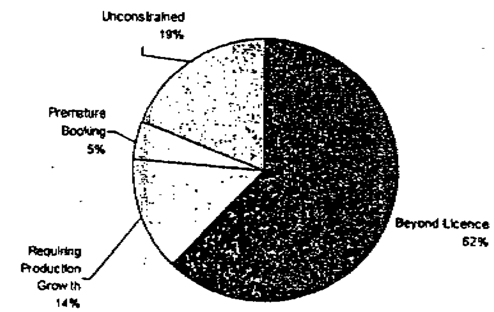
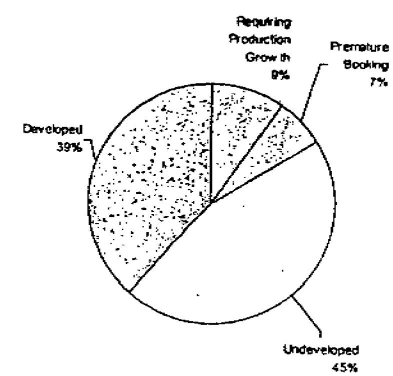




Probable 6.198 bln boe



Proved 9.626 bln boe

VIJVER 0902

FOIA Confidential
Treatment Requested

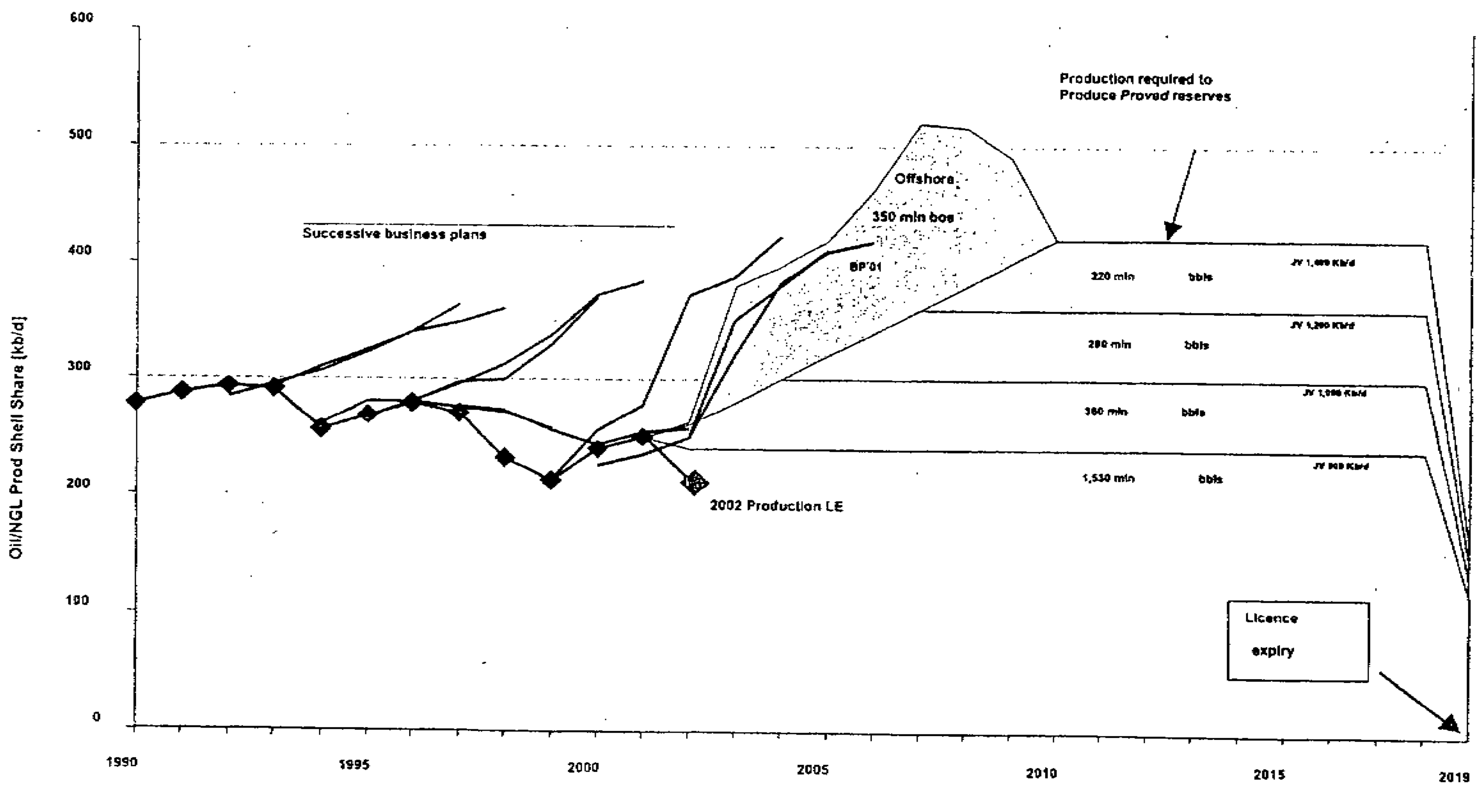
V00230902

SPDC Production Growth Challenge

Most Confidential

SPDC reserves boxed in: 2019 and growth constraint

- SAD, PDO are OUs with similar license issue



VIJVER 0903

FOIA Confidential Treatment Requested

V00230903

MOST CONFIDENTIAL

No. 2526

COMMITTEE OF MANAGING DIRECTORS
MINUTES OF THE MEETING HELD IN LONDON
ON MONDAY, 22 AND TUESDAY, 23 JULY 2002

Present:	P B Watts	Chairman
	J van der Veer	
	P D Skinner (Items 1 –7, 9, 16-19, 28-40)	
	W van de Vijver	
	~~M A Brinded~~	
In attendance:	J G Boynton	
	K A Ruddock	Secretary

1. MINUTES

The Minutes of CMD Meeting No. 2525 were approved, as amended.

2. MA&D REPORT

Neil Gaskell entered the meeting. He presented a report on acquisition options which was discussed by the Committee.

Lynn Elsenhans entered the meeting. Neil Gaskell presented a further report on the Group acquisition and divestment activities.

Copy of Minute to: none.

EXHIBIT
PENGAD 800-631-6989
13
Brass

LON00031491

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3. POST ACQUISITION REVIEW

Lorin Brass, Gregory Hill, Ron Blakely and Lynn Elsenhans entered the meeting; Neil Gaskell was in attendance.

Neil Gaskell presented a review of the Enterprise and PQS acquisitions.

REDACTED

However, clearly the Group did not want to carry out less preparation for these potential acquisitions and in part the issue may be one of educating external advisers.

Having two substantial deals running in tandem did put pressure on the system and in particular PQS struggled to get attention over Enterprise. In PQS, the bank's role ran much more satisfactorily than with Enterprise. In relation to PQS, the bank was clearly in a support role and already knew the business. With respect to Enterprise, the bank was not sufficiently proactive but did fulfil its statutory role, as required by UK law, well.

In respect of integration, it was considered important that an integration leader be appointed as soon as possible in the process and that a specific team, distinct from the deal team, be appointed to support the integration planning effort, unless it was known in advance that competition clearance would cause delay.

The Committee commented that generally these deals had demonstrated a high internal capability. The introduction of a deal file and thorough preparation had contributed significantly to the success of both transactions. The divestments experience gained in Chemicals had also been useful.

In relation to confidentiality concerns, and the numbers of people to involve, this was clearly always going to be a difficult issue, but if the right people were not involved early, work would be created later in the process. For future transactions a small steering committee should be appointed with other personnel only involved on a strictly need to know basis.

The Committee commented that the interface with the European regulators, in particular the competition law authorities, appeared to be much better than in the US, especially in relation to the FTC. With both Spectrum and PQS, the FTC had not reacted as had been anticipated. The Committee was concerned that the Group did not appear to have access to the best legal input in respect of US transactions and Judy Boynton undertook to investigate this further.

Lorin Brass presented a review of the Enterprise Oil transaction. It was noted in particular that the adjusted Enterprise plan was very close to the Shell forecast prior to the transaction, even taking account of the UK tax changes. It was noted that development of the Corrib field may be delayed until 2004 as planning consent had been refused for the terminal. The Committee queried whether the Group had sufficiently well placed contacts with the Irish government and regulators. Paul Skinner undertook to explore this issue further in consultation with the Country Chairman in Ireland. It was noted that an Enterprise progress review would take place in Q3/2002. A full post investment review will take place in Q1/2003 in time for the full year results and strategy presentation.

Ron Blakely presented a progress report on the integration of Texaco's interests into Shell Oil Products in the US and of Spectrum in Germany.

In the US, although the merged entity had a 14% market share, it achieved this with a much higher number of service stations than its competitors. Staff would remain with Equiva Services until the end of 2002 when they would transfer to Shell Oil Products. Until the service level agreement had been put in place with Saudi Refining Inc (SRI), the full organisational change could not be implemented. This was targeted to take place on 1 August 2002. The Committee commented that the relationship with SRI appeared to be working well although decisions did seem to take longer.

Aggressive rebranding of service stations will enable the Texaco brand to be withdrawn from the US retail market before the end of the exclusivity period. The PQS transaction will impact both the lubricants rationalisation and integration efforts. To the analysts, the position could be summarised as being "off to a good start". The Committee noted that the sensitivities of SRI should be borne in mind in making any public statements. The Committee queried the position for former Texaco employees and their pension funds. The presenter explained that these issues had been specifically addressed pre-closing and that liability would remain with Texaco.

With regard to Spectrum and Germany, the presenter explained that the potential for synergies appeared to be improving. The early exercise of the put option may expedite this as it would mean that there were no longer two owners involved. Brand was a challenge as DEA had a very strong presence in the German market and indeed was probably stronger than the Shell brand.

OP considered eMerger, which was a synergy capture and tracking tool, to have been very useful.

In respect of the remedies required in Germany, the Committee appreciated that potential divestments were being made into a very competitive market with BP similarly trying to divest a large part of its business.

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The Committee noted that OP appeared to be delivering against their promises in respect of both transactions and that quarterly reviews with CMD should continue.

Copy of Minute to: P Skinner, W van de Vijver.

4. PROCUREMENT

Jeroen van der Veer explained that it was proposed that, while procurement would remain the responsibility of individual businesses, the profile of C&P generally should be raised and progress maintained in pushing forward the agreed C&P strategy. This could be done by taking C&P out of ID and having it report to a CMD member directly and establishing "Big Rules" to be applied across all businesses.

The Committee commented that C&P generally appeared to have improved markedly. All businesses had dedicated high quality senior resources to address the historic problems with C&P. TradeRanger was conducting more business but it was still too early to say whether it would be a success.

The Committee discussed how the current C&P improvements could be sustained in the longer term. It was recognised that procurement was one of the most difficult change management areas in any company.

The Committee believed that there was value in raising C&P's profile but was not sure about the tasks and organisation of a specific C&P director for which a job description needed to be drawn up.

The Committee also wondered whether, by appointing a C&P director, the current accountability which each business had for its C&P component would be diminished. The Committee sought assurance that the appointment of a C&P director would add value to the process and was keen to a see a detailed job description and tasks and targets for the first 12 months.

Jeroen van der Veer confirmed that he would come back with a detailed job description for the C&P director role in early September.

Copy of Minute to: J van der Veer, J Withrington.

5. 2002 PLANNING CYCLE PREMISES AND SENSITIVITIES

Lynn Elsenhans, David Lawrence, Mark Turner, Evert Henkes, Linda Cook, Lorin Brass, Mark Williams and David Kinder entered the meeting.

David Lawrence introduced a series of presentations from each of the businesses in respect of the premises and sensitivities.

The Committee noted that in some cases the same factor could have very different outcomes in respect of the EP and OP businesses. One feature of OP was that refinery margins had been extraordinarily volatile. OPEC was still struggling with trying to balance supply with demand, and it was quite likely that seasonal demand would force OPEC to increase supply. The Committee noted that in a supply-constrained environment, with surplus refining capacity available, the price of refining will fall. $10/bbl oil would not correspond to lower refinery margins as one would not necessarily follow the other.

The Committee noted that the major change in fuel specifications which had been anticipated should have strengthened margins. However, the refining industry had responded more flexibly than anticipated.

The Committee further noted that, while it would clearly be desirable for reference conditions to continue for an extended period, they may well be overtaken by events and this needed to be borne in mind.

It was noted that Chemicals' sensitivity was entirely dependent upon Group GDP sensitivity.

The Committee noted that exchange rate fluctuations impacted negatively on refiners' margins. Potential impact could be as high as US$1 bln. Dividends (paid in Euros and Sterling) would cost more in US dollar terms in the event of a decline in the dollar. It was acknowledged that more work was needed on the plan but nonetheless the Committee observed that there was need for greater flexibility and in particular a requirement to create the space to maintain gearing. The Committee also suggested that financial information beyond the premises was required for strategy, analysis and review purposes. In addition to the plan and premises, the Committee requested a complete set of financial data at reference conditions.

The Committee supported the premises and sensitivities for oil price proposed. For gas price, the Henry Hub premises and sensitivities of $3.00 and $2.00 respectively were supported notwithstanding acknowledged upward pressures on gas prices which would be considered in detail for significant investments as they may arise. Screening criteria should follow a grid of $3.75, $3.00 and $2.00.

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The refining margins proposed were supported except for the US where the premises should be adjusted to $3.50 for the US Gulf coast and $6.00 for the US West coast. For Chemicals, the sensitivities should be adjusted to $200 for Naphtha Europe and $180 for Ethane, US Gulf Coast.

Premises and sensitivities for exchange rates and GDP rates were supported.

With regard to exchange rates, consideration would be given as to whether to translate costs into local currency and indicate that cost savings at 3% were intended to be 3% in local currency. The Committee suggested that this issue be addressed in the context of the half-year results. In the meantime, the exchange rate figures should stand as proposed.

Copy of Minute to: D Lawrence.

6. CHEMICALS VISION – INDUSTRY STRUCTURE

Rosemary Mecca, James Smith, Stan Park and Simon Lowth (McKinsey and Co) entered the meeting.

James Smith gave a presentation on the Chemicals industry structure and the competitive environment.

In particular the presenter highlighted the significant change in the Middle East's role as a future exporter of product to China and Western Europe's increasing role as an importer. The Group's focus was in the "cracker plus 1" area. The merchant market was contracting which was a challenge for the Group as this was 40% of its business. One issue for the Middle East was whether support could be obtained for ROACE objectives. For sustained long-term growth, presence in Asia and the Middle East was vital. The Committee queried whether the basic business model would change if a shift took place to these new areas. The presenter commented that capability would be diminished if the Group was not present in these areas.

There was still scope and a requirement for industry consolidation and the Group had to determine whether it wanted to be part of that. If a sale was considered, it would not be easy to find a buyer for the entirety of the business. In addition, the impact of a potential sale on the interface between Chemicals and the rest of the Group had to be considered.

The Committee commented that a great deal depended on whether China would assume the importer role anticipated or whether it would prefer to build its own capacity. In both the Middle East and China, consideration would need to be given as to who the best potential partner or partners would be. The new mindset required was one of global marketing. However, it was recognised that having a strategic partner in either Asia or the Middle East could limit the Group's options.

The presenter commented that of the traditional players, ExxonMobil was probably best placed and there was undoubtedly still a gap between Shell and ExxonMobil (and in turn between Shell and BP), which was largely due to physical configuration differences. ExxonMobil could improve but did not have a major step change available to it. The Committee recognised that at some of the Group's major refineries, such as Deer Park and Norco, there were already outside parties in place which would constrain possible choices with regard to Chemicals. The Committee suggested that the value of integration needed to be examined in detail, focusing on the size of the prize and doabiltiy. This was a key deliverable.

The Committee queried in respect of Basell as to why it was that a company with a strong market position and good technology had such structural performance problems. It appeared difficult to identify what was inhibiting performance. The Committee anticipated that a potential buyer of Basell may well be conflicted. The Committee suggested that all M&A options should be considered. The alternative was to consider becoming a purely commodity player which would involve developing a different long-term strategy.

The Committee suggested that Chemicals devise a short summary describing the elements of the perceived strategic benefit in retaining Chemicals in the Group with a NPV US Dollar figure listed against each. The Committee wanted to know to what extent having Chemicals in the Group increased the Group's value.

The Committee expressed its appreciation for the quality of the paper and presentation and believed that its level of interaction with the Chemicals Vision Team had been a very positive start to the overall process.

Copy of Minute to: E Henkes.

7. SAKHALIN

Rein Tamboezer, Din Megat, Peter de Wit, Steve Kersley, Michael Blaha, Iain Lo and Linda Cook entered the meeting.

Rein Tamboezer and Peter de Wit explained that there were still major risks associated with this project, in particular as no firm gas sale arrangements had yet been put in place. In particular, there was considerable uncertainty in the gas market until the pricing on Guangdong had been determined. The presenters confirmed that if Guangdong prices proved to be at the low end of the anticipated range, that would nonetheless not be likely to lead to reopening of current higher price existing contracts until contractual price reviews (which generally occurred approximately every 5 years). Customer reluctance to commit to offtake supply was largely attributed to the lack of growth in Japan and the appreciation by probable customers that they were not under time pressure to make a decision.

Both Korea and Japan saw Sakhalin as a regional strategic asset which was better placed in the long-term to supply their requirements than most other likely sources of supply. The potential customers did appreciate that the Sakhalin partners needed to reach a decision soon. The Committee queried what customer reaction would be if they thought Sakhalin might not go ahead. It will be necessary to enlist the assistance of the Japanese participants in the project to secure wider Japanese support. The presenter confirmed that prospective Japanese customers did have flexibility under their current agreements to take additional Sakhalin gas.

The Committee considered that the list shown of the consequences of not proceeding was unduly negative. It should rather be viewed as a list of items which might be affected but should be put no stronger than that. If Sakhalin did not proceed now there would be relationship issues to manage with some prospective customers but the Group's reasoning would be understood.

If sufficient long-term contracts are not in place, normal project financing would not be available. If the Japanese Partners did not fund the project, "Japan Inc" might do so itself. The presenter thought that, if the project was strategic for Japan Inc, then Japan would find the necessary funds. However, the key to future success lay in achieving bankable contracts with customers now.

The Committee thought that, in order to take the project to FID, not only firm gas offtake commitments have to be in place but also more focus on cost reduction is required. One option which could be considered was whether increased cooperation with Sakhalin I may improve the economics. The Committee considered that, if the project were to continue, it would be on the basis of long-term strategic positioning and prospects. At present it was viewed as a marginal project where the economics had not improved in the last six months. It was noted that a VAR 4 would take place before the end of 2002. The Committee noted that the Group is viewed as a leader in this business and the market generally would understand if it chose to walk away or to slow down the pace of

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development. The Committee, however, considered that the Group's decision should not be constrained by what the market would expect.

There was support for continuing to retain optionality by going forward but maximum activity was required in securing gas offtake commitments, particularly in Japan. If necessary Senior Group representation should put the Japanese stakeholders under pressure to make commitments to the project in order to progress it in the interest of Japan.

The Committee noted that in three months time it may tactically be desirable to put the project on hold to concentrate the attention of potential customers. The critical importance of the supply of LNG to Mexico for the success of the project was also noted.

The Committee considered that the overall message to customers and partners should be that the Group did want to do this project if it could get the support it required from partners and customers. It would ultimately be a very difficult decision but nonetheless work should continue on the basis that FID would be taken in March 2003. The set of conditions precedent should be made crystal clear with a timescale for achieving each of them. A tactical plan on how best to manage the process would be put in place to be reviewed by the Committee on a three monthly basis.

The Committee noted that ExxonMobil had expressed an interest in examining synergies with Sakhalin 1 although there was a concern that this may be a spoiling tactic to slow things down.

There was a strong incentive to continue development of this opportunity given the competitive position in the Far East LNG market, the cash flow robustness post start-up and the new legacy position in the long-term within Group return criteria.

The Committee expressed its appreciation to the Sakhalin team for its determination in pushing forward with what was clearly a very difficult project.

Copy of Minute to: W van de Vijver, L Cook.

8. FT ARTICLE RE: TOLLING AGREEMENTS

Lynn Elsenhans, Mike Warwick, Simon Henry and Mary Jo Jacobi entered the meeting; Linda Cook was in attendance.

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Linda Cook explained the sequence of events leading up to and following the publication in the Financial Times of two articles on Monday, 15 July 2002 relating to Shell's tolling transactions in the US. The Financial Times had published a third article on 18 July referring to comments made by JJ Traynor of Deutsche Bank. It was understood that Deutsche Bank had lodged a letter of complaint with the FT.

The Committee noted that the reputation of Royal Dutch/Shell in The Netherlands had been particularly badly affected due to extensive television news coverage.

The presenter commented that a number of lessons were clear. Greater preparation should have been made for the worst-case scenario and it was important to establish proper ownership of the issue earlier. The Group's complicated internal structure made reacting quickly more difficult and it was accepted that the reactive press release should have been issued by noon on 15 July. It was suggested that media training in the Group be broadened generally and that great care be taken when using internal jargon externally. Issues management should be tested in Gas & Power "affiliates" (e.g. Shell Trading and SGS) and the company secretaries must be involved earlier.

Issues management in Shell Trading should be linked into general Gas & Power issues management. Half the calls received occurred in the first few hours after publication and were predominantly from analysts and investors rather than the media. Most of these calls were fact-finding in nature but the information required was not immediately available.

It was noted that in the post Enron and Worldcom climate, former employees with grudges were now being taking very seriously in any allegations they may make about their former employers. It was noted that the individual who had made these allegations had not been a senior employee. Although described as a general manager, he had no subordinates and was employed at JG3 level. His job title reflected a trend in the US for "title inflation".

The Committee understood from contacts with the Editor of the FT that it wished to develop a more investigative style and sharper edge in its reporting. However, the FT also had to be aware that it carried huge weight and authority within business and any reporting must be accurate and fair.

The Committee also noted that, in the current climate, careful thought needed to be given to any unintended conclusions which could be drawn. For example, it might have been preferable to have fielded someone other than Debbie Wernet for the interview, given her Enron background.

The Committee asked whether there were any other concerns in relation to Coral of which they should be aware. Mike Warwick explained that there was some litigation in California and that the FERC investigations arising out of Enron's practices were ongoing. The legal action would continue into 2003 but there was no expectation that Coral would be the subject of any action by the FERC.

The Committee asked whether Coral in particular, and Shell in the US generally, had engaged in any "wash trades". Mike Warwick confirmed that wash trades were against Coral policy and that no wash trades had been uncovered in Coral during the investigations earlier this year and that the FERC had been notified accordingly. Of the ten objectionable categories of Enron behaviour identified by the FERC, Coral, and Shell generally, had not engaged in any. There were some trading practices which were considered normal which Coral had engaged in which had been notified to FERC for the sake of good order and completeness.

The Committee asked whether it could state without reservation that all matters had been investigated in Coral and Shell in the US which might pertain to Enron-type behaviour, especially "wash trades". Mike Warwick explained that these matters had been investigated intensively, that no evidence of any misbehaviour had been found and that Coral had no motivation to engage in any such behaviour.

The Committee noted that having the note in the Accounts had proved very helpful in this instance and that there had been no communication from the SEC or the New York Stock Exchange, possibly as a result of the note.

The Committee queried whether Master Limited Partnerships (MLPs) were creating a problem. Mike Warwick commented that he was not aware of specific concerns in this respect.

The Committee expressed its thanks to all involved in dealing with this issue and in particular expressed its appreciation for the media and investor relations response teams who had handled the large number of queries on the day in a very professional manner.

Copy of Minute to: L Elsenhans, L Cook.

9. Q2 RESULTS (OIL PRODUCTS)

Ron Blakely and Tim Morrison entered the meeting; Simon Henry was in attendance.

Tim Morrison presented the initial Q2 results for the Group and Ron Blakely presented those for OP. Given that Q2/2001 had been a record result for OP, the OP results for Q2/2002 were always likely to fall short. In particular, in 2002, refinery margins were difficult in Europe. The East Zone had turned in a good performance but in the South Zone the difficulties in Brazil and Argentina had pulled the results down. In trading, the shipping results were disappointing. Canadian results were affected by having the three refineries shutdown during the period although this may prove to have been opportune in the economic circumstances. In the US, OP's strong refining position on the west coast may act to its detriment compared to ExxonMobil and BP who were better placed geographically given the relative refining margins.

In retail, SEOP had performed well in Europe, but so had the competition. Following the Q1 results, expectations were going to be very high and accordingly a very strong and aligned story needed to be developed.

The Committee requested the development of a step chart quarter by quarter for OP and its competitors. Care needed to be taken with the storyline, particularly as DEA acceleration was about to be announced. The key factor was whether in these economic circumstances Shell was under-performing compared to its main competitors. Transparency in giving the OP story was the key.

Across the Group, EP generally was in line with analysts' expectations while OP and GP would be disappointing. Chemicals had performed better but, given the amounts involved, may not feature prominently in the overall story. The minimum analysts' estimate for the Q1 results was $2.2 bln.

Copy of Minute to: P Skinner, T Morrison.

10. CHEMICALS VISION

Rosemarie Mecca, James Smith, Stan Park and Evert Henkes entered the meeting.

James Smith gave a presentation which evaluated the strategic options in petrochemicals and in particular reviewed Shell's portfolio strategy, its competitive position and performance, and the key strategic issues faced.

In terms of competitive position and strategic confidence, the Group position was particularly strong in base chemicals. The Committee suggested that SADAF should be included for the sake of completeness. It was noted that SADAF's styrene and cracker businesses were particularly well placed. EO/G and polyethylene, as readily transportable derivatives, were key in the context of possible developments in the Middle East. In polyethylene, Basell was the market leader in Europe but did not have a global position, nor a presence in North America. While the additives business was not strategic to Shell Chemicals, and could be considered as a potential divestment, it had a greater relevance for OP. In respect of catalysts, the EO/G part of the business was very successful but the remainder, which related to refinery catalysts and was asset intensive, was potentially divestable.

The Committee found the presenter's presentation of average ROACE for the component businesses within Shell Chemicals particularly helpful.

With regard to Basell, the Committee noted that Basell had certain strengths and was achieving synergies but nonetheless had a record of poor profitability. The Committee needed to understand why this was the case and whether a ROACE of 15% was achievable by 2006. If so, what steps needed to be taken to reach that objective.

The Committee recommended that the presenter prepare a separate story specifically on Basell, to gain understanding of the market conditions faced and what self-help measures were available. The presenter reminded the Committee that a moratorium on divestment was in place until 1 January 2005 under the shareholder agreement.

With respect to Basell, the presenter commented that he did not see any major impediments due to Basell not being a 100% Shell entity although Cleo would probably already be in place if Basell was 100% Shell. The Committee commented that value and doability were key elements in reviewing each of the options to be presented by the Team. The Committee also commented that the Team should investigate what Basell should look like were it to become a 100% Shell entity. The Committee believed that it was very important to gain sufficient understanding of Basell to enable the Committee to undertake a detailed review of its future and to enable Conference to do the same.

In respect of the North American ethylene market, it was noted that buyers had the option to build their own plants. While it was tenable to remain in this market for the longer term, it may not be as strategically strong a business as it might otherwise be. The presenter commented that Shell was heavily exposed to the merchant market which accounted for 40% of Shell's total production. The Committee noted that this was a very volatile market but queried whether there may be scope for selling this business to take advantage of an upturn in the market. The presenter responded, however, that he thought potential buyers would look at the business in the longer term.

With respect to Shell Chemicals' strengths and weaknesses, the presenter emphasised the strength of the Chemicals' staff but commented that the age profile indicated that a significant number of key employees would be retiring within the next ten years.

In relation to asset integrity, the presenter noted that the assets in Europe and North America were typically older than those in the Far East. An ongoing programme of asset refurbishment was underway. The lower olefins assets in North America were considered to be the next priority. Once lower olefins had been addressed, the remaining spend would be spread across the whole business.

It was noted that the investor perspective presented on Shell Chemicals was, due to the requirement to maintain confidentiality, drawn only from a very limited range of sources. The Committee commented that a wider external perspective was required but noted the difficulties in achieving this within confidentiality constraints.

Although initial indications were that the largest challenges with the chemicals business were focused on North America and Basell, the Committee observed that it was too early to make a judgement.

The Committee commented that it would be very helpful to obtain an understanding of how each SPU is positioned, particularly given that each SPU is very different in character. Each SPU should also be reviewed in the context of what it brings to the Group generally and where it stands in the value chain. The Committee were also aware that the Chemicals business does bring in some technology advantages which are helpful elsewhere in the Group. The presenter confirmed that the SPU paper would be updated and in particular that the long-term reference conditions underpinning this paper would also be reviewed. EO and polyethylene were clearly key parts of the value chain, especially with regard to the Middle East.

The Committee commented that over the years a series of promising Chemicals projects had been brought to it for consideration but which nonetheless had proved to be disappointing in practice. This was an issue which needed to be addressed and a retrospective review should be carried out of the performance of these projects against plan. There was some suspicion in the organisation generally with regard to the ability of Chemicals to perform and deliver on its targets which the Team needed to bear in mind.

Copy of Minute to: E Henkes.