

# Royal Dutch Shell

# 3rd Quarter

2007 unaudited  
results

## 3rd Quarter 2007 results

- Royal Dutch Shell's third quarter 2007 earnings, on a current cost of supply (CCS) basis, were \$6.4 billion compared to \$6.9 billion a year ago. Basic CCS earnings per share decreased by 6% versus the same quarter a year ago.
- From 2007 onwards the Group is declaring its dividends in US dollars rather than in euros. A third quarter 2007 dividend has been announced of \$0.36 per share, an increase of 14% over the US dollar dividend for the same period in 2006.
- \$1.5 billion or 0.6% of Royal Dutch Shell shares were bought back for cancellation during the quarter.

**Royal Dutch Shell Chief Executive Jeroen van der Veer commented: "Given the weaker industry refining margins we have seen in the quarter, these are satisfactory results, underpinned by Shell's operating performance. We continue to rejuvenate our portfolio with sustained investment in new legacy assets, and through disposals. I am pleased with progress during the quarter, with the launch of new refining and liquefied natural gas projects, and further asset sales. The execution of our strategy is on track."**

## Summary unaudited results

QUARTERS				\$ million	NINE MONTHS		
Q3 2007	Q2 2007	Q3 2006	% <sup>1</sup>		2007	2006	%
6,916	8,667	5,942	+16	<b>Income attributable to shareholders</b>	<b>22,864</b>	20,159	<b>+13</b>
(524)	(1,111)	1,006		<i>Estimated CCS adjustment for Oil Products and Chemicals (see note 2)</i>	<i>(1,984)</i>	<i>(809)</i>	
<u>6,392</u>	<u>7,556</u>	<u>6,948</u>	-8	CCS earnings	<u>20,880</u>	<u>19,350</u>	<b>+8</b>
1.10	1.38	0.93		Basic earnings per share (\$)	3.64	3.13	
(0.08)	(0.18)	0.16		<i>Estimated CCS adjustment per share (\$)</i>	<i>(0.31)</i>	<i>(0.13)</i>	
<u>1.02</u>	<u>1.20</u>	<u>1.09</u>	-6	Basic CCS earnings per share (\$)	<u>3.33</u>	<u>3.00</u>	<b>+11</b>
0.36	0.36	0.315		Dividend per ordinary share (\$) <sup>2</sup>	1.08	0.945	

<sup>1</sup> Q3 on Q3 change  
<sup>2</sup> From 2007 onwards dividends are declared in US dollars. 2006 dividends were declared in euros and translated, for comparison purposes, to US dollars (based on the US dollar dividend of American Depositary Receipts in the applicable period converted to ordinary shares).

The information in these quarterly results reflects the consolidated financial position and results of Royal Dutch Shell plc ("Royal Dutch Shell"). All amounts shown throughout this report are unaudited. Registered Office: England, 4366849, Shell Centre, London, SE1 7NA, UK

## Key features of the third quarter 2007

- **Third quarter 2007 CCS earnings** were \$6,392 million or 8% lower than in the same quarter a year ago.
- **Third quarter 2007 reported income** was \$6,916 million or 16% higher than in the same quarter a year ago.
- **Exploration & Production** segment earnings were \$3,510 million compared with \$3,743 million in the third quarter 2006. Earnings, when compared to the third quarter of 2006, were mainly impacted by lower volumes, higher tax charges and higher costs, reflecting current industry conditions, partly offset by the impact of higher oil prices on revenues.
- **Gas & Power** segment earnings were \$568 million compared to \$781 million a year ago. Earnings, when compared to the third quarter of 2006, reflected lower marketing and trading results and reduced gas-to-liquids (GTL) sales volumes due to a planned shutdown of the Bintulu GTL plant, which were partly offset by higher revenues from increased equity liquefied natural gas (LNG) sales volumes.
- **Oil Products CCS** segment earnings were \$1,651 million compared to \$2,160 million in the third quarter 2006. Earnings, when compared to the third quarter of 2006, were mainly impacted by lower realised refining margins, a lower contribution from trading and higher operating costs, which were partly offset by a gain related to a tax rate change in Germany.
- **Chemicals CCS** segment earnings were \$360 million compared to \$335 million in 2006, mainly reflecting improved margins, which were partly offset by a reduced trading contribution.
- **Cash flow from operating activities** was \$9.1 billion compared to \$10.1 billion in the third quarter 2006. Excluding working capital movements and taxation effects, cash flow from operating activities was \$9.8 billion compared to \$9.6 billion a year ago (see note 7).
- Total cash returned to shareholders in the form of **dividends and share repurchases** in the third quarter 2007 was \$3.7 billion.
- **Capital investment** for the third quarter 2007 was \$6.8 billion.
- **Return on average capital employed (ROACE)**, on a reported income basis (see note 3), was 23%.
- **Gearing** (see note 5) was 12.1% at the end of the third quarter 2007 versus 13.4% at the end of the third quarter 2006.
- As from the fourth quarter 2007, the **Oil Sands** segment information will be reported as a separate Downstream business segment. The Oil Sands segment information is currently reported under the Upstream Exploration & Production segment.

### Basic earnings per share (see notes 1, 2 and 8)

QUARTERS				NINE MONTHS	
Q3	Q2	Q3		2007	2006
2007	2007	2006		2007	2006
1.10	1.38	0.93	Earnings per share (\$)	3.64	3.13
1.02	1.20	1.09	CCS earnings per share (\$)	3.33	3.00

### Diluted earnings per share (see notes 1, 2 and 8)

QUARTERS				NINE MONTHS	
Q3	Q2	Q3		2007	2006
2007	2007	2006		2007	2006
1.10	1.38	0.93	Earnings per share (\$)	3.63	3.12
1.02	1.20	1.09	CCS earnings per share (\$)	3.32	2.99

### Summary segment earnings (see notes 2 and 4)

QUARTERS				\$ million	NINE MONTHS		
Q3	Q2	Q3			2007	2006	%
2007	2007	2006	% <sup>1</sup>		2007	2006	
				<b>Segment earnings</b>			
3,510	3,301	3,743		Exploration & Production	10,319	11,485	
568	779	781		Gas & Power <sup>2</sup>	2,150	2,054	
1,651	2,936	2,160		Oil Products (CCS basis)	6,075	5,558	
360	494	335		Chemicals (CCS basis)	1,334	822	
413	177	266		Corporate <sup>2</sup>	1,391	45	
(110)	(131)	(337)		Minority interest	(389)	(614)	
<u>6,392</u>	<u>7,556</u>	<u>6,948</u>	-8	<b>CCS earnings</b>	<u>20,880</u>	<u>19,350</u>	+8

<sup>1</sup> Q3 on Q3 change

<sup>2</sup> As from 2007, the segment Other Industry and Corporate has been renamed as Corporate. Its earnings no longer include the results generated by the Wind and Solar businesses, which were previously reported as part of Other Industry segments, but continue to include some non-material businesses. The Wind and Solar businesses earnings are, as from 2007, reported under the Gas & Power segment. For comparison purposes, the third quarter 2006 and the nine months period of 2006 results were reclassified and are impacted by \$(6) million and \$(14) million in the Gas & Power segment and by \$6 million and \$14 million in the Corporate segment, respectively.

## Summary segment earnings - continued

Earnings in the third quarter 2007 reflected the following items, which in aggregate amounted to a net income of \$265 million (compared to a net charge of \$77 million in the third quarter 2006) as summarised in the table below:

- Exploration & Production earnings included a net income of \$130 million. Earnings for the third quarter 2007 included a gain of \$143 million related to an impairment reversal and a combined gain of \$228 million related to tax impacts and the benefit of a tax rate change in Germany. These gains were partly offset by charges of \$93 million related to the mark-to-market valuation impact of certain UK gas contracts, the write-off of exploration costs in Alaska of \$77 million and a \$71 million charge related to a one-time pension liability impact (see below). Earnings for the third quarter 2006 included a net charge of \$163 million reflecting a gain of \$147 million related to the mark-to-market valuation of certain UK gas contracts, more than offset by charges of \$310 million related to a UK tax increase effective as from January 1, 2006.
- Gas & Power earnings included a net charge of \$4 million, reflecting a gain of \$11 million related to a tax rate change in Germany, which was more than offset by charges of \$10 million related to a one-time pension liability impact (see below) and \$5 million related to the mark-to-market valuation impact of certain gas contracts.
- Oil Products earnings included a net income of \$121 million, reflecting a gain of \$149 million related to a tax rate change in Germany, which was partly offset by a charge of \$28 million related to a one-time pension liability impact (see below).
- Chemicals earnings included a net income of \$18 million, reflecting a gain of \$19 million related to a tax rate change in Germany, which was partly offset by a charge of \$1 million related to a one-time pension liability impact (see below).
- Corporate earnings did not include any identified items for the third quarter 2007. Earnings for the third quarter 2006 included \$86 million related to tax credits.

The Shell Group earnings included a combined charge of \$110 million related to a one-time impact on past-service pension liabilities due to implementation of a revised structure for certain employees' remuneration, of which the major elements arose in the Exploration & Production and Oil Products segment earnings.

Summary table:

QUARTERS			\$ million	NINE MONTHS	
Q3 2007	Q2 2007	Q3 2006		2007	2006
			Segment earnings impact of identified items:		
<b>130</b>	153	(163)	Exploration & Production	<b>387</b>	254
<b>(4)</b>	247	-	Gas & Power	<b>282</b>	-
<b>121</b>	205	-	Oil Products (CCS basis)	<b>150</b>	(65)
<b>18</b>	-	-	Chemicals (CCS basis)	<b>18</b>	(30)
-	55	86	Corporate	<b>459</b>	(314)
-	-	-	Minority interest	-	(41)
<b>265</b>	<b>660</b>	<b>(77)</b>	CCS earnings impact	<b>1,296</b>	<b>(196)</b>

These items generally relate to events with an impact of greater than \$50 million on Shell Group earnings and are shown to provide additional insight in the segment earnings, CCS earnings and income attributable to shareholders. Further additional comments are provided in the section 'Earnings per industry segment' on page 5 and onwards.

## Earnings per industry segment

### Upstream

QUARTERS				NINE MONTHS	
Q3	Q2	Q3		2007	2006
2007	2007	2006			
	\$/bbl		<b>Realised Oil Prices (period average)</b>		\$/bbl
<b>70.74</b>	64.41	65.60	WOUSA	<b>63.32</b>	62.35
<b>70.34</b>	61.06	62.57	USA	<b>60.72</b>	60.77
<b>70.69</b>	63.92	65.13	Global	<b>62.95</b>	62.15
	\$/thousand scf		<b>Realised Gas Prices (period average)</b>		\$/thousand scf
<b>6.69</b>	5.95	6.43	Europe	<b>6.86</b>	6.72
<b>4.07</b>	4.01	4.05	WOUSA (including Europe)	<b>4.27</b>	4.35
<b>6.53</b>	7.78	7.31	USA	<b>7.16</b>	8.04
<b>4.57</b>	4.74	4.77	Global	<b>4.84</b>	5.09
			<b>Oil and gas marker industry prices (period average)</b>		
<b>74.84</b>	68.86	69.63	Brent (\$/bbl)	<b>67.15</b>	66.97
<b>75.24</b>	64.89	70.44	WTI (\$/bbl)	<b>66.06</b>	68.06
<b>6.14</b>	7.56	6.05	Henry Hub (\$/MMBtu)	<b>6.94</b>	6.80
<b>30.68</b>	20.20	33.77	UK National Balancing Point (pence/therm)	<b>24.39</b>	45.93

### Exploration & Production

QUARTERS				\$ million	NINE MONTHS		
Q3	Q2	Q3	% <sup>1</sup>		2007	2006	%
2007	2007	2006					
<b>3,510</b>	3,301	3,743	<b>-6</b>	<b>Segment earnings</b>	<b>10,319</b>	11,485	<b>-10</b>
<b>1,874</b>	1,908	2,054	<b>-9</b>	Crude oil production (thousand b/d)	<b>1,914</b>	1,973	<b>-3</b>
<b>7,329</b>	7,367	6,942	<b>+6</b>	Natural gas production available for sale (million scf/d)	<b>7,886</b>	8,365	<b>-6</b>
<b>3,137</b>	3,178	3,251	<b>-4</b>	Barrels of oil equivalent (thousand boe/d)	<b>3,273</b>	3,415	<b>-4</b>

<sup>1</sup> Q3 on Q3 change

**Third quarter** Exploration & Production segment earnings were \$3,510 million compared to \$3,743 million a year ago.

**Third quarter** Exploration & Production earnings included a net income of \$130 million, comprising a gain of \$143 million related to an impairment reversal and a combined gain of \$228 million related to tax impacts and the benefit of a tax rate change in Germany. These gains were partly offset by charges of \$93 million related to the mark-to-market valuation impact of certain UK gas contracts, exploration write-offs in Alaska of \$77 million and a \$71 million charge related to a one-time pension liability impact. Earnings for the third quarter 2006 included a net charge of \$163 million reflecting a gain of \$147 million related to the mark-to-market valuation of certain UK gas contracts, more than offset by charges of \$310 million related to a UK tax increase effective as from January 1, 2006.

Earnings, when compared to the third quarter 2006, were mainly impacted by lower volumes, higher tax charges and higher costs, reflecting current industry conditions, partly offset by the impact of higher oil prices on revenues. In addition, higher exploration expenses, and lower profits from the Sakhalin project, as a consequence of the partial divestment in the second quarter 2007, impacted earnings when compared to the third quarter 2006.

Liquids realisations were 9% higher than in the third quarter 2006, following marker crudes Brent and WTI which were both up 7%. Gas realisations were 4% lower than a year ago. Outside the USA gas realisations were relatively unchanged whereas in the USA gas realisations decreased by 11%.

Third quarter 2007 production was 3,137 thousand barrels of oil equivalent per day compared to 3,251 thousand barrels of oil equivalent per day a year ago. Total crude oil production (including oil sands) was down 9% and total natural gas production was up 6% when compared to the third quarter 2006. Third quarter 2007 production was mainly impacted by field decline rates and divested volumes, which were partly offset by new fields production and ramp-up volumes when compared to the same quarter last year.

Production compared to the third quarter 2006 included increased volumes from E8 and B12 (Shell share 50%) in Malaysia, Pohokura (Shell share 48%) in New Zealand, West Salym (Shell share 50%) in Russia, Changbei (Shell share 50%) in China, Erha (Shell share 44%) in Nigeria, Merganser (Shell share 44%) in the UK, Enfield in Australia (Shell share 21%, indirect) and Deimos (Shell share 71.5%) in the USA.

#### **Third quarter portfolio developments:**

In Austria, Shell announced that it has signed a Sale and Purchase Agreement for the sale of its 25% equity holding in Austrian oil and gas producer, Rohöl-Aufsuchungs AG (RAG) with completion expected late 2007 or early 2008.

In Norway, Shell announced that it has entered into an agreement with E.ON Ruhrgas Norge AS to sell its 28% equity interests in the undeveloped Skarv and Idun fields for \$893 million. The sale is subject to the relevant regulatory approval and is expected to be completed by end 2007.

In Russia, Shell and Rosneft Open Joint Stock Company have concluded an agreement on Strategic Cooperation, which provides for a joint implementation of upstream and downstream oil and gas projects both in Russia and elsewhere.

Also in Russia, Shell and JSC Tatneft concluded an agreement for a Strategic Partnership to devise a programme for heavy oil development in Tatarstan as well as other potential joint activities, including the acquisition of new licenses for hydrocarbon exploration in Tatarstan and elsewhere in Russia.

In the United States, Shell announced first production from the Deimos (Shell share 71.5%) discovery in the Gulf of Mexico Mars Basin with a peak production capacity for Phase I of 30 thousand barrels of oil equivalent per day.

In Norway, first gas was produced from the Ormen Lange field (Shell share 17%) with a peak production capacity of some 420 thousand barrels of oil equivalent per day.

## Gas & Power

QUARTERS				\$ million	NINE MONTHS		
Q3	Q2	Q3	% <sup>1</sup>		2007	2006	%
2007	2007	2006					
<b>568</b>	779	781	<b>-27</b>	<b>Segment earnings<sup>2</sup></b>	<b>2,150</b>	2,054	<b>+5</b>
<b>3.29</b>	3.25	2.94	<b>+12</b>	Equity LNG sales volume (million tonnes)	<b>9.84</b>	8.78	<b>+12</b>

<sup>1</sup> Q3 on Q3 change

<sup>2</sup> As from 2007, the Gas & Power earnings include earnings generated by the Wind and Solar businesses, which were previously reported as part of Other Industry segments. For comparison purposes, the third quarter 2006 and nine months period of 2006 results were reclassified and were impacted by \$(6) million and \$(14) million respectively.

**Third quarter** Gas & Power segment earnings were \$568 million compared to \$781 million a year ago. Third quarter 2007 earnings included a net charge of \$4 million, reflecting a gain of \$11 million related to a tax rate change in Germany, which was more than offset by charges of \$10 million related to a one-time pension liability impact and \$5 million related to the mark-to-market valuation impact of certain gas contracts.

Earnings, when compared to the third quarter 2006, reflected lower marketing and trading results and reduced gas-to-liquids (GTL) sales volumes due to a planned shutdown of the Bintulu GTL plant, which were partly offset by higher earnings from increased equity liquefied natural gas (LNG) sales volumes.

LNG equity sales volumes of 3.29 million tonnes were 12% higher than in the same quarter a year ago, driven by additional sales mainly at Nigeria LNG (Shell interest 26%) due to increased feedgas supply.

Marketing and trading earnings benefited from storage optimisation in the third quarter 2007. Earnings, when compared to the same period last year, were lower due to less favourable overall trading conditions in both Europe and North America.

### Third quarter portfolio developments:

In Qatar, Shell and Qatar Petroleum announced the formation of Qatar Liquefied Gas Company Limited (4), a joint venture of Qatar Petroleum (70%) and Shell (30%), which signed a Sale and Purchase Agreement with Shell as the buyer of all the LNG volumes produced by the joint venture. An agreement was also signed with Qatargas Transport Company Limited (Nakilat), in which Shell was appointed as the shipping and maritime services provider for Nakilat's fleet of at least 25 newly built liquefied natural gas carriers.

In Australia, the final investment decision was taken by Woodside Petroleum Ltd. (Shell interest 34.27%) for the development of the Pluto LNG project in North-West Australia. The Australian Federal Ministry for the Environment issued government approval for the Pluto project in October.

Shell and Petrochina concluded a binding Heads of Agreement for the supply of 1 million tonnes per annum of LNG, for 20 years, from the Gorgon project in North-West Australia, conditional on a final investment decision being taken by the Gorgon Joint Venture partners. Gorgon received State and Federal environmental approval during the quarter.

## Downstream

QUARTERS				NINE MONTHS	
Q3	Q2	Q3		2007	2006
2007	2007	2006			
			<b>Refining marker industry gross margins</b>		
			<b>(period average)</b>		
	\$/bbl			\$/bbl	
<b>8.05</b>	23.10	13.25	ANS US West Coast coking margin	<b>17.75</b>	16.15
<b>15.40</b>	27.05	14.70	WTS US Gulf Coast coking margin	<b>18.45</b>	16.00
<b>3.50</b>	6.30	3.45	Rotterdam Brent complex	<b>4.50</b>	3.50
<b>2.50</b>	3.60	0.95	Singapore 80/20 Arab light/Tapis complex	<b>3.05</b>	2.05

## Oil Products

QUARTERS				\$ million	NINE MONTHS		
Q3	Q2	Q3			2007	2006	%
2007	2007	2006	% <sup>1</sup>				
<b>2,153</b>	3,928	1,214		<b>Segment earnings</b>	<b>7,883</b>	6,334	
<b>(502)</b>	(992)	946		<i>Estimated CCS adjustment – see note 2</i>	<b>(1,808)</b>	(776)	
<b>1,651</b>	<u>2,936</u>	<u>2,160</u>	<b>-24</b>	Segment CCS earnings	<b>6,075</b>	<u>5,558</u>	<b>+9</b>
<b>3,887</b>	3,806	3,907	<b>-1</b>	Refinery intake (thousand b/d)	<b>3,768</b>	3,852	<b>-2</b>
<b>6,756</b>	6,490	6,521	<b>+4</b>	Total Oil products sales (thousand b/d)	<b>6,552</b>	6,491	<b>+1</b>

<sup>1</sup> Q3 on Q3 change

**Third quarter** Oil Products segment earnings were \$2,153 million compared to \$1,214 million for the same period last year.

**Third quarter** Oil Products CCS segment earnings were \$1,651 million compared to \$2,160 million in the third quarter of 2006. Earnings for the third quarter 2007 included a net income of \$121 million, reflecting a gain of \$149 million related to a tax rate change in Germany, which was partly offset by charges of \$28 million related to a one-time pension liability impact.

CCS earnings, when compared to the third quarter of 2006, were mainly impacted by lower realised refining margins, a lower contribution from trading and higher operating costs, which were partly offset by a gain related to a tax rate change in Germany.

In Manufacturing, Supply and Distribution industry refining margins, when compared to the same period a year ago, were higher in the eastern hemisphere and in US Gulf Coast, whilst US West Coast margins declined. Refining margins in Europe were essentially unchanged when compared to the levels of the third quarter of 2006. Despite the hurricane impact in the US Gulf Coast, refinery availability remained relatively stable at 93%, compared to 94% in the third quarter of 2006.

In marketing, when compared to the same period a year ago, earnings were relatively stable due to continued strong retail, lubricants and B2B earnings.

Marketing sales volumes were in line with volumes in the third quarter 2006. Excluding the impact of divestments, volumes were 2.2% higher than in the third quarter 2006, mainly because of higher retail sales.

### Third quarter portfolio developments:

In the USA, Shell announced, through Motiva Enterprises (Shell share 50%), the final investment decision to proceed with a 325,000 barrels per day capacity expansion at the Port Arthur Refinery, making this the largest refinery in the USA with a total crude oil throughput capacity of 600,000 barrels per day.

In France, Shell has signed a Letter of Intent for the possible sale of its Petit Couronne and Reichstett Vendenheim refineries. The sale, amounting to some \$875 million, with completion to be expected during 2008, is subject to staff consultation and regulatory approval.

Also in France, Shell has received an offer for the sale of its Berre-l'Etang refinery site complex and associated infrastructure and businesses. A purchase price of \$700 million has been agreed with completion to be expected in early 2008. The sale is subject to staff consultation and regulatory approval.

In Scandinavia, Shell has signed an agreement, which will result in the rebranding of a planned 269 service stations across Norway, Sweden and Denmark.

## Chemicals

QUARTERS				\$ million	NINE MONTHS		
Q3	Q2	Q3			2007	2006	%
2007	2007	2006	% <sup>1</sup>		2007	2006	%
397	626	251		<b>Segment earnings</b>	1,550	880	
(37)	(132)	84		<i>Estimated CCS adjustment – see note 2</i>	(216)	(58)	
<u>360</u>	<u>494</u>	<u>335</u>	<b>+7</b>	<b>Segment CCS earnings</b>	<u>1,334</u>	<u>822</u>	<b>+62</b>
<b>5,702</b>	5,653	5,636	<b>+1</b>	<b>Sales volumes (thousand tonnes)</b>	<b>16,922</b>	17,447	<b>-3</b>

<sup>1</sup> Q3 on Q3 change

**Third quarter** Chemicals segment earnings were \$397 million compared to \$251 million for the same period last year.

**Third quarter** Chemicals CCS segment earnings were \$360 million compared to \$335 million in the same quarter last year. Earnings for the third quarter 2007 included a net income of \$18 million, reflecting a gain of \$19 million related to a tax rate change in Germany, which was partly offset by a charge of \$1 million related to a one-time pension liability impact.

Earnings reflected improved margins, which were mostly offset by a reduced trading contribution.

Chemicals manufacturing plant availability increased to 94%, some 6% points higher than in the third quarter 2006, which was impacted by a heavy planned maintenance programme in the USA and Europe.

## Corporate

QUARTERS				\$ million	NINE MONTHS	
Q3	Q2	Q3			2007	2006
2007	2007	2006			2007	2006
413	177	266		<b>Segment earnings<sup>1</sup></b>	1,391	45

<sup>1</sup> As from 2007, the segment Other Industry and Corporate has been renamed as Corporate. Its earnings no longer include the results generated by the Wind and Solar businesses, which were previously reported as part of Other Industry segments, but continue to include some non-material businesses. For comparison purposes, the third quarter 2006 and the nine months period of 2006 results were reclassified and are impacted by \$6 million and \$14 million respectively.

**Third quarter** Corporate segment earnings were \$413 million compared to an income of \$266 million for the same period last year. Earnings for the third quarter 2006 included \$86 million related to tax credits.

Earnings, when compared to the third quarter 2006, reflected higher insurance underwriting income, improved net interest income and positive results from exchange rate movements which were partly offset by lower tax credits.

## Note

*All amounts shown throughout this report are unaudited.*

*Fourth quarter results for 2007 are expected to be announced on January 31, 2008. First quarter results for 2008 are expected to be announced on April 29, 2008, second quarter results are expected to be announced on July 31, 2008 and third quarter results are expected to be announced on October 30, 2008. There will be a Group strategy update on March 17, 2008.*

*In this Report “Group” is defined as Royal Dutch Shell together with all of its consolidated subsidiaries. The expressions “Shell”, “Group”, “Shell Group” and “Royal Dutch Shell” are sometimes used for convenience where references are made to the Group or Group companies in general. Likewise, the words “we”, “us” and “our” are also used to refer to Group companies in general or to those who work for them. These expressions are also used where no useful purpose is served by identifying the particular company or companies. The expression “Group companies” as used in this Report refers to companies in which Royal Dutch Shell either directly or indirectly has control, by having either a majority of the voting rights or the right to exercise a controlling influence. The companies in which the Group has significant influence but not control are referred to as “associated companies” or “associates” and companies in which the Group has joint control are referred to as “jointly controlled entities”. In this Report, associates and jointly controlled entities are also referred to as “equity accounted investments”.*

*This document contains forward-looking statements concerning the financial condition, results of operations and businesses of Royal Dutch Shell. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management’s current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements include, among other things, statements concerning the potential exposure of Royal Dutch Shell to market risks and statements expressing management’s expectations, beliefs, estimates, forecasts, projections and assumptions. These forward-looking statements are identified by their use of terms and phrases such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “objectives”, “outlook”, “probably”, “project”, “will”, “seek”, “target”, “risks”, “goals”, “should” and similar terms and phrases. There are a number of factors that could affect the future operations of Royal Dutch Shell and could cause those results to differ materially from those expressed in the forward-looking statements included in this Report, including (without limitation): (a) price fluctuations in crude oil and natural gas; (b) changes in demand for the Group’s products; (c) currency fluctuations; (d) drilling and production results; (e) reserve estimates; (f) loss of market and industry competition; (g) environmental and physical risks; (h) risks associated with the identification of suitable potential acquisition properties and targets, and successful negotiation and completion of such transactions; (i) the risk of doing business in developing countries and countries subject to international sanctions; (j) legislative, fiscal and regulatory developments including potential litigation and regulatory effects arising from recategorisation of reserves; (k) economic and financial market conditions in various countries and regions; (l) political risks, project delay or advancement, approvals and cost estimates; and (m) changes in trading conditions. All forward-looking statements contained in this Report are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Readers should not place undue reliance on forward-looking statements. Each forward-looking statement speaks only as of the date of this Report. Neither Royal Dutch Shell nor any of its subsidiaries undertake any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information. In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this Report.*

*Please refer to the Annual Report and Form 20-F for the year ended December 31, 2006 for a description of certain important factors, risks and uncertainties that may affect Shell’s businesses.*

### *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 may use certain terms in this announcement that the SEC’s guidelines strictly prohibit us from including in filings with the SEC. US Investors are urged to consider closely the disclosure in our Form 20-F, File No 1-32575 and disclosure in our Forms 6-K, File No 1-32575, available on the SEC’s website [www.sec.gov](http://www.sec.gov). You can also obtain these forms from the SEC by calling 1-800-SEC-0330.*

*October 25, 2007*

## Appendix 1: Royal Dutch Shell financial report and tables

### Statement of income (see note 1)

QUARTERS				\$ million	NINE MONTHS		
Q3 2007	Q2 2007	Q3 2006	% <sup>1</sup>		2007	2006	%
<b>90,703</b>	84,896	84,254		<b>Revenue<sup>2</sup></b>	<b>249,079</b>	243,345	
<b>76,713</b>	68,715	70,383		Cost of sales	<b>206,094</b>	200,143	
<b>13,990</b>	16,181	13,871	<b>+1</b>	<b>Gross profit</b>	<b>42,985</b>	43,202	<b>-1</b>
<b>3,843</b>	4,120	4,126		Selling, distribution and administrative expenses	<b>11,741</b>	11,968	
<b>608</b>	450	401		Exploration expenses	<b>1,330</b>	932	
<b>1,912</b>	2,138	1,358		Share of profit of equity accounted investments	<b>5,858</b>	5,010	
<b>(38)</b>	(477)	(60)		Net finance costs and other (income)/expense	<b>(1,416)</b>	(168)	
<b>11,489</b>	14,226	10,762	<b>+7</b>	<b>Income before taxation</b>	<b>37,188</b>	35,480	<b>+5</b>
<b>4,448</b>	5,415	4,507		Taxation	<b>13,895</b>	14,682	
<b>7,041</b>	8,811	6,255	<b>+13</b>	<b>Income for the period</b>	<b>23,293</b>	20,798	<b>+12</b>
<b>125</b>	144	313		Income attributable to minority interest	<b>429</b>	639	
<b>6,916</b>	8,667	5,942	<b>+16</b>	<b>Income attributable to shareholders</b>	<b>22,864</b>	20,159	<b>+13</b>

<sup>1</sup> Q3 on Q3 change

<sup>2</sup> Revenue is stated after deducting sales taxes, excise duties and similar levies of \$20,830 million in Q3 2007, \$18,993 million in Q2 2007, \$17,305 million in Q1 2007, \$18,472 million in Q3 2006, \$17,984 million in Q2 2006 and \$16,709 million in Q1 2006.

## Earnings by industry segment (see notes 2 and 4)

QUARTERS				\$ million	NINE MONTHS		
Q3	Q2	Q3	% <sup>1</sup>		2007	2006	%
2007	2007	2006					
				<b>Exploration &amp; Production:</b>			
<b>2,650</b>	2,385	2,650	<b>0</b>	World outside USA	<b>7,691</b>	8,459	<b>-9</b>
<b>860</b>	916	1,093	<b>-21</b>	USA	<b>2,628</b>	3,026	<b>-13</b>
<b>3,510</b>	3,301	3,743	<b>-6</b>		<b>10,319</b>	11,485	<b>-10</b>
				<b>Gas &amp; Power<sup>2</sup>:</b>			
<b>500</b>	494	588	<b>-15</b>	World outside USA	<b>1,676</b>	1,763	<b>-5</b>
<b>68</b>	285	193	<b>-65</b>	USA	<b>474</b>	291	<b>+63</b>
<b>568</b>	779	781	<b>-27</b>		<b>2,150</b>	2,054	<b>+5</b>
				<b>Oil Products (CCS basis):</b>			
<b>1,316</b>	1,827	1,665	<b>-21</b>	World outside USA	<b>4,301</b>	4,068	<b>+6</b>
<b>335</b>	1,109	495	<b>-32</b>	USA	<b>1,774</b>	1,490	<b>+19</b>
<b>1,651</b>	2,936	2,160	<b>-24</b>		<b>6,075</b>	5,558	<b>+9</b>
				<b>Chemicals (CCS basis):</b>			
<b>368</b>	454	348	<b>+6</b>	World outside USA	<b>1,291</b>	830	<b>+56</b>
<b>(8)</b>	40	(13)		USA	<b>43</b>	(8)	
<b>360</b>	494	335	<b>+7</b>		<b>1,334</b>	822	<b>+62</b>
<b>6,089</b>	7,510	7,019	<b>-13</b>	<b>TOTAL OPERATING SEGMENTS</b>	<b>19,878</b>	19,919	
				<b>Corporate<sup>2</sup>:</b>			
<b>122</b>	158	37		Interest and investment income/(expense)	<b>863</b>	75	
<b>57</b>	20	(19)		Currency exchange gains/(losses)	<b>123</b>	20	
<b>234</b>	(1)	248		Other - including taxation	<b>405</b>	(50)	
<b>413</b>	177	266			<b>1,391</b>	45	
<b>(110)</b>	(131)	(337)		Minority interest	<b>(389)</b>	(614)	
<b>6,392</b>	7,556	6,948	<b>-8</b>	<b>CCS EARNINGS</b>	<b>20,880</b>	19,350	<b>+8</b>
<b>524</b>	1,111	(1,006)		Estimated CCS adjustment for Oil Products and Chemicals	<b>1,984</b>	809	
<b>6,916</b>	8,667	5,942	<b>+16</b>	<b>Income attributable to shareholders of Royal Dutch Shell plc</b>	<b>22,864</b>	20,159	<b>+13</b>

<sup>1</sup> Q3 on Q3 change<sup>2</sup> As from 2007, the segment Other Industry and Corporate has been renamed as Corporate. Its earnings no longer include the results generated by the Wind and Solar businesses, which were previously reported as part of Other Industry segments, but continue to include some non-material businesses. The Wind and Solar businesses earnings are, as from 2007, reported under the Gas & Power segment. For comparison purposes, the third quarter 2006 and the nine months period of 2006 results were reclassified and are impacted by \$(6) million and \$(14) million in the Gas & Power segment and by \$6 million and \$14 million in the Corporate segment, respectively.

## Summarised balance sheet (see notes 1 and 6)

	\$ million		
	Sep 30 2007	Jun 30 2007	Sep 30 2006
<b>ASSETS</b>			
<b>Non-current assets:</b>			
Intangible assets	5,307	5,126	4,697
Property, plant and equipment	96,611	90,584	96,133
Investments:			
equity accounted investments	28,717	27,185	19,453
financial assets	2,987	2,954	3,914
Deferred tax	3,375	3,108	2,664
Prepaid pension costs	5,045	4,772	3,459
Other	5,903	5,548	4,598
	<u>147,945</u>	<u>139,277</u>	<u>134,918</u>
<b>Current assets:</b>			
Inventories	27,906	26,497	23,391
Accounts receivable	61,636	60,649	63,895
Cash and cash equivalents	14,092	15,117	11,240
	<u>103,634</u>	<u>102,263</u>	<u>98,526</u>
<b>TOTAL ASSETS</b>	<u>251,579</u>	<u>241,540</u>	<u>233,444</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities:</b>			
Debt	12,660	12,236	7,665
Deferred tax	13,665	13,159	12,485
Retirement benefit obligations	6,449	6,282	6,298
Other provisions	12,467	10,877	8,793
Other	3,797	3,784	4,346
	<u>49,038</u>	<u>46,338</u>	<u>39,587</u>
<b>Current liabilities:</b>			
Debt	4,683	5,266	6,395
Accounts payable and accrued liabilities	63,224	61,978	64,445
Taxes payable	12,144	11,214	10,679
Retirement benefit obligations	338	324	284
Other provisions	2,126	2,076	1,763
	<u>82,515</u>	<u>80,858</u>	<u>83,566</u>
<b>TOTAL LIABILITIES</b>	<u>131,553</u>	<u>127,196</u>	<u>123,153</u>
<b>Equity attributable to shareholders of Royal Dutch Shell plc</b>	<b>118,194</b>	112,621	101,604
Minority interest	1,832	1,723	8,687
<b>TOTAL EQUITY</b>	<u>120,026</u>	<u>114,344</u>	<u>110,291</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u>251,579</u>	<u>241,540</u>	<u>233,444</u>

## Summarised statement of cash flows (see notes 1 and 7)

QUARTERS			\$ million	NINE MONTHS	
Q3 2007	Q2 2007	Q3 2006		2007	2006
<b>7,041</b>	8,811	6,255	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
			<b>Income for the period</b>	<b>23,293</b>	20,798
			Adjustment for:		
<b>4,798</b>	5,460	4,403	Current taxation	<b>14,525</b>	14,181
<b>126</b>	130	145	Interest (income)/expense	<b>454</b>	498
<b>2,842</b>	3,238	3,365	Depreciation, depletion and amortisation	<b>9,340</b>	9,309
<b>(55)</b>	(1,133)	(86)	(Profit)/loss on sale of assets	<b>(1,550)</b>	(279)
<b>(728)</b>	(1,704)	560	Decrease/(increase) in net working capital	<b>(2,831)</b>	(4,695)
<b>(1,912)</b>	(2,138)	(1,358)	Share of profit of equity accounted investments	<b>(5,858)</b>	(5,010)
<b>1,567</b>	1,519	1,450	Dividends received from equity accounted investments	<b>4,673</b>	4,066
<b>(109)</b>	214	133	Deferred taxation and other provisions	<b>(47)</b>	1,614
<b>346</b>	(676)	(299)	Other	<b>(777)</b>	(317)
<b>13,916</b>	13,721	14,568	Cash flow from operating activities (pre-tax)	<b>41,222</b>	40,165
<b>(4,777)</b>	(4,873)	(4,489)	Taxation paid	<b>(12,054)</b>	(14,428)
<b>9,139</b>	8,848	10,079	<b>Cash flow from operating activities</b>	<b>29,168</b>	25,737
			<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
<b>(5,550)</b>	(5,652)	(5,408)	Capital expenditure	<b>(16,563)</b>	(15,857)
<b>(644)</b>	(319)	(126)	Investments in equity accounted investments	<b>(1,333)</b>	(534)
<b>174</b>	6,270	289	Proceeds from sale of assets	<b>6,824</b>	1,006
<b>57</b>	279	37	Proceeds from sale of equity accounted investments	<b>451</b>	81
			Proceeds from sale of / (additions to) financial assets	<b>1,175</b>	(33)
<b>35</b>	585	(22)	Interest received	<b>872</b>	759
<b>292</b>	295	285			
<b>(5,636)</b>	1,458	(4,945)	<b>Cash flow from investing activities</b>	<b>(8,574)</b>	(14,578)
			<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
			Net increase/(decrease) in debt with maturity period within three months	<b>(290)</b>	(49)
<b>554</b>	(1,185)	(732)	Other debt: New borrowings	<b>4,396</b>	2,073
<b>-</b>	1,634	191	Repayments	<b>(3,122)</b>	(1,360)
<b>(1,235)</b>	(274)	(302)	Interest paid	<b>(923)</b>	(952)
<b>(282)</b>	(290)	(330)	Change in minority interests	<b>(6,705)</b>	1,070
<b>(10)</b>	(3,585)	287	Net issue/(repurchase) of shares	<b>(2,849)</b>	(6,657)
<b>(1,463)</b>	(900)	(2,801)	Dividends paid to:		
<b>(2,283)</b>	(2,300)	(2,083)	Shareholders of Royal Dutch Shell plc	<b>(6,683)</b>	(6,012)
<b>(67)</b>	(77)	(53)	Minority interest	<b>(186)</b>	(258)
			Treasury shares:		
<b>200</b>	568	149	Net sales/(purchases) and dividends received	<b>752</b>	375
<b>(4,586)</b>	(6,409)	(5,674)	<b>Cash flow from financing activities</b>	<b>(15,610)</b>	(11,770)
			Currency translation differences relating to cash and cash equivalents	<b>106</b>	121
<b>58</b>	36	6			
<b>(1,025)</b>	3,933	(534)	<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>5,090</b>	(490)
<b>15,117</b>	11,184	11,774	<b>Cash and cash equivalents at beginning of period</b>	<b>9,002</b>	11,730
<b>14,092</b>	15,117	11,240	<b>Cash and cash equivalents at end of period</b>	<b>14,092</b>	11,240

## Operational data – Upstream

QUARTERS				NINE MONTHS		
Q3 2007	Q2 2007	Q3 2006	% <sup>1</sup>	2007	2006	%
thousand b/d			<b>CRUDE OIL PRODUCTION</b>	thousand b/d		
<b>406</b>	442	433	Europe	<b>432</b>	484	
<b>333</b>	305	346	Africa	<b>326</b>	335	
<b>214</b>	235	254	Asia Pacific	<b>227</b>	239	
<b>445</b>	428	489	Middle East, Russia, CIS	<b>431</b>	446	
<b>314</b>	328	353	USA	<b>328</b>	313	
<b>80</b>	79	81	Other Western Hemisphere	<b>80</b>	82	
<b>1,792</b>	1,817	1,956	Total crude oil production excluding oil sands	<b>1,824</b>	1,899	
<b>82</b>	91	98	Production from oil sands	<b>90</b>	74	
<b>1,874</b>	1,908	2,054	<b>-9</b> Total crude oil production including oil sands	<b>1,914</b>	1,973	<b>-3</b>
million scf/d <sup>2</sup>			<b>NATURAL GAS PRODUCTION AVAILABLE FOR SALE</b>	million scf/d <sup>2</sup>		
<b>2,231</b>	2,496	2,125	Europe	<b>2,939</b>	3,521	
<b>623</b>	601	475	Africa	<b>581</b>	467	
<b>2,587</b>	2,414	2,356	Asia Pacific	<b>2,486</b>	2,408	
<b>248</b>	251	273	Middle East, Russia, CIS	<b>253</b>	299	
<b>1,131</b>	1,091	1,186	USA	<b>1,128</b>	1,160	
<b>509</b>	514	527	Other Western Hemisphere	<b>499</b>	510	
<b>7,329</b>	7,367	6,942	<b>+6</b>	<b>7,886</b>	8,365	<b>-6</b>
thousand boe/d <sup>3</sup>			<b>TOTAL PRODUCTION IN BARRELS OF OIL EQUIVALENT</b>	thousand boe/d <sup>3</sup>		
<b>790</b>	872	800	Europe	<b>939</b>	1,091	
<b>440</b>	409	428	Africa	<b>426</b>	416	
<b>660</b>	651	660	Asia Pacific	<b>656</b>	654	
<b>488</b>	471	536	Middle East, Russia, CIS	<b>474</b>	497	
<b>509</b>	516	557	USA	<b>522</b>	513	
<b>168</b>	168	172	Other Western Hemisphere	<b>166</b>	170	
<b>3,055</b>	3,087	3,153	Total production excluding oil sands	<b>3,183</b>	3,341	
<b>82</b>	91	98	Oil sands	<b>90</b>	74	
<b>3,137</b>	3,178	3,251	<b>-4</b> Total production including oil sands	<b>3,273</b>	3,415	<b>-4</b>

<sup>1</sup> Q3 on Q3 change

<sup>2</sup> scf/d = standard cubic feet per day; 1 standard cubic foot = 0.0283 cubic metre

<sup>3</sup> Natural gas converted to oil equivalent at 5.8 million scf/d = thousand boe/d

## Operational data - Downstream

QUARTERS				NINE MONTHS		
Q3	Q2	Q3	% <sup>1</sup>	2007	2006	%
2007	2007	2006		2007	2006	
thousand b/d				thousand b/d		
<b>REFINERY PROCESSING INTAKE</b>						
<b>1,813</b>	1,713	1,758		<b>1,705</b>	1,708	
<b>852</b>	810	797		<b>808</b>	814	
<b>851</b>	905	965		<b>883</b>	964	
<b>371</b>	378	387		<b>372</b>	366	
<b>3,887</b>	<b>3,806</b>	<b>3,907</b>	<b>-1</b>	<b>3,768</b>	<b>3,852</b>	<b>-2</b>
<b>OIL SALES</b>						
<b>2,176</b>	2,224	2,256		<b>2,221</b>	2,198	
<b>768</b>	731	750		<b>740</b>	754	
<b>2,396</b>	2,238	2,074		<b>2,250</b>	2,113	
<b>699</b>	667	729		<b>682</b>	757	
<b>717</b>	630	712		<b>659</b>	669	
<b>6,756</b>	6,490	6,521		<b>6,552</b>	6,491	
<b>2,477</b>	2,673	2,442		<b>2,601</b>	2,482	
<b>9,233</b>	<b>9,163</b>	<b>8,963</b>	<b>+3</b>	<b>9,153</b>	<b>8,973</b>	<b>+2</b>
*Comprising:						
<b>1,903</b>	1,826	1,948		<b>1,855</b>	1,973	
<b>1,279</b>	1,238	1,215		<b>1,254</b>	1,220	
<b>1,544</b>	1,518	1,506		<b>1,488</b>	1,495	
<b>676</b>	679	658		<b>669</b>	658	
<b>1,354</b>	1,229	1,194		<b>1,286</b>	1,145	
<b>CHEMICAL SALES VOLUMES BY MAIN PRODUCT CATEGORY <sup>2**</sup></b>						
thousand tonnes				thousand tonnes		
<b>3,302</b>	3,222	3,430		<b>9,804</b>	10,648	
<b>2,399</b>	2,429	2,200		<b>7,110</b>	6,776	
<b>1</b>	2	6		<b>8</b>	23	
<b>5,702</b>	<b>5,653</b>	<b>5,636</b>	<b>+1</b>	<b>16,922</b>	<b>17,447</b>	<b>-3</b>
**Comprising:						
<b>2,225</b>	2,220	2,232		<b>6,718</b>	7,128	
<b>1,376</b>	1,380	1,385		<b>4,009</b>	4,199	
<b>1,923</b>	1,873	1,851		<b>5,667</b>	5,639	
<b>178</b>	180	168		<b>528</b>	481	

<sup>1</sup> Q3 on Q3 change

<sup>2</sup> Excluding volumes sold by equity accounted investments, chemical feedstock trading and by-products.

# Capital investment

QUARTERS			\$ million	NINE MONTHS	
Q3 2007	Q2 2007	Q3 2006		2007	2006
			<b>Capital expenditure:</b>		
			<b>Exploration &amp; Production:</b>		
2,956	2,702	3,425	World outside USA	8,898	11,020
721	774	519	USA	2,082	1,312
<u>3,677</u>	<u>3,476</u>	<u>3,944</u>		<u>10,980</u>	<u>12,332</u>
			<b>Gas &amp; Power<sup>1</sup>:</b>		
706	711	600	World outside USA	2,074	1,245
1	2	6	USA	4	15
<u>707</u>	<u>713</u>	<u>606</u>		<u>2,078</u>	<u>1,260</u>
			<b>Oil Products:</b>		
			<b>Refining:</b>		
247	355	251	World outside USA	862	866
49	109	75	USA	339	193
<u>296</u>	<u>464</u>	<u>326</u>		<u>1,201</u>	<u>1,059</u>
			<b>Marketing:</b>		
523	285	569	World outside USA	1,022	1,072
31	23	36	USA	68	80
<u>554</u>	<u>308</u>	<u>605</u>		<u>1,090</u>	<u>1,152</u>
			<b>Chemicals:</b>		
312	184	166	World outside USA	649	265
65	96	53	USA	244	150
<u>377</u>	<u>280</u>	<u>219</u>		<u>893</u>	<u>415</u>
101	75	(4)			
<u>5,712</u>	<u>5,316</u>	<u>5,696</u>		<u>221</u>	<u>15</u>
			<b>Corporate<sup>1</sup>:</b>		
			<b>TOTAL CAPITAL EXPENDITURE</b>	<b>16,463</b>	<b>16,233</b>
			<b>Exploration costs:</b>		
183	143	161	World outside USA	453	414
211	46	67	USA	299	194
<u>394</u>	<u>189</u>	<u>228</u>		<u>752</u>	<u>608</u>
			<b>New equity in equity accounted investments</b>		
615	308	112	World outside USA	1,170	311
5	3	3	USA	25	12
<u>620</u>	<u>311</u>	<u>115</u>		<u>1,195</u>	<u>323</u>
24	8	11			
<u>6,750</u>	<u>5,824</u>	<u>6,050</u>		<u>138</u>	<u>211</u>
			<b>TOTAL CAPITAL INVESTMENT*<sup>2</sup></b>	<b>18,548</b>	<b>17,375</b>
			<b>*Comprising:</b>		
4,427	3,884	4,214	Exploration & Production	12,571	13,204
901	808	658	Gas & Power <sup>1</sup>	2,441	1,411
942	777	962	Oil Products	2,418	2,279
378	280	219	Chemicals	896	465
102	75	(3)	Corporate <sup>1</sup>	222	16
<u>6,750</u>	<u>5,824</u>	<u>6,050</u>		<u>18,548</u>	<u>17,375</u>

<sup>1</sup> As from 2007, the segment Other Industry and Corporate has been renamed as Corporate. Its financial information no longer includes data related to the Wind and Solar businesses, which were previously reported as part of Other Industry segments, but continues to include some non-material businesses. The Wind and Solar businesses financial data are, as from 2007, reported under the Gas & Power segment. For comparison purposes, the third quarter 2006 and the nine months period of 2006 capital investment data were reclassified and are impacted by \$13 million and \$38 million in the Gas & Power segment and by \$(13) million and \$(38) million in the Corporate segment, respectively.

<sup>2</sup> In addition to the above amounts, see Note 6 regarding accounting impacts related to the Shell Canada minority interest acquisition.

## Additional segmental information<sup>1</sup>

QUARTERS			\$ million	NINE MONTHS	
Q3 2007	Q2 2007	Q3 2006		2007	2006
<b>3,510</b>	3,301	3,743	<b>Exploration &amp; Production</b>		
			Segment earnings	<b>10,319</b>	11,485
			of which:		
<b>608</b>	450	401	Exploration	<b>1,330</b>	932
<b>1,933</b>	2,353	2,391	Depreciation, depletion & amortisation	<b>6,614</b>	6,551
<b>733</b>	659	574	Share of profit of equity accounted investments	<b>2,305</b>	2,271
<b>6,477</b>	7,452	7,074	Cash flow from operations	<b>20,525</b>	19,711
<b>974</b>	1,737	116	Less: Net working capital movements and taxation paid/accrued	<b>3,658</b>	415
<b>5,503</b>	5,715	6,958	Cash flow from operations excluding net working capital movements and taxation paid/accrued	<b>16,867</b>	19,296
<b>48,702</b>	45,879	47,784	Capital employed	<b>48,702</b>	47,784
			<b>Gas &amp; Power</b>		
<b>568</b>	779	781	Segment earnings	<b>2,150</b>	2,054
			of which:		
<b>79</b>	77	62	Depreciation, depletion & amortisation	<b>230</b>	204
<b>471</b>	428	375	Share of profit of equity accounted investments	<b>1,319</b>	1,095
<b>316</b>	210	403	Cash flow from operations	<b>1,113</b>	1,771
<b>(265)</b>	4	(360)	Less: Net working capital movements and taxation paid/accrued	<b>(353)</b>	(509)
<b>581</b>	206	763	Cash flow from operations excluding net working capital movements and taxation paid/accrued	<b>1,466</b>	2,280
<b>17,565</b>	16,133	16,380	Capital employed	<b>17,565</b>	16,380
			<b>Oil Products</b>		
<b>1,651</b>	2,936	2,160	Segment CCS earnings	<b>6,075</b>	5,558
			of which:		
<b>606</b>	571	666	Depreciation, depletion & amortisation	<b>1,833</b>	1,993
<b>394</b>	721	432	Share of profit of equity accounted investments	<b>1,395</b>	1,277
<b>1,700</b>	1,464	2,867	Cash flow from operations	<b>5,287</b>	2,592
<b>(956)</b>	(1,809)	1,399	Less: Net working capital movements and taxation paid/accrued	<b>(2,792)</b>	(5,160)
<b>2,656</b>	3,273	1,468	Cash flow from operations excluding net working capital movements and taxation paid/accrued	<b>8,079</b>	7,752
<b>48,423</b>	46,546	40,839	Capital employed	<b>48,423</b>	40,839
			<b>Chemicals</b>		
<b>360</b>	494	335	Segment CCS earnings	<b>1,334</b>	822
			of which:		
<b>154</b>	150	196	Depreciation, depletion & amortisation	<b>459</b>	483
<b>174</b>	167	155	Share of profit of equity accounted investments	<b>529</b>	301
<b>618</b>	451	609	Cash flow from operations	<b>1,185</b>	1,081
<b>104</b>	(177)	387	Less: Net working capital movements and taxation paid/accrued	<b>(610)</b>	(45)
<b>514</b>	628	222	Cash flow from operations excluding net working capital movements and taxation paid/accrued	<b>1,795</b>	1,126
<b>10,240</b>	9,888	8,634	Capital employed	<b>10,240</b>	8,634

<sup>1</sup> Corporate segment information has not been included in the above table. Please refer to the Earnings per industry segment section for additional information. The above data does not consider Minority interest impacts on the segments.

## Notes

### NOTE 1. Accounting policies and basis of presentation

The quarterly financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and are also in accordance with IFRS as adopted by the European Union.

With effect from the first quarter 2007, Wind and Solar are reported within the Gas & Power segment and all other activities within Other Industry segments are reported within the Corporate segment. Prior period financial statements have been reclassified accordingly.

Purchases of minority interests in Group companies, and disposals of shares in Group companies whilst retaining control, are accounted for as transactions within equity. The difference between the purchase price/disposal proceeds and the relevant proportion of the minority interest is reported in retained earnings as a movement in the Group share of equity. The remaining accounting policies are set out in Note 2 to the Consolidated Financial Statements of Royal Dutch Shell plc in the Annual Report and Form 20-F for the year ended December 31, 2006 on pages 108 to 112.

### NOTE 2. Earnings on an estimated current cost of supplies (CCS) basis

To facilitate a better understanding of underlying business performance, the financial results are also analysed on an estimated current cost of supplies (CCS) basis as applied for the Oil Products and Chemicals segment earnings. Earnings on an estimated current cost of supplies basis provide useful information concerning the effect of changes in the cost of supplies on Royal Dutch Shell's results of operations and is a measure to manage the performance of the Oil Products and Chemicals segments but is not a measure of financial performance under IFRS.

On this basis, Oil Products and Chemicals segment cost of sales of the volumes sold during the period is based on the cost of supplies during the same period after making allowance for the estimated tax effect, instead of the first-in, first-out (FIFO) method of inventory accounting. Earnings calculated on this basis do not represent an application of the last-in, first-out (LIFO) inventory basis and do not reflect any inventory drawdown effects.

### NOTE 3. Return on average capital employed (ROACE)

ROACE is defined as the sum of the current and previous three quarters' income attributable to shareholders adjusted for Shell's share of interest expense, after tax, as a percentage of Shell's share of average capital employed for the period.

Components of the calculation (\$ million):

	<b>Q3 2007</b>	<b>Q3 2006</b>
Income attributable to shareholders (four quarters)	<b>28,147</b>	24,527
Royal Dutch Shell share of interest expense after tax	<b>578</b>	627
ROACE numerator	<b>28,725</b>	25,154
Royal Dutch Shell share of capital employed – opening	<b>114,556</b>	105,779
Royal Dutch Shell share of capital employed – closing	<b>135,272</b>	114,556
Royal Dutch Shell share of capital employed – average	<b>124,914</b>	110,168
ROACE	<b>23.0%</b>	22.8%

**NOTE 4. Earnings by industry segment**

Operating segment results are presented before deduction of minority interest and also exclude interest and other income of a non-operational nature, interest expense, non-trading currency exchange effects and tax on these items, which are included in the results of the Corporate segment. Operating segment results are after tax and include equity accounted investments. Segment results in accordance with International Accounting Standard 14 "Segment Reporting" are disclosed in Royal Dutch Shell's Annual Report and Form 20-F, with a reconciliation to the basis as presented here.

**NOTE 5. Gearing**

The numerator and denominator in the gearing calculation used by the Group are calculated by adding to reported debt and equity certain off-balance sheet obligations as at the beginning of the year such as operating lease commitments and unfunded retirement benefits (as applicable) which the Group believes to be in the nature of incremental debt, and deducting cash and cash equivalents judged to be in excess of amounts required for operational purposes.

Components of the calculation (\$ million):

	<b>Sep 30 2007</b>	Sep 30 2006
Non-current debt	<b>12,660</b>	7,665
Current debt	<b>4,683</b>	6,395
Total debt	<b>17,343</b>	14,060
Add: Net present value of operating lease obligations	<b>11,319</b>	9,442
Unfunded pension benefit obligations	-	2,919
Less: Cash and cash equivalents in excess of operational requirements	<b>12,192</b>	9,340
Adjusted debt	<b>16,470</b>	17,081
Total equity	<b>120,026</b>	110,291
Total capital	<b>136,496</b>	127,372
Gearing ratio (adjusted debt as a percentage of total capital)	<b>12.1%</b>	13.4%

**NOTE 6. Equity**

Total equity comprises equity attributable to shareholders of Royal Dutch Shell and to the minority interest. Other reserves comprise the capital redemption reserve, share premium reserve, merger reserve, share-based compensation reserve, cumulative currency translation differences, unrealised gains/(losses) on securities and unrealised gains/(losses) on cash flow hedges.

\$ million	Ordinary share capital	Treasury shares	Other reserves	Retained earnings	<b>Total</b>	Minority interest	<b>Total equity</b>
<b>At December 31, 2006</b>	545	(3,316)	8,820	99,677	<b>105,726</b>	9,219	<b>114,945</b>
Income for the period	-	-	-	22,864	<b>22,864</b>	429	<b>23,293</b>
Income/(expense) recognised directly in equity	-	-	3,513	-	<b>3,513</b>	(33)	<b>3,480</b>
Capital contributions from minority shareholders	-	-	-	-	-	802	<b>802</b>
Acquisition of Shell Canada	-	-	-	(5,445)	<b>(5,445)</b>	(1,639)	<b>(7,084)</b>
Sakhalin partial divestment	-	-	-	-	-	(6,711)	<b>(6,711)</b>
Other changes in minority interest	-	-	-	6	<b>6</b>	(49)	<b>(43)</b>
Dividends paid	-	-	-	(6,683)	<b>(6,683)</b>	(186)	<b>(6,869)</b>
Treasury shares: net sales/(purchases) and dividends received	-	752	-	-	<b>752</b>	-	<b>752</b>
Shares repurchased for cancellation	(6)	-	6	(2,849)	<b>(2,849)</b>	-	<b>(2,849)</b>
Share-based compensation	-	-	310	-	<b>310</b>	-	<b>310</b>
<b>At September 30, 2007</b>	539	(2,564)	12,649	107,570	<b>118,194</b>	1,832	<b>120,026</b>

\$ million	Ordinary share capital	Treasury shares	Other reserves	Retained earnings	Total	Minority interest	Total equity
<b>At December 31, 2005</b>	571	(3,809)	3,584	90,578	<b>90,924</b>	7,000	<b>97,924</b>
Income for the period	-	-	-	20,159	<b>20,159</b>	639	<b>20,798</b>
Income/(expense) recognised directly in equity	-	-	2,528	-	<b>2,528</b>	73	<b>2,601</b>
Capital contributions from minority shareholders	-	-	-	-	-	1,233	<b>1,233</b>
Effect of Unification	-	-	154	-	<b>154</b>	-	<b>154</b>
Dividends paid	-	-	-	(6,012)	<b>(6,012)</b>	(258)	<b>(6,270)</b>
Treasury shares: net sales/(purchases) and dividends received	-	375	-	-	<b>375</b>	-	<b>375</b>
Shares repurchased for cancellation	(22)	-	22	(6,811)	<b>(6,811)</b>	-	<b>(6,811)</b>
Share-based compensation	-	-	287	-	<b>287</b>	-	<b>287</b>
<b>At September 30, 2006</b>	549	(3,434)	6,575	97,914	<b>101,604</b>	8,687	<b>110,291</b>

Consistent with the accounting policies disclosed in Note 1, the acquisition of the minority interest in Shell Canada in the first quarter 2007 was accounted for as a transaction between shareholders with the impact reflected in the equity section of the balance sheet. In the first half of 2007, the Group has paid cash of \$7.1 billion for shares in Shell Canada that it did not already own. As a result of this transaction, the consolidated financial statements of Royal Dutch Shell plc as at September 30, 2007 reflect some \$7.1 billion decrease in shareholders equity, causing a \$1,639 million decrease in minority interest, being the book value of the item acquired, with the excess of the purchase price over the book value of \$5,445 million being taken to retained earnings. In addition to the share purchase price, \$0.4 billion of Shell Canada share options were exchanged for a corresponding amount of RDS share options.

On April 18, 2007, Royal Dutch Shell signed and completed the Sale and Purchase agreement with OAO Gazprom for the transfer of 50% of its shares in Sakhalin Energy Investment Company Ltd, representing 27.5% of the total outstanding shares, for a sales price of \$4.1 billion. In addition, the Ministry of Natural Resources of the Russian Federation announced its approval of the revised Environmental Action Plan. As of the end of the first quarter 2007, 100% of the Sakhalin project net assets of approximately \$15 billion were presented in the Group balance sheet, offset by a minority interest of \$6.7 billion representing the partners' 45% interest in the project. As a result of this transaction, the consolidated financial statements of Royal Dutch Shell plc as at September 30, 2007 no longer include the separate assets, liabilities and associated minority interest of the Sakhalin project, resulting in a net gain of \$0.2 billion which is included in the income statement. The Group's net asset position in the project is now accounted for as a single line item equity accounted investment.

#### NOTE 7. Statement of cash flows

This statement reflects cash flows of Royal Dutch Shell and its subsidiaries as measured in their own currencies, which are translated into US dollars at average rates of exchange for the periods and therefore exclude currency translation differences except for those arising on cash and cash equivalents.

Cash from operating activities excluding net working capital movements, current taxation and taxation paid is calculated using the following line items from the cash flow statement:

QUARTERS			\$ million	NINE MONTHS	
Q3 2007	Q2 2007	Q3 2006		2007	2006
<b>9,139</b>	8,848	10,079	Cash flow from operating activities	<b>29,168</b>	25,737
<b>4,798</b>	5,460	4,403	Current taxation	<b>14,525</b>	14,181
<b>(728)</b>	(1,704)	560	Decrease/(increase) in net working capital	<b>(2,831)</b>	(4,695)
<b>(4,777)</b>	(4,873)	(4,489)	Taxation paid	<b>(12,054)</b>	(14,428)
<b>9,846</b>	9,965	9,605		<b>29,528</b>	30,679

**NOTE 8. Earnings per Royal Dutch Shell share**

The total number of Royal Dutch Shell shares in issue at the end of the period was 6,381.3 million. Royal Dutch Shell reports earnings per share on a basic and on a diluted basis, based on the weighted average number of Royal Dutch Shell (combined A and B) shares outstanding. Shares held in respect of share options and other incentive compensation plans are excluded in determining basic earnings per share.

Basic earnings per share calculations are based on the following weighted average number of shares:

millions	<b>Q3</b>	Q2	Q3	<b>Nine</b>	Nine
	<b>2007</b>	2007	2006	<b>months</b>	months
				<b>2007</b>	2006
Royal Dutch Shell shares of €0.07	<b>6,261.7</b>	6,281.7	6,373.9	<b>6,276.7</b>	6,446.6

Diluted earnings per share calculations are based on the following weighted average number of shares. This adjusts the basic number of shares for all share options currently in-the-money.

millions	<b>Q3</b>	Q2	Q3	<b>Nine</b>	Nine
	<b>2007</b>	2007	2006	<b>months</b>	months
				<b>2007</b>	2006
Royal Dutch Shell shares of €0.07	<b>6,285.8</b>	6,303.1	6,399.8	<b>6,296.5</b>	6,470.9

Basic shares outstanding at the end of the following periods are:

millions	<b>Q3</b>	Q2	Q3
	<b>2007</b>	2007	2006
Royal Dutch Shell shares of €0.07	<b>6,245.3</b>	6,276.8	6,336.3

One American Depository Receipt (ADR) is equal to two Royal Dutch Shell shares.