



## **Q1 2005 Results**

28 April, 2005

# Disclaimer statement

The following presentation/press release/speech contains forward-looking statements, that are subject to risk factors associated with the oil, gas, power, chemicals and renewables business. It is believed that the expectations reflected in these statements are reasonable, but may be affected by a variety of variables which could cause actual results, trends or reserves replacement to differ materially, including, but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, risks associated with the identification of suitable potential acquisition properties and targets and the successful negotiation and consummation of transactions, the risk of doing business in developing countries, legislative, fiscal and regulatory developments including potential litigation and regulatory effects arising from recategorisation of reserves, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

Please refer to the Annual Report on Form 20-F for the year ended December 31, 2004 (as amended) for a description of certain important factors, risks and uncertainties that may affect the Companies' businesses. Neither of the Companies undertake any obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or otherwise.

## **Cautionary Note to US Investors:**

The United States Securities and Exchange Commission ('SEC') permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. We use certain terms in this presentation, such as "expected producible resources" and "amount of reserves we expect to produce", that the SEC's guidelines strictly prohibit us from including in filings with the SEC.



# Q1 2005: delivering on the fundamentals

- **Production: higher end of expectations for quarter**
- **Encouraging exploration results**
- **Record LNG volumes**
- **New integrated gas projects**
- **Downstream: Strong earnings, cash, operational performance**
- **Portfolio reshaping proceeding at pace**



# Very strong financial performance

	<b>Q1 2005</b> <i>\$ billion</i>	<b>Q1 2004</b> <i>\$ billion</i>
Income up 42%	6.7	4.7
CCS* Earnings up 28%	5.5	4.3
Cash From Operations** up 38%	9.1	6.6
Divestment proceeds	1.1	1.7
Capital investment***	2.8	2.8

\* CCS for Oil Products segment only

\*\* excluding working capital and taxation accrued/paid

\*\*\* excluding minority interest in Sakhalin



# Good performance across the businesses

<b>Segment Earnings</b>	<b>Q1 2005</b> <i>\$ billion</i>	<b>Q1 2004</b> <i>\$ billion</i>	<b>Change</b> %
Exploration & Production	3.0	2.7	9
Gas & Power	0.5	0.5	-9
Oil Products CCS*	1.9	1.2	59
Chemicals	0.4	0.2	103
Other	(0.2)	(0.3)	N/A

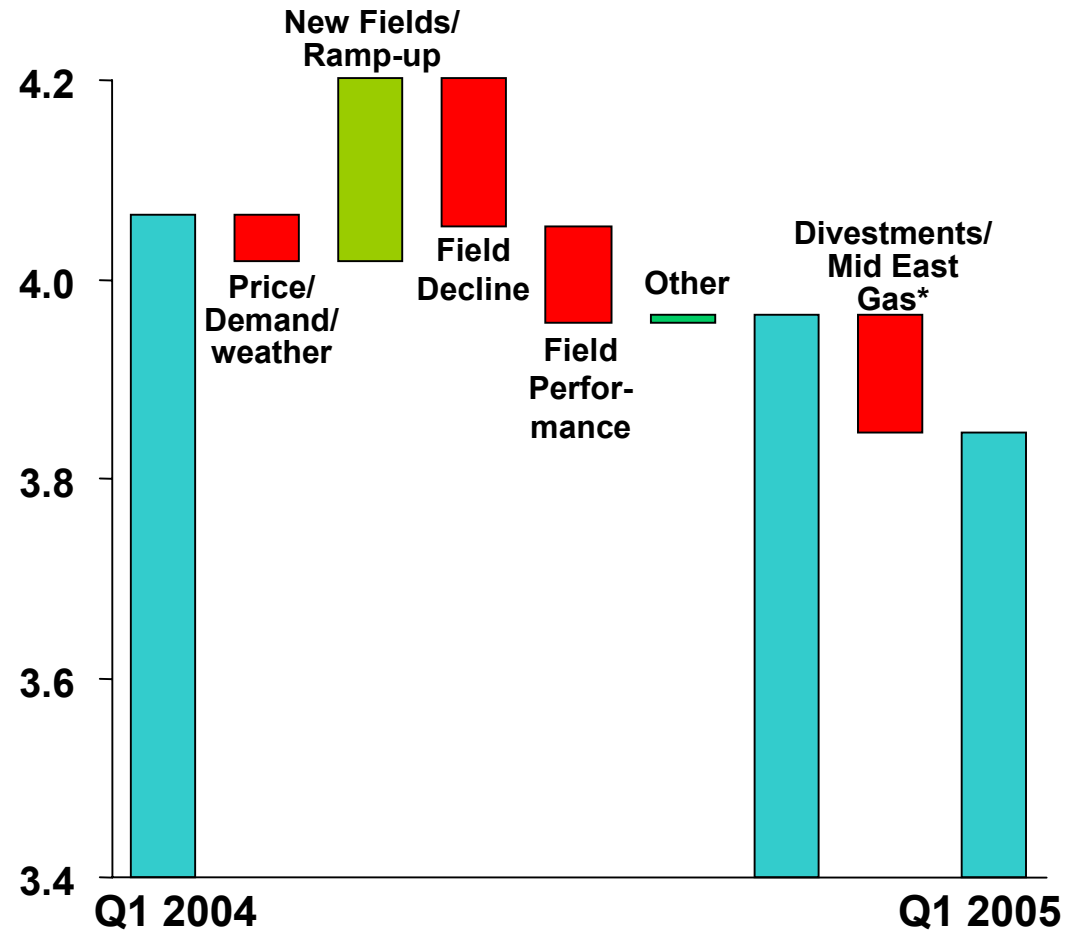
\* On an income basis Oil Products earnings were \$3.1 bln. The CCS adjustment was \$1.2 bln.



# Exploration and Production

- Earnings excluding net charges/gains increase 22%
- Strong cash generation (\$4.6 bln DACF)
- Q1 2005 production down 2% excluding divestments and Middle East Gas\*
- Production of 3.85 mboe/d
- Encouraging exploration and portfolio progress

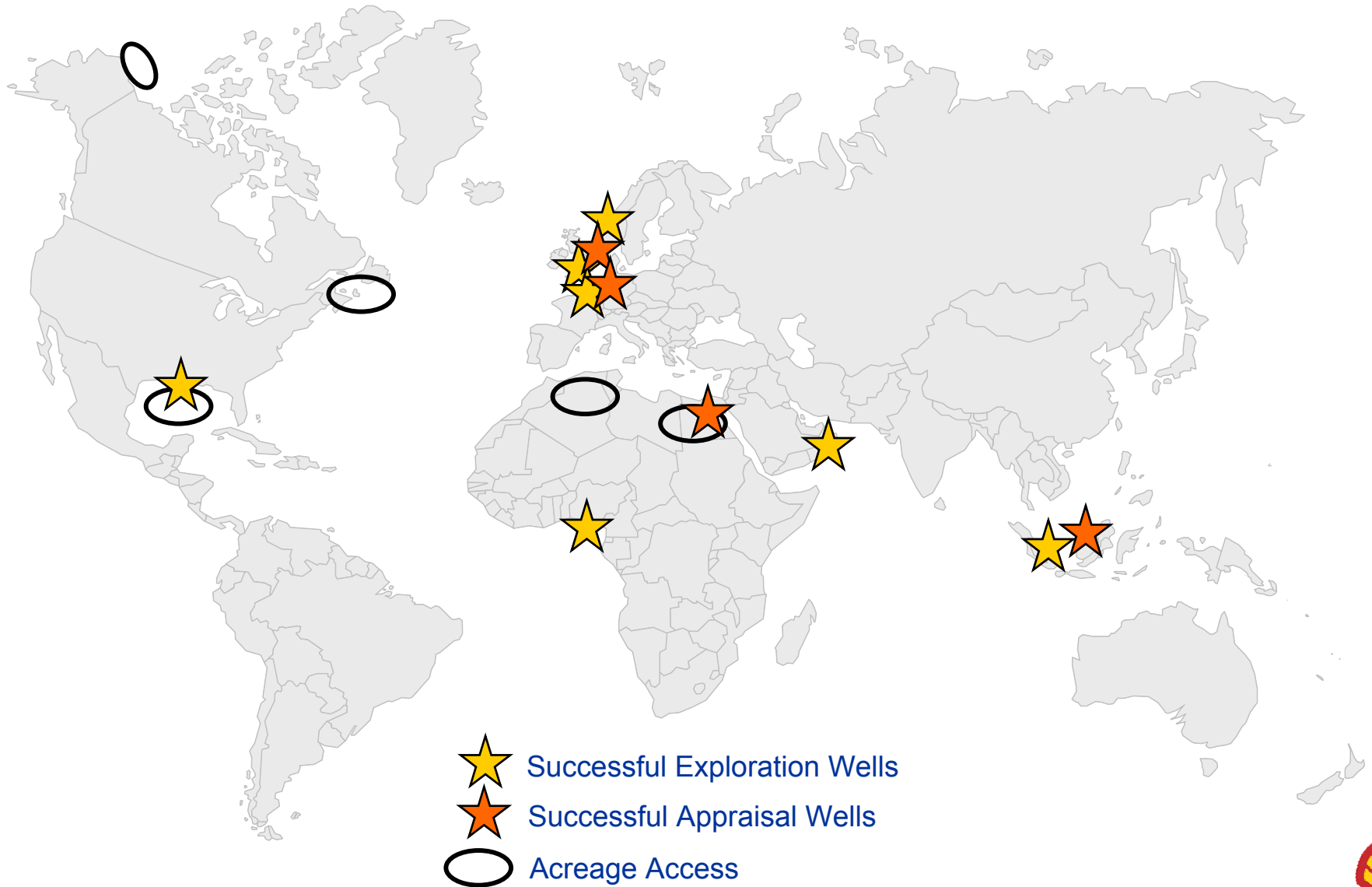
## Production mboe/d



\* end of Middle East gas contract

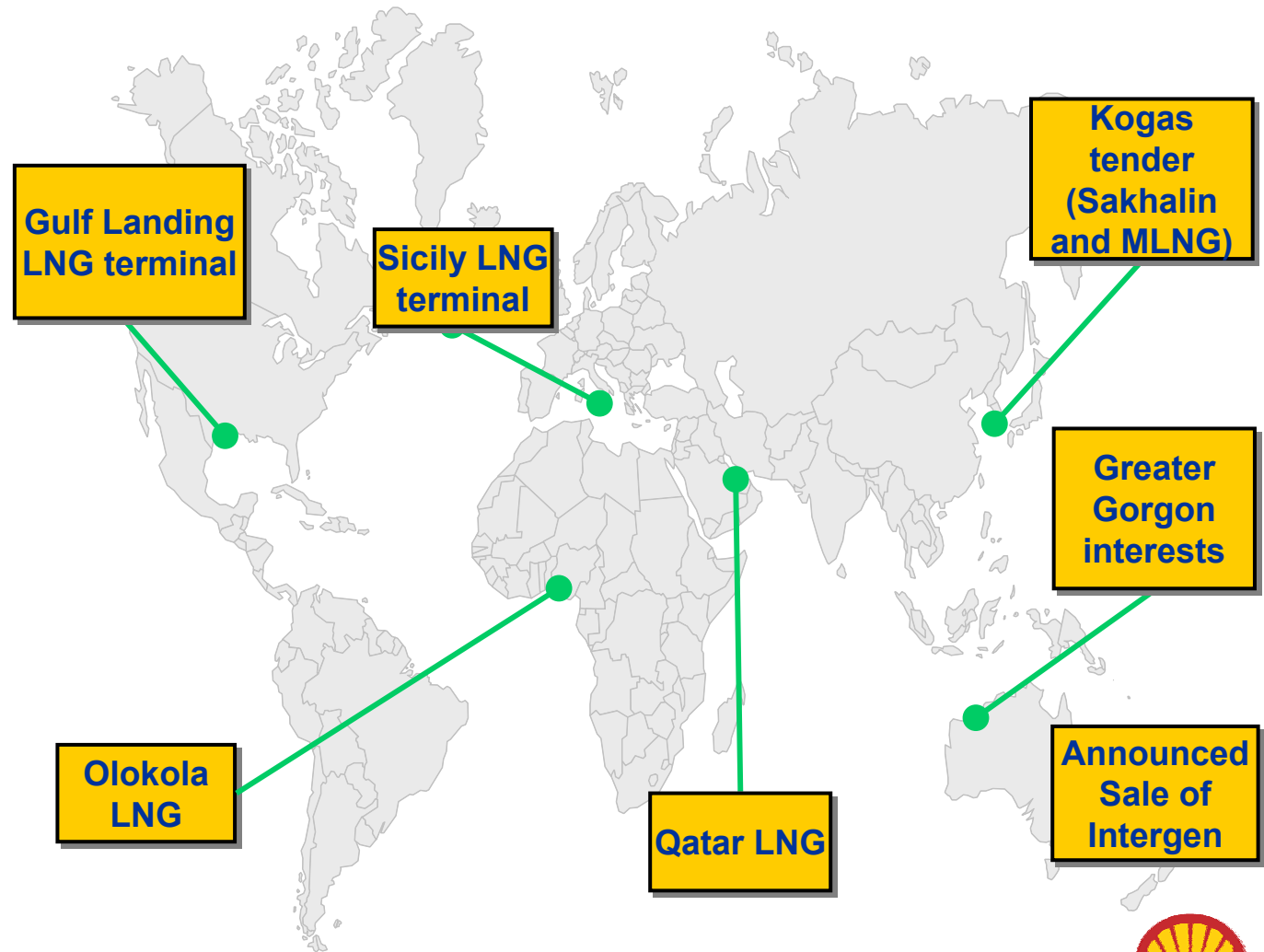


# Exploration progress



# GP: Strong earnings, portfolio progress

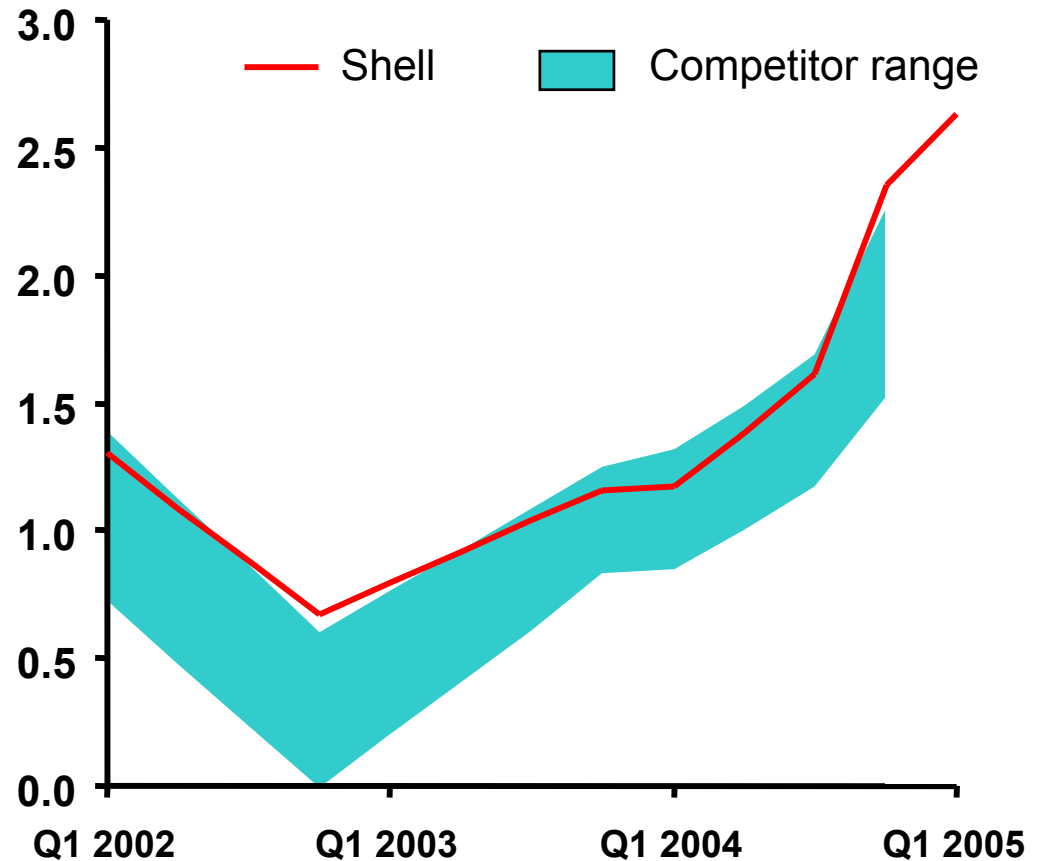
- Underlying earnings up 17%
- DACF of \$0.4 bln
- 15% volume growth year on year



# Oil Products: Competitive unit earnings and strong operational performance

- CCS earnings of \$1.9 bln
- DACF of \$3.1 bln
- Divestment progress (\$0.8 bln proceeds)
- Global refinery utilisation up over 3% points to 81.9%
- US unplanned downtime 4.3%
- China retail start up

Oil Products  
global adjusted unit CCS earnings per barrel\*



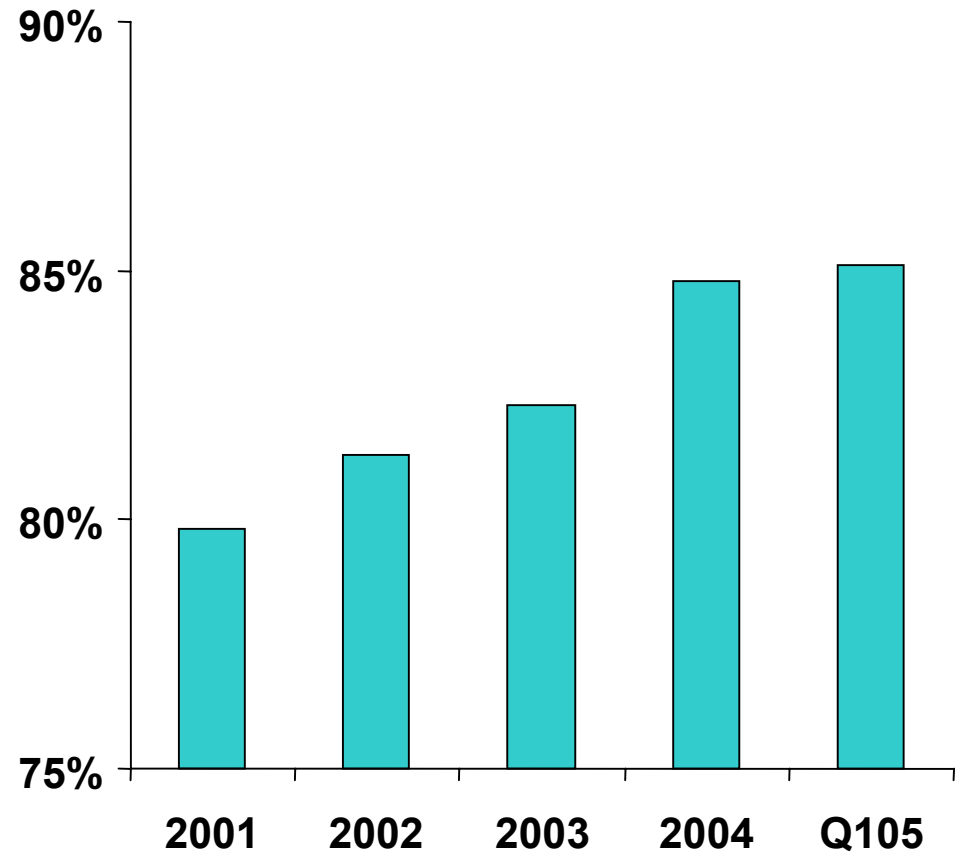
\*Annual + rolling 4 quarters since 2004



# Chemicals: Strong earnings and cash, improved asset performance

- Underlying operational earnings (\$0.7 bln) triple from Q1 04
- DACF of \$1.1 bln
- Improved margins
- Improved asset utilisation

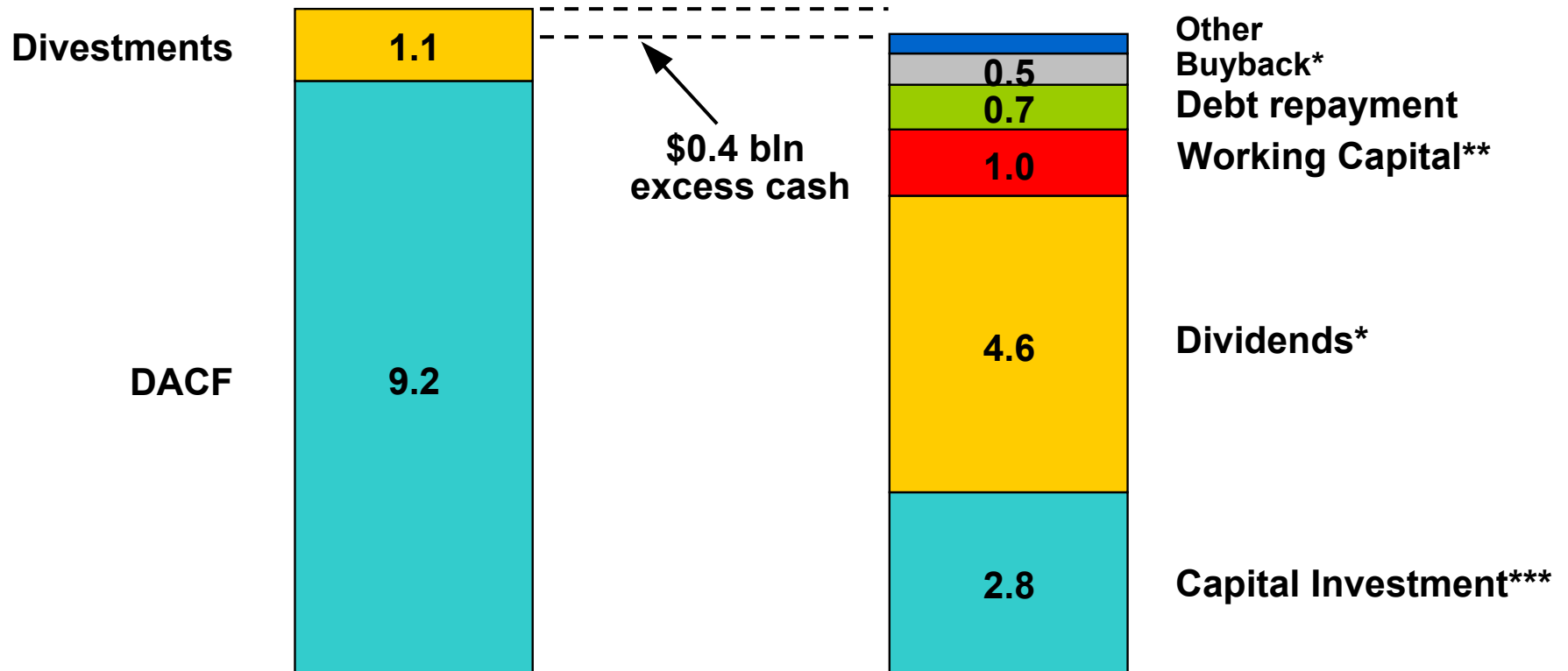
**Asset Utilisation rates**



# Strong cash generation

Q1 2005 Cash In \$10.3 bln

Q1 2005 Cash Out \$9.9 bln



\* Paid to parent companies \*\* Net working capital and taxation accrued/paid \*\*\* Group Share



# Looking ahead

- Focus on the fundamentals
  - Operational performance across all businesses
  - Delivery of major projects
- Reshape the portfolio: continued divestment progress
- Return cash to shareholders \$13 -15 bln in 2005
- Implement the proposed transaction for RDS
  - Documents expected to be published in May 2005
  - Transaction to be voted at AGM on 28 June, 2005
  - Completion expected in July 2005

