

ROYAL DUTCH SHELL – VISION

THE OBJECTIVES OF THE SHELL GROUP ARE TO ENGAGE EFFICIENTLY, RESPONSIBLY AND PROFITABLY IN OIL, OIL PRODUCTS, GAS, CHEMICALS AND OTHER SELECTED BUSINESSES AND TO PARTICIPATE IN THE SEARCH FOR AND DEVELOPMENT OF OTHER SOURCES OF ENERGY TO MEET EVOLVING CUSTOMER NEEDS AND THE WORLD'S GROWING DEMAND FOR ENERGY.

WE BELIEVE THAT OIL AND GAS WILL BE INTEGRAL TO THE GLOBAL ENERGY NEEDS FOR ECONOMIC DEVELOPMENT FOR MANY DECADES TO COME. OUR ROLE IS TO ENSURE THAT WE EXTRACT AND DELIVER THEM PROFITABLY AND IN ENVIRONMENTALLY AND SOCIALLY RESPONSIBLE WAYS.

WE SEEK A HIGH STANDARD OF PERFORMANCE, MAINTAINING A STRONG LONG-TERM AND GROWING POSITION IN THE COMPETITIVE ENVIRONMENTS IN WHICH WE CHOOSE TO OPERATE.

WE AIM TO WORK CLOSELY WITH OUR CUSTOMERS, OUR PARTNERS AND POLICYMAKERS TO ADVANCE MORE EFFICIENT AND SUSTAINABLE USE OF ENERGY AND NATURAL RESOURCES.

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CHAIRMAN'S MESSAGE



In 2005 shareholders approved the Unification Transaction of our parent companies under Royal Dutch Shell plc. This far-reaching change is already bringing benefits. Our new clearer, simpler governance structure is helping to reduce duplication, speed up decision making and increase accountability. The single smaller Board and its committees are working well and their reports can be found on pages 24-25, 30-32 and 34-35. I am also pleased that the clearer lines of accountability in the new structure have been widely welcomed by shareholders.

The Board believes that our organisation is now better placed to build and develop our business for the future and meet the challenges ahead. At the heart of those challenges is the need to find and develop the resources to meet the growth in global energy demand. We will also need to produce those resources

in a way that minimises the effect on the environment. The Chief Executive and his team have been successfully driving forward Shell's work both in securing and producing more oil and gas and in developing energy solutions for the longer term. This will ensure that Shell can play its part in meeting the world's future energy needs.

There were many business challenges in 2005, some of which were linked to the natural disasters that struck many parts of the world. The effects of the tsunami in Asia, hurricanes in the Gulf of Mexico and the earthquake in India and Pakistan, were felt across Shell and in the communities in which we work. The Board is proud of the response of Shell staff to these tragedies and their tireless work both to support the affected communities and to restore our business as quickly as possible.

It has been a great privilege for me to be the first Chairman of Royal Dutch Shell plc and to see it make such a successful start. I am confident that we can build on that success and that, with the proposed appointment of Jorma Ollila as my successor, the future of the company is in good hands.

A handwritten signature in black ink, appearing to read 'Aad Jacobs'.

Aad Jacobs Chairman

"Shell's commitment to technology and innovation, combined with the dedication and skill of our employees, will enable us to play a leading and competitive role in meeting the world's future energy needs."

CHIEF EXECUTIVE'S MESSAGE



Thanks to the great efforts of many Shell people, 2005 was a year of recovery. We achieved a great deal, but there is more to be done to ensure that recovery continues. We delivered record earnings and cash generation; we were successful in securing significant new resources; and we reinforced our leading positions in liquefied natural gas (LNG) and Oil Products. Our strong financial position has allowed us to return over \$17 billion to our shareholders. We also made capital investments of \$15.6 billion (excluding the minority share in Sakhalin). Our strategy continues to be more upstream and profitable downstream. This is reflected in our capital investment programme, which will increase to \$19 billion in 2006, keeping pace with our earnings, and will be targeted at the upstream.

In Exploration & Production a number of important new fields came onstream and we met our production target, despite the damage to our facilities caused by hurricanes in the Gulf of Mexico. There were, however, large cost overruns on our Sakhalin II project and we are ensuring that we learn the lessons from these. We believe that gas demand will continue to grow rapidly and, in 2005 our Gas & Power business strengthened its leading positions in the key markets of Asia, Europe and North America, with a number of new LNG projects starting operation or construction.

In the downstream, Oil Products earnings were up 31%, reflecting strong refining margins and good operational performance. By standardising and simplifying our processes we have reduced costs and improved customer service. We also continued to provide customers with an increasing range of fuels that can improve engine performance and reduce environmental impact. At the same time, we strengthened our position as the world's leading marketer of biofuels. Chemicals also had good earnings in 2005 and, with the completion of the Nanhai petrochemicals complex in southern China, made an important step in securing a position in this rapidly growing market. Much of the increase in energy demand is coming from emerging economies in the Asia Pacific region and we are ensuring that we extend our presence in those growth markets.

I believe that Shell's commitment to technology and innovation, combined with the dedication and skill of our employees, will enable us to play a leading and competitive role in meeting the world's future energy needs. This includes taking on bigger and more demanding projects and ensuring we integrate economic, and social and environmental considerations into our management of those projects. Our Project and Commercial Academies, which have made a good start, will be at the heart of our work to acquire and to develop projects successfully in the future. In our operations

we aim to be a "first-quartile" performer. We continue to focus on Health, Safety, Security and Environment (HSSE).

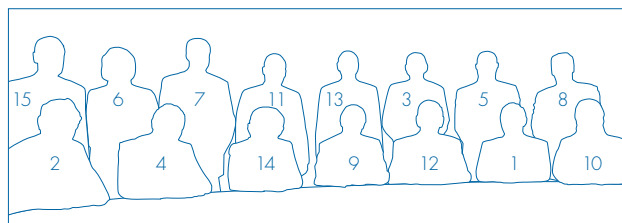
We also realise the importance of managing the carbon dioxide emissions from oil and gas resources. This offers opportunities to develop our business and we are investing in a range of research into carbon capture and storage that can help us to develop greener fossil fuels. At the same time, Shell aims to develop at least one substantial business in alternative energy. In the past year we have made good progress on projects in wind, hydrogen and advanced solar technology that will help us move towards that aim.

All of us in Shell are pleased with the progress we have made in 2005 in improving our operational performance; in developing projects; and in securing new resources. I believe we now have a strong foundation to build for the future to deliver the leading performance and competitive returns that our shareholders want to see. So this means 2006 will be the year of delivery and growth for Shell.

A handwritten signature in black ink, reading "JvdV". The signature is stylized and cursive.

Jeroen van der Veer Chief Executive

THE BOARD OF ROYAL DUTCH SHELL PLC



Royal Dutch Shell has a single tier Board of Directors chaired by a Non-executive Chairman, Aad Jacobs. The executive management is led by the Chief Executive, Jeroen van der Veer. The members of the Board of Royal Dutch Shell plc meet regularly to discuss reviews and reports on the business and plans of Royal Dutch Shell. In 2005, the Nomination and Succession Committee recommended to the Board the appointment of Jorma Ollila, currently Chairman and CEO of Nokia Corporation, to succeed Aad Jacobs as Non-executive Chairman of Royal Dutch Shell. The Board adopted this proposal. A resolution has been proposed to be put to the Annual General Meeting of shareholders of Royal Dutch Shell, to be held on May 16, 2006, for the election of Mr Ollila as a Director of Royal Dutch Shell, with effect from June 1, 2006.

1 Aad Jacobs ^o

Non-executive Chairman

Born May 28, 1936. A Dutch national, appointed Non-executive Chairman of Royal Dutch Shell in October 2004. He became a member of the Royal Dutch supervisory board in 1998 and Chairman in 2002 and was a Board member¹ of Royal Dutch until the merger of the company on December 21, 2005. He was previously Chairman of the Board of Management of ING Groep N.V. He is Chairman of the supervisory boards of Joh. Enschedé B.V., Intech N.V. and VNU N.V.; Vice-Chairman of the supervisory boards of Buhrmann N.V. and SBM Offshore N.V.; and a member of the supervisory board of ING Groep N.V.

2 Lord Kerr of Kinlochard GCMG ^{+o}

Deputy Chairman and Senior Independent Non-executive Director

Born February 22, 1942. A British national, appointed a Non-executive Director of Royal Dutch Shell in October 2004. He was a Non-executive Director of Shell Transport from 2002 to 2005. A member of the UK Diplomatic Service from 1966 to 2002 (and its Head from 1997 to 2002), he was successively UK Permanent Representative to the EU, British Ambassador to the USA, Foreign Office Permanent Under Secretary of State and Secretary-General of the European Convention. He is a Non-executive Director of Rio Tinto plc and Rio Tinto Limited and Scottish American Investment Company plc and Chairman of Court/Council of Imperial College. Trustee of the National Gallery and of the Rhodes Trust.

3 Jeroen van der Veer

Chief Executive

Born October 27, 1947. A Dutch national, appointed Chief Executive of Royal Dutch Shell in October 2004. He was appointed President of Royal Dutch in 2000, having been a Managing Director of Royal Dutch since 1997 and was a Board member of Royal Dutch until the merger of the company on December 21, 2005. He was a Director of Shell Canada Limited from April 24, 2003 until April 29, 2005. He joined the Group in 1971 in refinery process design and held a number of senior management positions around the world. He is a Non-executive Director of Unilever (which includes Unilever N.V., Unilever plc and Unilever Holdings Ltd.).

4 Peter Voser

Chief Financial Officer

Born August 29, 1958. A Swiss national, appointed Chief Financial Officer of Royal Dutch Shell in October 2004. He was appointed a Managing Director of Shell Transport and Chief Financial Officer (CFO) in October 2004. In 2002, joined the Asea Brown Boveri (ABB) Group of Companies, based in Switzerland as CFO and Member of the Group Executive Committee. Also responsible for ABB's Group IT and the Oil, Gas and Petrochemicals business. Originally joined the Group in 1982 where he held a variety of finance and business roles in Switzerland, UK, Argentina and Chile, including CFO of Oil Products. He is a member of the supervisory board of Aegon N.V. (he will retire April 25, 2006) and a member of the supervisory board of UBS AG.

5 Malcolm Brinded CBE FREng

Executive Director, Exploration & Production

Born March 18, 1953. A British national, appointed an Executive Director of Royal Dutch Shell in October 2004. He was previously a Managing Director of Shell Transport since March 2004 and prior to that a Managing Director of Royal Dutch since 2002. Joined the Group in 1974 and has held various positions around the world including Country Chair for Shell in the UK, and Director of Planning, Environment and External Affairs at Shell International Ltd.

6 Linda Cook

Executive Director, Gas & Power

Born June 4, 1958. A US national, appointed an Executive Director of Royal Dutch Shell in October 2004. She was appointed a Managing Director of Royal Dutch in August 2004 and was a Board member of Royal Dutch until the merger of the company on December 21, 2005. She was President and Chief Executive Officer and a member of the Board of Directors of Shell Canada Limited from August 2003 to July 2004. Joined Shell Oil Company in Houston in 1980, and worked for Shell Oil Company in Houston and California in a variety of technical and managerial positions. Member of the Society of Petroleum Engineers and a Non-executive director of The Boeing Company.

7 Rob Routs

Executive Director, Oil Products and Chemicals

Born September 10, 1946. A Dutch national, appointed Executive Director of Royal Dutch Shell in October 2004. He was a Managing Director of Royal Dutch from 2003 to July 4, 2005. Joined the Group in 1971. Held various positions in the Netherlands, Canada and the USA. Previously President and Chief Executive Officer of Shell Oil Products USA, President of Shell Oil Company and Country Chair for Shell in the USA and Chief Executive of Equilon. He is a member of the Board of Directors of Shell Canada Limited since April 29, 2005 and director of INSEAD.

8 Maarten van den Bergh [#]

Non-executive Director

Born April 19, 1942. A Dutch national, appointed Non-executive Director of Royal Dutch Shell in October 2004. He was a member of the Royal Dutch supervisory board from 2000 to July 4, 2005. Managing Director of Royal Dutch from 1992 to 2000 and President from 1998 to 2000. Chairman of the Board of Directors of Lloyds TSB (he will retire at the AGM of Lloyds in May 2006) and, member of the Boards of Directors of BT Group plc and British Airways plc and a member of the supervisory board of Akzo Nobel N.V.

9 Sir Peter Burt FRSE [#]

Non-executive Director

Born March 6, 1944. A British national, appointed a Non-executive Director of Royal Dutch Shell in October 2004. Non-executive Director of Shell Transport from 2002 to 2005. He was Chief General Manager and Chairman of the Management Board and subsequently Group Chief Executive, Bank of Scotland. Executive Deputy Chairman HBOS plc. Governor of Bank of Scotland from 2001. Retired 2003. He is a Chairman of ITV plc and Promethean plc.

10 Mary R. (Nina) Henderson [#]

Non-executive Director

Born July 6, 1950. A US national, appointed a Non-executive Director of Royal Dutch Shell in October 2004. She was a Non-executive Director of Shell Transport from 2001 to 2005. Previously President of a major division and Corporate Vice-President of Bestfoods, a major US foods company, responsible for worldwide core business development. Non-executive Director of Pactiv Corporation, AXA Financial Inc., Del Monte Foods Company and Visiting Nurse Service of New York.

11 Sir Peter Job KBE ⁺

Non-executive Director

Born July 13, 1941. A British national, appointed a Non-executive Director of Royal Dutch Shell in October 2004. He was a Non-executive Director of Shell Transport from 2001 to 2005. Previously he was Chief Executive of Reuters Group plc. He is a Non-executive Director of Schroders plc, TIBCO Software Inc., Instinet Group Inc., and a member of the supervisory board of Deutsche Bank AG.

12 Wim Kok [#]

Non-executive Director

Born September 29, 1938. A Dutch national, appointed a Non-executive Director of Royal Dutch Shell in October 2004. He was a member of the Royal Dutch supervisory board from 2003 to July 4, 2005. Chaired the Confederation of Dutch trade unions (FNV) before becoming a member of the Lower House of Parliament and parliamentary leader of the Partij van de Arbeid (Labour Party). Appointed Minister of Finance in 1989 and Prime Minister in 1994, serving for two periods of government up to July 2002. Member of the supervisory boards of ING Groep N.V., KLM N.V. and TNT N.V.

13 Jonkheer Aarnout Loudon ^{+o}

Non-executive Director

Born December 10, 1936. A Dutch national, appointed a Non-executive Director of Royal Dutch Shell in October 2004. He was a member of the Royal Dutch supervisory board from 1997 and was a Board member of Royal Dutch until the merger of the company on December 21, 2005. He was a member of the Board of Management of Akzo from 1977 to 1994 (Akzo Nobel as from 1994) and its Chairman from 1982 to 1994. He is Chairman of the supervisory boards of ABN AMRO Holding N.V. and Akzo Nobel N.V. (he will retire per May 1, 2006) and a member of the International Advisory Board of Allianz AG.

14 Christine Morin-Postel [#]

Non-executive Director

Born October 6, 1946. A French national, appointed a Non-executive Director of Royal Dutch Shell in October 2004. She was a member of the Royal Dutch supervisory board from July, 2004 and was a Board member of Royal Dutch until the merger of the company on December 21, 2005. Formerly she was Chief Executive of Société Générale de Belgique and Executive Vice-President and member of the Executive Committee of Suez S.A. She is Non-executive director of Alcan Inc., 3i Group plc and Pilkington plc.

15 Lawrence Ricciardi [#]

Non-executive Director

Born August 14, 1940. A US national, appointed a Non-Executive Director of Royal Dutch Shell in October 2004. He was appointed a member of the Royal Dutch supervisory board in 2001 and was a Board member of Royal Dutch until the merger of the company on December 21, 2005. Previously he was President of RJR Nabisco, Inc. and subsequently Senior Vice-President and General Counsel of IBM. He is Senior Advisor to the law firm Jones Day and to Lazard Frères & Co and member of the Board of Directors of The Reader's Digest Association, Inc.

Beat Hess

Group Legal Director

Born July 6, 1949. A Swiss national, appointed as Shell Group Legal Director in June 2003. Previously General Counsel of ABB Group. Non-executive board member of Ciba Specialty Chemicals.

Michiel Brandjes

Company Secretary

Born December 14, 1954. A Dutch national, appointed as Company Secretary of Royal Dutch Shell in February 2005. Previously Company Secretary of Royal Dutch Petroleum Company and Group general counsel corporate. Joined the Group in 1980 as a Legal Adviser.

- Audit Committee
- + Remuneration Committee
- # Social Responsibility Committee
- o Nomination and Succession Committee

1 As from July 4, 2005 Royal Dutch had a one tier board instead of a two tier board. This one tier board existed until the company merged into Shell Petroleum N.V. per December 21, 2005.

Our business strategy is more upstream and profitable downstream.

Did you know? – upstream

- > Shell is one of the world's largest natural gas producers and suppliers of LNG, with leading positions in the key markets of Asia Pacific and Europe.
- > Shell's deepwater field in Bonga, Nigeria has one of the world's largest Floating Production Storage and Offloading vessels at 300 metres long and 75 metres wide. This equates to the combined length of three football fields which are 12 storeys high.

WHO WE ARE AND WHAT WE DO

Royal Dutch Shell consists of the upstream businesses of Exploration & Production and Gas & Power and the downstream businesses of Oil Products and Chemicals. We also have interests in other industry segments such as Renewables and Hydrogen.

We believe the core strengths of these businesses lie in the diversity of our portfolio and our skills, along with our ability to develop and apply advanced technology, and our continued development of customer-focused businesses around the Shell brand, which is one of the most widely recognised brands in the world.

Upstream

Shell's upstream businesses explore for and extract oil and natural gas, and build and operate the infrastructure necessary to deliver these hydrocarbons to market. In most countries we partner in joint venture operations.

Exploration & Production

Our Exploration & Production business searches for and recovers oil and natural gas around the world and is active in more than 38 countries. The majority of these activities are carried out in ventures with external partners.

Segment income \$14,238m

Gas & Power

Our Gas & Power business liquefies and transports natural gas and develops natural gas markets and related infrastructure. It also markets and trades natural gas and electricity, and converts natural gas to liquids to provide clean fuels. A number of new opportunities are also emerging for application of our proprietary coal gasification process. The majority of activities, in particular LNG, are carried out together with associated companies or joint ventures.

Segment income \$1,573m

Did you know? – downstream

- > Shell's refinery operations process some 4 million barrels of crude oil per day.
- > Our distribution network currently includes 5,000 miles of pipeline in the US and some 20,000 trucks worldwide.
- > Shell's aviation business supplies 1,100 airports in 90 countries and fuels some 20,000 aircraft and supplies over 80 million litres of fuel every day.
- > Our NEODOL alcohols are now being used in leading brands of liquid soap, bodywashes, shampoos and creams. The size and density of bubbles created by different NEODOL products can be critical in helping our customers develop more successful shampoo and soap formulations.
- > The Nanhai petrochemicals complex in China is the largest Sino-foreign joint venture. Chinese demand for plastics, packaging and fibres is expected to make up 30% of world consumption by 2010.

Downstream

Shell's downstream businesses engage in refining crude oil into a range of products including fuels, lubricants and petrochemicals. The Group operates the world's largest single branded retail network.

Oil Products

The Oil Products organisation is comprised of a number of different downstream businesses, which include Manufacturing, Supply and Distribution, Retail, Business to Business (B2B), and Lubricants. Collectively these businesses refine, supply, trade and ship crude oil products around the world and market fuels and lubricants for domestic, industrial and transportation use.

Segment income \$9,982m

Chemicals

Our Chemicals companies produce and sell petrochemicals to industrial customers globally. The products are widely used in plastics, coatings and detergents, which in turn are used in products such as fibres and textiles, thermal and electrical insulation, medical equipment and sterile supplies, computers, lighter and more efficient vehicles, paints and biodegradable detergents.

Segment income \$991m

Other industry segments and Corporate

Other industry segments include Renewables and Hydrogen. Renewables develops businesses based on renewable sources of energy, including wind and solar power and is researching options for carbon capture and storage. Hydrogen develops business opportunities in hydrogen and fuel cell technology.

Renewables and Hydrogen

Shell aims to develop at least one alternative energy source such as wind, hydrogen or advanced solar technology into a substantial business.

Corporate

Corporate is a non-operating segment consisting primarily of interest expense on debt, and certain other non-allocated costs.

Segment loss \$523m

INDUSTRY OVERVIEW

- > Oil prices were over 50% higher in 2005 than in 2004 and are expected to remain strong in 2006 due to strong demand and pressure on supply, and will be strongly influenced by the pace of economic growth in the US and China.
- > Henry Hub gas prices in the US also increased by over 50% in 2005 but are expected to ease in 2006.

World economy

Global economic output grew by 4.5% (in real terms) in 2005, from a peak of 5.1% in 2004. We are expecting growth to slow to around 4.4% in 2006 with US growth around 3.4% and a moderate increase in Europe to 1.8%. The positive momentum in Japan is likely to continue, with growth rates of around 2.0% while China's economy, although expected to remain strong, is expected to reduce moderately to around 8.0% in 2006.

Oil and natural gas prices

Oil prices were substantially higher in 2005 than in 2004 driven by a number of factors including the effect of hurricanes Rita and Katrina, geopolitical tensions in the Middle East and supply concerns from limited spare OPEC crude production capacity. Average Brent and West Texas Intermediate crude prices in 2005 were \$54.55 a barrel, compared with \$38.30 in 2004 and \$56.60 a barrel, compared with \$41.50 in 2004 respectively.

Based on internal Group analysis, oil prices are expected to remain strong in 2006 against ongoing supply concerns. The eventual level will be strongly influenced by the pace of economic growth in the US and China, OPEC supply policy in the face of high global oil stocks and the severity of the northern hemisphere winter. In the medium to longer term, the Group anticipates that prices will reduce as stocks and OPEC spare capacity is rebuilt.

Increased demand caused Henry Hub natural gas prices in the US to increase by over 50% in 2005 to \$8.80 per million British thermal units (Btu) (2004: \$5.87). Prices are expected to ease in 2006 as supply recovers from hurricane-related disruptions but are expected to remain above historical levels. Prices in other markets are expected to remain largely linked to oil prices.

Natural gas prices in continental Europe and Asia are predominantly indexed to oil prices and are expected to remain high relative to recent historical prices. Shell LNG is primarily sold through associate companies, with prices closely related to industry averages. Prices in Europe and Asia Pacific are expected to remain high, relative to recent historical prices, reflecting a firm oil price outlook.

General industry factors

Demand for oil and natural gas is expected to continue to increase in both the short and medium term with significant new investment needed across the industry to meet that demand. Strong growth is expected in emerging economies such as China and India, although sustained high crude and refined products prices may temper demand in the medium term.

The refining and marketing environment is characterised by intensifying competition, tightening product specifications in key markets, cyclical investment patterns, and shifting product preferences in the consumer sector. Traditional markets in western Europe and the US are experiencing a slowdown in demand growth while markets in Asia Pacific are seeing it grow significantly. Refining margins were strong in 2005 and are expected to remain firm in 2006 but will continue to reflect developments in the global economy.

The business environment for chemicals became more positive in 2005 resulting in increased margins with growth being driven by the level of global economic activity but profitability is likely to remain cyclical.

OUR STRATEGY IN ACTION



Our business strategy of more upstream and profitable downstream is helping Shell to play its part in meeting the challenge of supplying the world's growing demand for energy in an efficient, profitable and sustainable way.

Meeting the energy challenge

We are working to secure more oil and gas resources; applying technology to ensure we do so effectively and in environmentally and socially responsible ways; while, at the same time, developing viable renewable energy sources. We are reshaping our portfolio in order to secure the opportunities from growing energy demand and we are changing our organisation and culture so that we can successfully meet the challenges ahead.

Delivering on our strategy

The implementation of our business strategy of more upstream and profitable downstream is reinforcing Shell's position as a leader in the industry and as a Group which provides investors with a competitive and sustained total shareholder return.

Our 2005 results demonstrate a strong operational performance across our businesses and provide us with a robust platform to build on.

We have announced an increase in capital investment to support that strategy and, in 2006, we plan to spend a total of \$19 billion, of which \$15 billion will be invested in upstream projects. This increased investment will be used to grow and mature our resource base; increase production; build on our strong position in integrated gas and unconventional oil such as oil sands; and enhance our competitive leadership in the downstream.

\$15 billion

Is the amount that we will be investing in 2006, in upstream oil and gas projects to unlock more oil and gas and develop our leading positions in major markets.

> LIQUEFIED NATURAL GAS (LNG) SITE, SAKHALIN, RUSSIA

MORE UPSTREAM



Shell has a varied portfolio of upstream operations in 48 countries. These include: maximising recovery of oil and gas from existing fields, exploration for new resources and the development of new fields as well as a range of integrated gas developments. Our strategy of more upstream is helping us to capture the opportunities from growing global oil and gas demand.

Our Exploration & Production strategy continues to focus on four strategic themes: existing oil; new material oil; unconventional oil and integrated gas.

In our existing fields, such as those in the UK and US, we are working to sustain long-term production and thus benefit from higher prices. We are investing in new material oil projects including the Kashagan development in Kazakhstan and offshore projects in Nigeria. We are also strengthening our position in unconventional oil, building on the success of the Athabasca Oil Sands Project in Canada where we are looking to double production by 2010.

In the last year, we strengthened our position through the addition of 160 thousand square kilometres of new exploration acreage. This has given us access to frontier areas such as Alaska's Beaufort Sea, and new country entries in Libya and Ukraine.

Included in the planned upstream investment are projects in Gas & Power, predominantly in liquefied natural gas (LNG) such as Sakhalin II, Qatargas 4 and expansions of LNG projects in Nigeria and Australia. These projects are part of the continued development of our integrated gas business through selective investment in opportunities across the value

THE SAKHALIN II PROJECT IN RUSSIA AND THE ORMEN LANGE FIELD IN NORWAY WILL HELP US TO MEET THE WORLD'S GROWING DEMAND FOR NATURAL GAS.

> ORMEN LANGE, NORWAY



chain. That strength along the whole gas value chain from exploration to marketing will continue to be a key factor in our ability to maintain our global leadership in natural gas. At the same time, we will continue to promote our interests in Gas to Liquids (GTL), coal gasification and new opportunities in carbon management.

We expect demand for natural gas to continue to increase, with overall gas demand expected to grow at 2-3% per annum in the next 10 years while demand for LNG could grow by about 10% per annum in the coming years. We believe there will be demand growth in all major natural gas markets. We will seek to maximise the opportunities from that growing demand using the diversity of our natural gas portfolio, our access to leading technology and our expertise across marketing, trading, shipping and project management.

During 2005, we made good progress in delivering our integrated gas strategy with the expansion of the Nigeria LNG plant and the startup of the new Qalhat LNG project in Oman. In Australia, the expansion of the North West Shelf plant with the addition of a fifth train was agreed and construction began on our seventh LNG project, Qatargas 4.

We are also taking further steps to develop new opportunities in the gas business. This includes our plans to build a 140,000 barrel per day GTL plant in Qatar. This will produce an ultra clean transport fuel from natural gas that can be used in conventional diesel engines. At the same time, we are continuing to work to promote our interests in coal gasification which uses advanced technology to provide a cleaner way of using coal.

Improving operational performance

In our Exploration & Production business we brought a number of projects onstream during 2005, including the giant Bonga project in Nigeria, Salym in Russia and E11 in Malaysia. We also matured several projects to final investment decision. During the year, the Sakhalin Energy Investment Company announced very substantial cost overruns compared to earlier estimates. Effective project delivery has become increasingly important as we take on larger and more complex projects. Skilled professionals will be vital to effective project delivery. We are increasing our capacity through redeployment of staff and external recruitment, and have set up a Project Academy to provide focused, high quality training and development on all aspects of project management and

implementation. We aim to reduce costs through improving management of the supply chain and standardising our processes globally.

In Gas & Power, the Qalhat and Nigeria LNG expansion projects were both completed within Shell's budget and schedule expectations.

Reshaping the portfolio

An important focus in our strategy is on reshaping our portfolio. Divestments will be made in areas where the Group sees little growth potential or strategic fit. In 2005, the sale of our interest in Gasunie's gas transportation assets was completed with net proceeds of \$1.7 billion. We exited the InterGen power joint venture and divested certain Exploration & Production interests in the UK, Norway and Australia. We signed a Memorandum of Understanding with Russia's Gazprom to swap 25% of Sakhalin II to give Shell a 50% interest in the Zapolyaroye-Neocomian field. Following these successful agreements, more emphasis will be given to swaps. Focused acquisitions will also be considered, especially those that provide price and exploration benefits and where we can see clear scope for long-term value growth.

500

The number of planned new retail sites in China with our partner Sinopec; 200 are already operational. We also expanded our retail business in India and opened our first retail station in Indonesia. All three markets have strong growth potential.

> CHEMICALS PLANT, NANHAI, CHINA



PROFITABLE DOWNSTREAM



Our downstream organisation refines and supplies oil products and petrochemicals to customers across the world. Our strategy of profitable downstream means working to sustain strong earnings while building profitable new positions in higher growth markets, especially in the Middle East and Asia Pacific regions, and maintaining and strengthening established positions in attractive markets.

In 2006, downstream investment is planned at over \$4 billion. This will help to support our strategy of being the downstream leader in the markets in which we choose to operate.

A key element in the downstream strategy is work to reshape the portfolio by divesting underperforming assets, making selective investments in manufacturing and marketing to enhance our competitive position and investing in high growth markets in the East.

We are also working to ensure we maintain Shell's position as the leading global brand across all the downstream businesses including maintaining our focus on differentiated fuels. Our work on making cleaner fuels such as biofuels more widely available is continuing. This includes a new partnership with CHOREN Industries in Germany to construct the world's first commercial plant that will convert biomass such as wood chips and straw into high quality synthetic biofuel.

THE NANHAI PETROCHEMICALS PLANT AND THE DEVELOPMENT OF RETAIL STATIONS IN CHINA UNDERLINE OUR COMMITMENT TO INVESTING IN THE GROWING MARKETS OF THE EAST.

> RETAIL STATION, SUZHOU, CHINA



Our Chemicals business has continued to focus on delivering bulk petrochemicals to large industrial customers. The successful startup of the Nanhai plant in southern China has established our presence in this very fast-growing market. We have also worked to maintain our strong asset base in North America and Europe. Further growth opportunities are being developed including plans for major new petrochemicals plants in Singapore and Qatar.

Meeting growing global demand for energy in ways that minimise the effect on the environment is a key challenge for the future of our business and our aim is to create at least one alternative energy, advanced solar, wind or hydrogen into a substantial business.

Improving operational performance

Our work to improve operational performance has continued. Despite the particular challenges of dealing with the effects of the hurricanes in the Gulf of Mexico, we saw continued improvements in performance at our refineries and manufacturing sites. We are continuing to make good progress in maximising the benefits of combining our Oil Products and Chemical businesses into one downstream organisation. This has helped us to improve performance, reduce costs by sharing services and to spread best practice more effectively.

We have also been able to standardise and simplify our processes and systems in Oil Products businesses across the world. This is helping to drive further performance improvements and is providing customers with a more streamlined and efficient service.

Reshaping the portfolio

During 2005, we made further progress with our programme to reshape the portfolio and total proceeds from divestments were over \$3 billion. Our portfolio activities were focused on investment in high growth markets in the East and Turkey. In Turkey, a joint venture to combine our marketing and distribution activities with Turcas Petrol AS was agreed. In addition, as part of Turkey's privatisation programme, Koç (Turkey's largest conglomerate) became the successful bidder for 51% of Türkiye Petrol Rafinerileri AS (Tupras) and we acquired a 2% minority shareholding in Tupras. In China, our retail joint venture with Sinopec commenced operations with more than 200 stations now in service. Eight service stations are currently operating in India, with another 50 under various stages of construction and acquisition. We also opened our first retail station in Indonesia. In Chemicals, our plans for new plants in Singapore and Qatar will help us secure opportunities for growth in the markets of the Asia Pacific region.

> VIRTUAL REALITY CENTRE, EPICENTRE, RIJSWIJK, THE NETHERLANDS



CREATING THE CULTURE AND ORGANISATION TO DELIVER



We have made significant progress in changing our culture and organisation to ensure that we can deliver our strategy. The Unification of the parent companies under Royal Dutch Shell plc in 2005 has provided us with a clearer, simpler, more efficient and accountable form of governance.

The Chief Executive now reports to a single Board comprising 10 Non-executive Directors and five Executive Directors and a key advantage of this single, smaller Board is that it provides a very clear and direct line of accountability to shareholders.

Royal Dutch Shell now has a single headquarters in The Hague (the Netherlands). The centralisation of a number of activities in the headquarters is helping to reduce duplication and helping us to operate in a more streamlined and efficient way. The structural changes are also helping to reinforce our work to simplify and standardise many of our business processes. In particular, the integration of the Oil Products and Chemicals businesses into one downstream organisation has so far been very successful in creating a more dynamic, responsive and effective organisation. We have seen particular benefits at sites which contain both refineries and chemicals manufacturing plants. By sharing services and integrating their activities we can operate much more efficiently. It also means we have been able to share and adopt best practice more quickly and so improve operational performance.

THE VIRTUAL REALITY CENTRE AND OUR ADVANCED FUELS LABORATORY SHOW THE RANGE OF WORK WE UNDERTAKE TO DEVELOP AND APPLY NEW TECHNOLOGY ACROSS OUR BUSINESS.

> RESEARCH LABORATORY, AMSTERDAM, THE NETHERLANDS



We are also working to ensure that the way we are organised supports and develops our ability to integrate our projects across the whole value chain from initial exploration through to delivering the product to customer. One example of this integrated approach is the deepwater Bonga field off the coast of Nigeria. Gas from the field is supplied to the Nigeria LNG plant at Bonny where it will be liquefied and shipped to customers in the growing markets of Europe and North America.

Reshaping the portfolio

Our target of raising \$12-15 billion in divestment proceeds for the period 2004-06 has been achieved a year ahead of schedule. In the future, we expect to see a lower level of divestment as the focus of the strategy moves to swaps and acquisitions that can create value such as those that add to reserves of oil and gas and those that can complement established positions in attractive markets or build positions in new markets. This will allow us to secure superior returns from upstream operations in a higher price environment while, at the same time, developing opportunities that will play a key role in sustaining our success in the long term.

Technology and innovation

Developing and implementing new technology plays a key role in maintaining the competitiveness of our existing business activities and in helping us to secure new business opportunities.

New technology plays a particularly important role in helping us to find new resources and in maximising the recovery of oil and gas from existing resources. It is also fundamental to realising the potential of unconventional hydrocarbons and of new transportation fuels. Equally it will be a significant element in our work to develop ways of managing the CO₂ emissions related to energy production and use. The appointment of a senior manager to lead this work underlines our commitment to driving the development of technical solutions in this area.

We have recognised the importance of having the skilled professionals in place to meet the energy challenges ahead and have recruited more than 1,000 additional engineers over the past year. We have also appointed eight Chief Scientists who will lead our technological developments within their fields of expertise.

In future, new oil will be more difficult to find and to produce. We will have to meet new challenges of working in ultra deep water and Arctic regions and producing unconventional resources such as heavy oil, tar sands and oil shales. Shell's research and development effort is focused on developing new innovative technologies and providing technical solutions to these challenges.

Technology will also play a part in increasing recovery from our existing assets. We continue to work on the development and deployment of enhanced oil recovery technologies that can extend field life.

New technology is enabling us to reach previously inaccessible or uneconomic hydrocarbon resources. A recent example is the Champion West field offshore Brunei, where application of Smart Field technology allowed the production of oil and gas in several small reservoirs. These reservoirs were too small to be economical individually but because they can now be accessed from a single well, unit development costs have been reduced, making the development viable.

MEETING THE ENERGY CHALLENGE

We believe that oil and gas will be integral to meeting the growing global energy demand for many decades to come. We work to provide those resources in a profitable and environmentally and socially responsible way, at the same time as developing more efficient and sustainable energy sources. We set out below some examples of this work.

INVESTING IN BIOFUELS

We are committed to developing cleaner transport fuels and are investing in the technology to produce advanced biofuels.

Shell is investing in a range of technologies to develop future fuels that provide motorists with better environmental and vehicle performance.

These include a partnership, agreed in 2005, with CHOREN Industries GmbH in Germany to construct the world's first commercial plant that converts biomass such as wood chips and straw into high quality synthetic biofuel.

This process uses technology developed by Shell to create Gas to Liquids transport fuel. The resulting renewable biofuel is much cleaner than conventional diesel, with much lower greenhouse gas emissions, and it can be used as pure product or as a blend without the need to modify vehicle engines.

NANHAI, CHINA

The successful completion of this project will allow Shell to play its part in meeting China's increasing demand for petrochemicals.

The Nanhai petrochemicals complex in southern China was completed within the expected schedule and budget. This is the largest joint venture ever undertaken in China with a total investment of \$4.3 billion by Shell and the Chinese National Offshore Oil Corporation.

When operating at full capacity the plant will produce 2.3 million tonnes of petrochemicals per annum to supply markets in the Guangdong Province and southeast coastal China and is expected to generate \$1.7 billion of sales every year.

The project has been completed on time and on budget and was developed in accordance with our commitment to sustainable development, ensuring that environmental and social impacts were effectively managed.

BONGA, NIGERIA

The development of the Bonga field will represent an increase of around 10% in Nigeria's oil production.

The field is situated 120km off the coast of Nigeria, in water depths of more than 1,000 metres. Bonga is Nigeria's first deepwater oil production and has reinforced Shell's leading position in this area.

From its initial discovery to start of production, Bonga has benefited from the application of a range of pioneering technology and Shell's expertise in deepwater operations.

Its floating production storage and offloading vessel is one of the largest in the world and production is expected to ramp up to more than 200 thousand barrels of oil per day in 2006.

> RESEARCH LABORATORY, AMSTERDAM, THE NETHERLANDS



> PETROCHEMICALS PLANT, NANHAI, CHINA



> FLOATING PRODUCTION STORAGE AND OFFLOADING VESSEL, BONGA, NIGERIA



NIGERIA LIQUEFIED NATURAL GAS

Shell is developing a range of projects to meet rising global demand for LNG including expanding its operations in Nigeria.

Nigeria's LNG plant at Bonny, in which Shell has a 25% share, is Africa's largest single industrial operation. It started operation in 1999 and since then has supplied more than 500 cargoes to customers in Europe.

In early 2006, construction of a two train expansion was completed, bringing the total capacity of the plant to 17 million metric tonnes per annum. A sixth train is now planned to be completed in 2007.

This expansion will supply LNG to new customers in the growing markets of North America as well as play a key part in making progress towards the elimination of environmentally damaging gas flaring.

> TESTING OF CRUDE OIL, BONNY ISLAND TERMINAL, NIGERIA



NEW RETAIL STATIONS IN CHINA

Through our joint venture with Sinopec we are gaining new customers in China's rapidly growing retail fuels sector.

During 2005, Shell and Sinopec began operations in Jiangsu province in eastern China. We have taken over the operation of more than 200 of Sinopec's existing retail stations which have been rebranded and redeveloped.

Our plans are to operate a total of 500 sites in the region, including both Sinopec's existing service stations and new outlets in some of the province's rapidly growing cities.

This venture is one element in Shell's overall strategy of building a presence in the growing markets of the East and, during the past year, we have also opened our first retail stations in India and Indonesia.

> RETAIL SITE, SUZHOU, CHINA



SAKHALIN II

The Sakhalin II project in the far east of Russia is one of the world's largest integrated oil and gas projects. It is one of the most challenging energy projects ever undertaken and is a key part of Shell's upstream strategy. Operating in waters that are frozen for six months of the year, it will supply oil and gas from two offshore fields via 800km of pipeline to an oil export terminal and a LNG plant.

Project cost estimates have doubled to \$20 billion since the go-ahead in 2003, reflecting the challenging environment and the market escalation as well as initial underestimation. The project will develop some 4 billion boe oil and gas resources at a development cost of some \$5-6 per barrel of oil equivalent (boe), including the LNG plant. During 2005, the concrete gravity base structures for both platforms were successfully installed and phase 2 of the project was well over 50% complete by the end of the year.

The first shipments of LNG from Sakhalin to customers in Asia and North America are expected in 2008.

> LNG SITE, SAKHALIN, RUSSIA



SUMMARY OPERATING AND FINANCIAL REVIEW

SUMMARY OF GROUP RESULTS



Peter Voser
Chief Financial Officer

The Group's income reflects higher realised oil and gas prices and strong underlying performance in all segments.

Earnings	\$26,261 million
Hydrocarbon production	3,518 thousand boe per day
Capital investment	\$17.4 billion

2005 compared to 2004

The Group's net income in 2005 was \$26.3 billion, an increase of 36% from 2004. These earnings reflect higher realised oil and gas prices in Exploration & Production and higher LNG volumes and prices in Gas & Power, as well as increases in refining margins and trading profits in Oil Products and higher margins in Chemicals.

Exploration & Production earnings were \$14,238 million, 45% higher than in 2004. Production in 2005 was broadly unchanged compared to 2004, excluding the impact of divestments, price effects and hurricanes in the Gulf of Mexico. The decline in production in mature areas was largely offset by the start of production in new fields. Hydrocarbon prices were higher in 2005 compared with 2004 (see the Industry Overview on page 8 for more details), reflecting the effect of strong US and Chinese demand, geopolitical uncertainty in a number of producer countries, disruptions to production as a result of the hurricanes in the Gulf of Mexico and lower OPEC spare production capacity. The benefits of higher oil and gas prices were partly offset by lower hydrocarbon production, higher costs and depreciation.

Earnings in Gas & Power were \$1,573 million, 13% lower than in 2004. Earnings in 2005 included net charges of \$84 million mainly relating to divestments (InterGen). Earnings in 2004 reflected net gains of \$444 million also mainly related to divestments. Excluding these non-operational items earnings were 21% higher, benefiting from higher LNG prices and volumes and more favourable marketing and trading conditions. LNG sales volume was up 5%.

Oil Products earnings increased by 31% compared with 2004 to \$9,982 million, benefiting significantly from higher refining margins, improved operational performance and increased trading earnings. These results included divestment gains of \$427 million.

Earnings in Chemicals were \$991 million, after a loss from discontinued operations of \$307 million from an impairment and charges associated with the divestment of the polyolefins joint venture Basell. In 2004, earnings of \$1,148 million included a loss from discontinued operations of \$199 million from an impairment of the investment in Basell of \$353 million. The reduction in earnings from continuing operations relative to 2004 was attributable mainly to higher costs, partly offset by higher margins.

Capital investment¹ in 2005 was \$17.4 billion compared with \$15.3 billion in 2004. Gross proceeds from divestments were \$6.6 billion and cash flow from operating activities was \$30.1 billion, an increase of 13% from 2004. At the end of 2005, the total debt ratio² was 11.7% compared with 13.8% in 2004. Cash and cash equivalents were \$11.7 billion compared with \$9.2 billion in 2004.

Group research and development (R&D) programmes are carried out through a worldwide network of laboratories, with major efforts concentrated in the Netherlands, UK and US. Other laboratories are located in Belgium, Canada, France, Germany, Japan and Singapore. Group companies' R&D expenses (including depreciation) were \$588 million in 2005 (2004: \$553 million).

Upstream Exploration & Production



Malcolm Brinded
Executive Director, Exploration & Production

In 2005, we met our production target and delivered record cash flows. We are well positioned for future growth, building on our strong project portfolio and exploration success.

Segment earnings	\$14,238 million
Hydrocarbon production	3,518 thousand boe per day
Capital investment	\$10.8 billion
<small>(excluding \$1.3 billion minority partners' contribution in Sakhalin)</small>	

Earnings and investment

Earnings in 2005 increased by 45% to \$14,238 million mainly reflecting higher oil and gas prices. Divestment gains such as from the sale of our interest in Gasunie's gas transportation assets in the Netherlands contributed \$1.7 billion to this total.

We invested around \$10.8 billion in capital in our projects, in accessing new resources and on our technical programme. This amount was 25% higher than our 2004 investment of \$8.6 billion.

Exploration and production

Exploration and new business development made a significant contribution to our overall acreage positions with new exploration licences in Algeria, Australia, Brazil, Cameroon, Canada, the Faroe Islands, Kazakhstan, Libya, Malaysia, Nigeria, Norway, the Republic of Ireland, the UK and the US. Some 145 thousand square kilometres of new exploration acreage was added in these 14 countries. Globally, we added a total of 160 thousand square kilometres.

We met our target to produce 3.5 million barrels of oil equivalent every day during 2005 despite losing some 85 thousand barrels of oil equivalent per day during the hurricanes in the Gulf of Mexico.

We participated in 93 successful exploratory wells (including appraisal wells) and achieved our target

¹ Capital investment is capital expenditure, exploration expense and new investments in equity accounted investments.

² The total debt ratio is defined as short-term plus long-term debt as a percentage of capital employed. Capital employed is Group total assets minus total liabilities before deduction of minority interests, plus short-term and long-term debt.

of drilling or participating in 15 “big cat” prospects. Three of these were still drilling at the end of the year and of the 12 completed, hydrocarbons were found in seven.

Capital investment and portfolio actions

We started production from the deepwater Bonga field in Nigeria. A total of \$3.6 billion has been invested in the project that is expected to reach a production of over 200,000 barrels of oil per day in 2006.

In Russia, we secured extended production licences for two of the Salym fields in western Siberia and commercial production started at West Salym, the largest of the fields. Total investment in developing the three Salym fields and associated infrastructure will be \$1.25 billion.

At Sakhalin II, one of the world’s largest integrated oil and gas projects, phase 2 was 60% complete by the end of 2005. During the year, Sakhalin Energy Investment Company announced that Phase 2 project investment costs were now estimated at \$20 billion. This represents very substantial cost overruns compared to earlier cost estimates. Sales have been secured for the majority of the project’s LNG production with customers in Asia and North America. First deliveries from the project are expected in the summer of 2008.

In Malaysia, first gas was produced from the Shallow Clastics field, which, once fully developed, will produce 430 million standard cubic feet per day into the E11 hub integrated gas project.

Our interest in the Gorgon LNG project in Australia was increased and the project has now moved into the front-end engineering and design phase. Agreement was reached to further develop the Changbei gas field in China in a joint venture with PetroChina. The development is expected to start delivering 1.5 billion cubic metres of gas a year (53 billion scf) in 2007 and, when operating at full capacity, will produce 3 billion cubic metres of gas a year (106 billion scf).

We established or expanded our positions in a number of countries with a view to increasing our resource base. This included increasing our equity interest in the North Caspian Sea production sharing agreement, which includes the Kashagan project in Kazakhstan, from 1.85% to 18.52%. We signed a cooperation agreement with National Joint Stock Company Naftogaz Ukrainy to carry out seismic data acquisition and to drill exploration

wells in the Dnieper-Donets basin in the Ukraine. Total initial investment by Shell will be some \$100 million over three years. We also reached agreement with the Libyan National Oil Corporation for exploration rights in the Sirte Basin and seismic work is now underway, with drilling expected to start in 2007.

We completed the divestment of the Laminaria and Corallina fields in Australia; the Schooner and Ketch fields in the UK, and of our interests in the Gasunie gas transportation network in the Netherlands.

Upstream Gas & Power



Linda Cook
Executive Director, Gas & Power

Shell’s Gas & Power business continued to benefit from its leading position in a strong business environment during 2005. We are well on track to deliver strong growth throughout the remainder of this decade.

Segment earnings	\$1,573 million
LNG sales volume (tonnes)	10.7 million
Capital investment	\$1,602 million

Earnings

Earnings in Gas & Power were \$1,573 million in 2005 compared with \$1,815 million last year. Earnings in 2005 included net charges of \$84 million whereas 2004 included net gains of \$444 million; these were mainly related to divestments. This year’s earnings reflected the sale of record volumes of LNG, which were 5% higher than last year, as well as high prices and favourable marketing and trading conditions.

Capital investment and portfolio actions

Total capital investment in 2005 was \$1,602 million compared with \$1,633 million in 2004. This was mainly related to our LNG and Gas to Liquids (GTL) development projects.

During the year, we made progress on a number of major LNG developments. This includes the Qatargas 4 joint venture (Group interest 30%) with Qatar Petroleum, which moved into construction

phase with the award of the onshore engineering, procurement and construction contract.

This integrated upstream and LNG project will include a 7.8 million tonnes per annum (mtpa) liquefaction plant. We expect the majority of the plant’s customers will be in the US and we plan to supply that market through additional capacity we have acquired at the Elba Island LNG import terminal in Georgia, USA.

In Australia, there was major progress with another significant project, the Gorgon joint venture (Group interest 25%). This integrated LNG development, on Barrow Island in Western Australia, will provide a new LNG plant that will have an initial capacity of 1.0mtpa. Also in Australia, final investment decision was taken to build a fifth LNG liquefaction unit (or train), in the North West Shelf LNG venture (Group interest 22%). The new train, currently under construction, will increase plant capacity to a total of 15.9mtpa.

In Nigeria, production started at the two train expansion of the Nigeria LNG Ltd (Group interest 26%) facility. These two trains increase Nigeria LNG’s overall production capacity to over 1.7mtpa. A further 4mtpa of capacity will be added from a sixth train which is currently being constructed. In another development in Nigeria, a Project Development Agreement was signed in February 2006 with the Nigerian National Petroleum Corporation (NNPC) and other partners for the joint development of a greenfield LNG project Olokola in western Nigeria.

In the Middle East, production started at the Qalhat LNG joint venture project in Oman (Group indirect interest 11%). In India, another market with growth potential, the LNG regasification terminal at Hazira (Group interest 74%) began operations.

In 2005, further contracts were signed to supply LNG from the Sakhalin II project (Group interest 55%) to customers in Korea and Japan. Total firm sales agreements from Sakhalin now amount to 7.3mtpa, more than 75% of the total capacity of the plant.

The US Maritime Administration gave approval for our offshore Gulf Landing LNG terminal. The terminal will be located in the Gulf of Mexico, some 38 miles off the Louisiana coast.

A joint venture agreement was signed with ERG Power and Gas S.p.A in Italy to build a regasification terminal in Sicily that is expected to have an initial capacity of 5.8mtpa.

Our overall equity LNG production capacity increased by 13% during 2005 to 12.4mtpa at the end of the year. This is in line with our aim of increasing our LNG production capacity by an average of 14% a year in the period from 2004 to 2009.

We also continued to develop our interests in GTL and coal gasification. The Pearl GTL project in Qatar awarded a project management contract to JGC and Kellogg. The Pearl project includes the development of upstream gas production facilities and the construction of the world's largest GTL plant that will produce 140,000 barrels per day of GTL products. These products have a range of uses including as ultra clean transport fuels that can be used in conventional diesel engines, and which can play a part in reducing local air pollution.

Our coal gasification technology was licensed to Datang International Power for its coal to propylene project in China. It was also selected by the Stanwell Corporation in Australia for a research study for an integrated gasification combined cycle (IGCC) plant, in which coal is converted into synthesis gas for power production and the carbon dioxide generated is captured and sequestered.

Downstream Oil Products



Rob Routs

Executive Director, Oil Products & Chemicals

We have made great progress towards achieving our goal of sustainable downstream leadership. We strengthened our position in key markets and we reshaped our portfolio and increased our investment in higher growth markets in Asia and Eastern Europe.

Segment earnings	\$9,982 million
Capital investment	\$2.8 billion

Earnings

Full year segment earnings in Oil Products were \$9,982 million compared with \$7,597 million in 2004, including divestment gains of \$427 million. The increase in earnings reflected strong refining margins, improved operational performance and higher trading profits. Net sales proceeds were significantly higher, largely as a result of higher product prices. Trading earnings benefited from high levels of volatility and profitable storage deals.

Capital investment and portfolio actions

Capital investment of \$2.8 billion in 2005 was consistent with spending in 2004.

During 2005, we opened a number of new retail sites in growth markets. In China, the joint venture with Sinopec now has more than 200 service stations in operation in Jiangsu province. We also launched another new joint venture, Anji Jiffy Lube Automotive Services Company Limited. The venture plans to build a network of fast car maintenance and service outlets modelled on the Jiffy Lube chain that operates in North America and aims to have 600 outlets in operation by 2015.

In India, we were the first international oil company to secure a nationwide retail licence and eight service stations are currently operating, with another 50 at various stages of construction and acquisition. We also opened our first service station in Indonesia. Our acquisition programme in Russia continued and we now have 13 service stations in operation and have secured land for an additional 20 sites.

A Memorandum of Understanding was signed with Kuwait Petroleum International to explore opportunities to develop and implement joint downstream investments worldwide. In the US, a capital expenditure strategy to increase refining capacity at one or more of the Motiva joint venture refineries was announced.

Shell is the world's largest marketer of biofuels and a leading developer of advanced biofuels technologies. During 2005, we entered a partnership with CHOREN Industries GmbH which will work towards the construction of the world's first commercial facility to convert biomass into high quality synthetic biofuel. This is in addition to our existing partnership with logen which is producing cellulose ethanol in Canada from plant waste. We are now working with logen and Volkswagen on a joint study to assess the economic feasibility of producing cellulose

ethanol in Germany. These advanced biofuels can be used in today's cars and can cut carbon dioxide emissions by 90% compared with conventional fuels.

We continued our work to reshape our downstream portfolio by divesting underperforming assets and making selective investments in manufacturing and marketing in high growth markets. We made a number of acquisitions to strengthen our position in Turkey which we see as a key growth market. We also completed our announced sale of a number of interests in retail and commercial fuels marketing and distribution businesses in Europe, the Caribbean, Africa and South America. Total proceeds from divestments were \$1.7 billion.

We received bids relating to the sale of our liquid petroleum gas business and expect to decide whether to proceed with this divestment during the first half of 2006.

Downstream Chemicals

The integration of Chemicals into the downstream business is expected to deliver benefits through further optimisation of hydrocarbon streams, standardisation of processes and use of shared services.

Segment earnings	\$991 million
Capital investment	\$599 million

Earnings

Earnings in Chemicals were \$991 million compared with \$1,148 million in 2004. The results in 2005 included \$307 million of losses from discontinued operations related to a write-down of the carrying value and charges from the sale of Basell compared with \$199 million of net losses from discontinued operations in 2004.

The reduction in earnings from continuing operations relative to 2004 was attributable mainly to higher costs partly offset by higher margins.

Capital investment and portfolio actions

In 2005, capital investment was \$599 million compared with \$868 million the previous year.

The construction of the Nanhai petrochemicals complex in southern China was completed within the expected schedule and budget at the end of

2005. This complex is a joint venture between Shell and the Chinese company, CNOOC Petrochemicals Investment limited, and, when operating at full capacity, is expected to produce 2.3 million tonnes of chemicals a year to supply China's domestic market.

We also made progress in developing new projects to supply the growing markets of the Middle East and Asia. We signed a letter of intent with Qatar Petroleum to develop a petrochemicals plant at Ras Laffan in Qatar. The agreement means work can start on developing the technical and commercial aspects of the complex and we are planning for production to start early in the next decade.

In Singapore, the engineering and design contracts were awarded for a major new plant at the Pulau Bukom manufacturing complex. This will produce ethylene, which is essential to the production of numerous petrochemicals. The plant is expected to start operations in 2009 and is planned in collaboration with the Singapore Economic Development Board.

During the year, we announced plans to expand the capacity of the isopropyl alcohol plant at Pernis in the Netherlands by 50,000 tonnes per year. Isopropyl alcohol is used in a range of products including cosmetics, pharmaceuticals and solvents. This expansion will bring improved efficiency at the plant and will strengthen our position in this market. The new capacity is expected to be available in 2006.

Shell and BASF completed the sale of Basell, their 50:50 polyolefins joint venture, to Access Industries. The sale proceeds, after debt, were over \$1 billion. We also completed the sale to Basell of our share of the ethylene plant, along with the butadiene business at Berre in France.

Other Industry Segments and Corporate

Other industry segments include Renewables and Hydrogen. Renewables works to develop businesses based on renewable sources of energy, including wind and solar power. Hydrogen develop business opportunities in hydrogen and fuel cell technology.

Capital investment

\$345 million

Earnings

Other industry segments consists of the combined results of the Renewables and Hydrogen business and Corporate, which is a non-operating segment consisting primarily of interest expenses on debt and certain other non-allocated costs. This part of the business made a loss of \$523 million in 2005 compared with a loss of \$1,126 million last year.

Portfolio actions Renewables and Hydrogen

Shell aims to develop at least one alternative energy source such as wind, hydrogen or advanced solar technology into a substantial business.

We see wind as one of the most promising sources of renewable energy and we currently have interests in wind projects around the world with a total capacity of 350 megawatts.

In 2005, we signed final contracts for the NoordzeeWind project and expect construction to start during 2006. This will be the first Dutch offshore wind project with 36 turbines and an overall capacity of 108 megawatts and is a joint venture between Shell and Nuon. We also made progress with the London Array wind project. This project, in the outer Thames Estuary, if approved, would have up to 271 turbines and would generate up to 1,000 megawatts of electricity.

We are also one of the largest wind energy developers in the US and we are extending our presence in this market by pursuing the acquisition of development rights for the Mount Storm wind park in West Virginia. We have also made progress in securing the appropriate permits for the Cotterel Mountain wind project in Idaho.

In Solar, we have revised our approach to focus on advanced solar panel technology, including what is known as CIS thin film technology, which is applied to glass in thin layers. We are now working with Saint Gobain, one of the world's leading producers of glass and building materials to explore its potential further.

During the year, Shell Hydrogen continued its work to promote and support the development of the infrastructure and technology that will help hydrogen play its part in meeting future energy needs. New projects agreed included an agreement with the Tokyo Gas Company to conduct a pre-feasibility study for a combined LNG/Liquid Hydrogen/CO₂ terminal in Tokyo and with Tongju University to build a hydrogen station in Shanghai.

SUSTAINABLE DEVELOPMENT

One of the main challenges in responding to society's rapidly growing demand for energy is the need to work in environmentally and socially responsible ways. Shell's work to achieve these aims is governed by applicable laws as well as the Shell General Business Principles which include a commitment to contribute to sustainable development. This requires balancing short and long-term interests, integrating economic, environmental and social consideration into business decision-making. This includes giving proper regard to health, safety, security and the environment and working to achieve continuous performance improvements towards our long-term aspirations of causing no harm to people and protecting the environment.

This is becoming increasingly important as we undertake more very large energy projects, many of which will present environmental and social challenges. These can range from managing a development in an environmentally sensitive area, to working to minimise carbon emissions or ensuring that we make a positive contribution to the communities in which we work by being a good neighbour. Meeting these challenges effectively will be vitally important in ensuring the future success of our business.

One of those challenges is the need to mitigate the effect of carbon emissions from meeting growing energy demand and Shell was one of the first companies to recognise the importance of the need to take action on climate change. Since 1997, we have taken a number of initiatives both to reduce and manage carbon emissions from our own activities and to reduce emissions by our customers from the products we supply. This included setting voluntary targets to reduce greenhouse gas emissions from our own operations. We met the first target in 2002 and reconfirmed the second which requires our greenhouse gas emissions in 2010 to be 5% below 1990 levels. We also continue to improve energy efficiency at our major downstream operations and are committed to ending continuous flaring of natural gas at oil production facilities. At the same time, we are working to develop carbon capture and storage technology that can help reduce and manage emissions from fossil fuels. We are also developing alternative energies such as wind, advanced solar, hydrogen and biofuels.

Another important challenge is establishing an appropriate balance between the need for development and the conservation of nature. We have a Group Biodiversity Standard, which ensures that the potential impact on biodiversity of any projects is identified at an early stage. It requires plans to be developed to manage those impacts including work with experts and relevant stakeholders. We have already developed considerable practical experience in this area and we are now working to ensure we apply what we have learned in new projects.

An essential element in our commitment to contribute to sustainable development is improving our relationships with the communities who live close to our existing plants. Those communities sometimes have concerns about the possible environmental impact of our operations and want to ensure that our operations bring economic benefits to them. We have made good progress at a number of these in establishing effective dialogues with communities and gain their confidence that we are running our facilities safely and in a way that does not harm the local environment.

Every year we measure our environmental and social performance in a number of key areas. In 2005, our safety performance improved with a reduction in the number of fatalities in road accidents but progress was less good in other areas, reflecting work on major projects in challenging areas. We are now focusing on improving compliance with procedures and on changing behaviour to strengthen our safety culture. Our environmental performance showed progress towards ending continuous flaring and reducing spills from our operations. More details of Shell's social and environmental performance can be found in the Shell Sustainability Report.

In all these respects we believe that our commitment to sustainable development will continue to be a vital element in the future of our business and will deliver competitive advantages as we work to meet the energy challenges ahead.

LIQUIDITY AND CAPITAL RESOURCES

Overview

In general, the most significant factors affecting year-to-year comparisons of cash flow provided by operating activities are changes in realised prices for crude oil and natural gas, crude oil and natural gas production levels and refining and marketing margins. These factors are also the most significant affecting income. Acquisitions and divestments can affect the comparability of cash flows in the year of the transaction. On a longer term basis, the ability to replace proved reserves that are produced affects cash provided by operating activities, as well as income.

Reserve replacement will affect the ability of the Group to continue to maintain or increase production levels in Exploration & Production, which in turn will affect our cash flow provided by operating activities and income. We will need to take measures to maintain or increase production levels and cash flows in future periods, which may include developing new fields, continuing to develop and apply new technologies and recovery processes to existing fields, and making selective focused acquisitions. Our goal is to offset declines from production and increase reserve replacements. We currently expect overall production to increase, beginning in 2006, as additional production from new projects begins to come onstream.

It is our intention to continue to divest and, where appropriate, make selective focused acquisitions as part of active portfolio management. However, the Group does not generally expect that the purchase and sale of assets in the normal course of business will have a significant adverse effect on cash flow provided by operating activities. The number of divestments will depend on market opportunities and are recorded as assets held for sale where appropriate.

Statement of cash flows

Cash flow provided by operating activities reached a record level of \$30.1 billion in 2005 compared with \$26.5 billion in 2004. Income increased to \$26.3 billion in 2005 from \$19.3 billion in 2004, reflecting higher realised prices in Exploration & Production and higher refining margins in Oil Products. Additionally, \$2.3 billion of cash flows were realised in 2005 through sales of assets (2004: \$5.1 billion). Cash flow in 2005

has mainly been deployed for capital expenditure (\$15.9 billion), debt repayment (\$2.7 billion) and dividends paid to shareholders (\$10.6 billion).

Financial condition and liquidity

Cash and cash equivalents amounted to \$11.7 billion at the end of 2005 (2004: \$9.2 billion). Total short and long-term debt fell \$1.7 billion between 2004 and 2005.

Total debt at the end of 2005 amounted to \$12.9 billion and the Group's total debt ratio decreased from 13.8% in 2004 to 11.7% in 2005.

Credit ratings

On February 4, 2005, Standard & Poor's Ratings Services (S&P) downgraded to "AA" from "AA+" its long-term ratings on the Group. Moody's Investors Services (Moody's) continues to rate the guaranteed long-term debt of Shell Finance (Netherlands) B.V. and Shell Finance (U.K.) P.L.C. as "Aa1". In July 2005, following implementation of the Unification Transaction, S&P and Moody's each extended the same ratings to debt programmes guaranteed by Royal Dutch Shell.

Capital investment and dividends

Group companies' capital expenditure, exploration expense and new investments in equity accounted investments increased by \$2.1 billion to \$17.4 billion in 2005. Capital investment (excluding the contribution of the Group's minority partners in Sakhalin) in 2006 is estimated to be \$19 billion, with Exploration & Production continuing to account for the majority of this amount. Royal Dutch Shell currently expects to return up to \$5 billion to shareholders via buyback of shares for cancellation in 2006. Share buyback plans will be reviewed periodically, and are subject to market conditions and the capital requirements of the company. In line with the financial framework, the target for gearing over time in the 20–25% range remains unchanged, including other commitments such as operating leases, contingent liabilities, retirement benefits and operating cash requirements.

Our first priority for applying our cash is our dividend, which is declared in euro. We intend to pay quarterly dividends and provide per share increases in dividend at least in line with European inflation over time. With the adoption of quarterly dividends in 2005, Royal Dutch Shell, together with Royal Dutch and Shell Transport prior to Unification, returned \$10.6 billion to shareholders in dividends during 2005.

PEOPLE

People

During 2005, our focus was on supporting the Group's strategy of more upstream and profitable downstream. This included targeted recruitment of key technical staff, greater investment in technical professionalism, and driving the benefits of the simpler corporate structure.

Resourcing for the future

In 2005, we recruited more than 700 graduates and almost 2,000 experienced people from over 70 different nationalities, underlining our focus on recruiting from a wider range of countries and regions, especially Asia Pacific and the Middle East. Our successful, large-scale recruitment drive for experienced Exploration & Production professionals in 2005 means that Shell is well positioned to deliver on the increased level of investment in our upstream business. The recent appointment of Chief Scientists also demonstrates our continued commitment to technical excellence, and confirms the strength of Shell's career and development opportunities for technical staff. We place strong emphasis on local careers and employee development with 49 nationalities represented amongst our senior leaders.

Strengthening leadership and deepening professionalism

Shell's ability to capitalise on growth opportunities in emerging markets relies on the skills and professionalism of our employees. We continue to invest in training and development through a balance of on and off-the-job learning. The establishment of Project and Commercial Academies will provide new opportunities for staff to develop expertise in these areas. Just as important is the ability to manage change effectively, and in 2005 we increased both resources and capability in support of business critical change initiatives. In addition, we are committed to the development of leadership capability through the integrated cross-business Shell Leadership Development programmes. These are delivered through strong partnerships with major international academic institutions and in 2005, more than 7,000 people with leadership potential participated in these programmes.

Communication and involvement

The success of our business depends on the full commitment of all employees. We encourage the involvement of employees in the planning and direction of their work, and provide them with safe and confidential channels to report concerns.

Employees in all countries where we operate have access to staff forums, grievance procedures or other support systems. A global Ethics and Compliance Helpline was introduced during December 2005, offering an independent, confidential and anonymous facility for reporting non-compliance and resolving dilemmas and concerns. A wide range of methods is employed globally to communicate and consult with employees on matters of concern to them and to raise their awareness generally about the performance of Shell. These methods range from face-to-face communication, through targeted e-mails and intranet sites to focus groups and webcasts. The Shell People Survey is conducted every two years, and asks employees for their opinions on a number of topics relating to how they feel about working at Shell. The last survey in 2004 had a 78% response rate and showed an overall satisfaction rate of 64%. The next survey will take place in 2006. We seek to establish and maintain high quality, direct and open dialogue with employees. Our staff are represented by collective labour agreements, unions and staff councils in many countries in which the Group has operations.

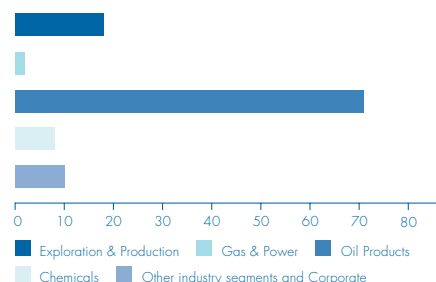
Diversity and inclusiveness

Shell has had a long-standing commitment to the integration of diversity and inclusiveness into every aspect of our operations and culture. We set explicit expectations for all employees and leaders, underpinned by clear plans and targets. There are three global objectives: improving the representation of women in senior leadership positions to a minimum of 20% in the long term; improving the representation of local people in senior positions in their own countries; and improving the positive perceptions of inclusiveness in the workplace. At the end of 2005, women in senior leadership positions had increased to 9.9%, compared with 9.6% in 2004. In 36% of countries, local nationals fill more than half of senior leadership positions. The Shell People Survey (2004) reported that 64% of employees perceived workplace inclusiveness favourably. These results represent good progress, but further improvement is needed to meet our aspirations.

We endeavour to ensure equal opportunity in recruitment, career development, promotion, training and reward for all employees, including those with disabilities. All applicants and employees are assessed against clear and objective criteria.

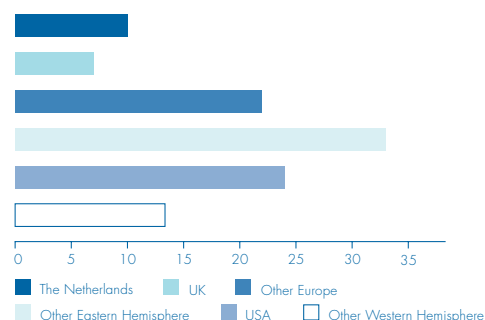
Employees by segment

(average numbers – thousands) 2005



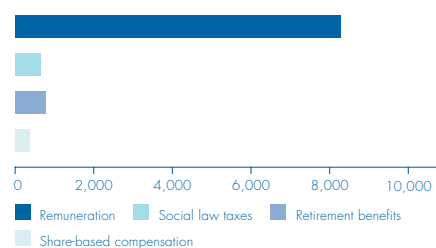
Employees by geographical area

(average numbers – thousands) 2005



Employees emoluments

(\$ million) 2005



SUMMARY DIRECTORS' REPORT

The share capital of Royal Dutch Shell was listed on the official list of the United Kingdom Listing Authority and was admitted to trading on the London Stock Exchange, Euronext Amsterdam and (in the form of ADRs) on the New York Stock Exchange on July 20, 2005. Prior to July 20, 2005, the share capital of Royal Dutch Shell was not listed nor admitted to trading in London or elsewhere and Royal Dutch Shell had no operations.

This Summary Directors' Report gives information about Royal Dutch Shell from the date of its listing on July 20, 2005 although the Summary Consolidated Financial Statements set out on pages 26 to 29 together with other sections of this Annual Review contain information in respect of the Group for the full 2005 financial year.

Principal activities

Royal Dutch Shell is a holding company which owns, directly or indirectly, investments in the numerous companies constituting the Group. The Group is engaged worldwide in all of the principal aspects of the oil and natural gas industry. The Group also has interests in chemicals and additional interests in power generation and renewable energy.

Recent developments and post balance sheet events

Since December 31, 2005 additional purchases of shares have been made under the buyback programme. As at March 1, an additional 26,427,974 Class A shares (representing 0.4% of Royal Dutch Shell's entire issued ordinary share capital at December 31, 2005) had been purchased for cancellation at a total cost of \$853 million including expenses.

On January 6, 2006, 4,827,974 Class A shares were issued in exchange for loan notes issued to the remaining public shareholders of Royal Dutch as part of the Restructuring.

On March 8, 2006, 62,280,114 euro deferred shares were redeemed for €0.01 in accordance with the rights attached to those shares.

Financial statements and dividends

The Summary Consolidated Statement of Income and Summary Consolidated Balance Sheet are available on pages 26 and 27.

Board of Directors

The Directors of Royal Dutch Shell are Malcolm Brinded, Sir Peter Burt, Linda Cook, Nina Henderson, Aad Jacobs, Sir Peter Job, Lord Kerr of Kinlochard, Wim Kok, Aarnout Loudon, Christine Morin-Postel, Lawrence Ricciardi, Rob Routs, Maarten van den Bergh, Jeroen van der Veer and Peter Voser. There have been no changes to this membership between the year end and the date of this Annual Review. All of the above have served as Directors of Royal Dutch Shell since October 28, 2004. Each of the Directors served as Directors of either Royal Dutch or Shell Transport for the majority of the period from January 1, 2005 to July 20, 2005.

Election and re-election of Directors

The Directors seeking re-election at the 2006 AGM are Lord Kerr of Kinlochard, Jeroen van der Veer, Rob Routs and Wim Kok. Sir Peter Burt is retiring and not standing for re-election at the 2006 AGM.

Shareholders will also be asked to vote on the election of Jorma Ollila and Nick Land as Directors of Royal Dutch Shell, with effect from June 1, 2006 and July 1, 2006 respectively.

The terms and conditions of appointment of Non-executive Directors are set out in their letters of appointment with Royal Dutch Shell which, in accordance with the Combined Code, are available for inspection. No Director is, or was, materially interested in any contract subsisting during or at the end of the year that was significant in relation to Royal Dutch Shell's business.

Financial risk management, objectives and policies

Descriptions of the use of financial instruments and the Group financial risk management objectives and policies are set out in Risk management and Internal Control on page 36.

Auditors

On May 12, 2005, PricewaterhouseCoopers LLP and KPMG were appointed as the auditors of Royal Dutch Shell. KPMG resigned from the position of joint auditors to Royal Dutch Shell on November 7, 2005, as a result of the Unification. PricewaterhouseCoopers LLP have signified their willingness to continue in office, and a resolution for their reappointment will be submitted to the AGM.

Prior to the Unification, PricewaterhouseCoopers LLP acted as auditor to Shell Transport and KPMG acted as auditor for Royal Dutch.

Annual General Meeting

The AGM will take place on May 16, 2006 and will be held in the Circustheater, Circusstraat 4, The Hague with a satellite link to the Novotel London-West Hotel and Convention Centre, Hammersmith London. An audio-visual link will permit active two-way participation by persons physically present in the UK and the Netherlands. Details of the business to be put to shareholders at the AGM can be found in the Notice of Annual General Meeting, which is circulated to all shareholders.

Directors' interests

The interests of the Directors in office at the beginning and at the end of the financial year, including any interests of a spouse or infant child, are set out below:

	January 1, 2005 ^a		For comparison purposes January 1, 2005 ^a				December 31, 2005 ^b	
	Royal Dutch	Shell Transport	Royal Dutch	Shell Class A ^c	Royal Dutch	Shell Class B ^c	Royal Dutch	Shell Class B
Maarten van den Bergh ^d	4,000	–	8,000	–	8,000	–	–	–
Malcolm Brinded	–	77,948	–	–	22,397	–	–	22,397
Sir Peter Burt	–	10,000	–	–	2,873	–	–	3,612
Linda Cook	3,702 ^f	–	7,404	–	–	–	27,484	–
Nina Henderson	–	9,000 ^e	–	–	2,585 ^e	–	–	2,585 ^e
Aad Jacobs	–	–	–	–	–	–	–	–
Sir Peter Job	–	3,570	–	–	1,025	–	–	1,056
Lord Kerr of Kinlochard	–	10,000	–	–	2,873	–	–	2,873
Wim Kok	–	–	–	–	–	–	500	–
Aarnout Loudon	75,000	–	150,000	–	–	–	150,000	–
Christine Morin-Postel	–	–	–	–	–	–	1,960	–
Lawrence Ricciardi	10,000 ^e	–	20,000 ^e	–	–	–	20,000 ^e	–
Rob Routs	–	–	–	–	–	–	1,000	–
Jeroen van der Veer	10,512	–	21,024	–	–	–	26,836	–
Peter Voser	–	–	–	–	–	–	2,000	–

a Excludes interests in shares or options awarded under the Long-Term Incentive Plan, the Deferred Bonus Plan and the Share option plans as at January 1, 2005.

b Excludes interests in shares or options awarded under the Long-Term Incentive Plan, the Deferred Bonus Plan and the Share option plans as at December 31, 2005.

c For the purpose of comparison, interests in Royal Dutch and Shell Transport shares as at January 1, 2005 shares have been converted into Royal Dutch Shell Class A shares and Royal Dutch Shell Class B Shares, respectively, at the conversion on exchange ratios applicable to the Unification Transaction.

d Excludes interests in shares or options awarded under the Long-Term Incentive Plan, the Deferred Bonus Plan and the Share option plans.

e Held as New York Shares/ADRs as applicable.

f Held as registered shares in New York or The Hague, (or other form).

There were no changes in Directors' share interests during the period from December 31, 2005 to March 8, 2006 except that Malcolm Brinded and Jeroen van der Veer were delivered 14,432 and 19,339 Royal Dutch Shell Class A shares respectively under the 2003 Deferred Bonus Plan and further Jeroen van der Veer was delivered 5,636 Royal Dutch Shell Class A shares under the 2002 Deferred Bonus Plan.

Share capital

The company's authorised and issued share capital as at December 31, 2005 is set out in note 12 to the Parent Company Financial Statements in the Annual Report and Form 20-F for the year ended December 31, 2005.

Share purchases

On May 12, 2005, shareholders approved an authority, expiring at the end of the next AGM, for Royal Dutch Shell to purchase its own shares up to a maximum of 5% of the issued share capital (excluding share purchases for employee share benefit plans). During 2005, 141,134,886 Class A shares with a nominal value of €9.9 million (representing 2.1% of Royal Dutch Shell's entire issued ordinary share capital at December 31, 2005) had been purchased for cancellation for a total cost of \$4,488 million, including expenses at an average price of €26.33 and 1,782.56 pence per Class A share. Since the year end, additional purchases have been made (see Recent developments and post balance sheet events). At March 1, 2006 a further 26,427,974 Class A shares (representing 0.4% of Royal Dutch Shell's entire issued ordinary share capital at December 31, 2005) had been purchased for cancellation for a total cost of \$853 million including expenses, at an average price of €26.68 and 1,828.07 pence per Class A share. These repurchases were made given the strong cash and debt position of Royal Dutch Shell, and formerly Royal Dutch/Shell Transport, in order to return surplus cash to shareholders.

In the period from January 1, 2005 to July 20, 2005, Shell Transport purchased 21,550,000 of its ordinary shares for a total cost of £105.6 million, including expenses at an average price of 487.56 pence per ordinary share. Royal Dutch purchased 4,880,000 of its ordinary shares for a total cost of €229.2 million, including expenses at an average price of €46.94 per ordinary share.

The Board continues to regard the ability to repurchase issued shares in appropriate circumstances as an important component in the financial management of Royal Dutch Shell and a resolution will be proposed to the forthcoming AGM to renew the authority for Royal Dutch Shell to purchase own share capital up to specified limits for another year. This proposal is further explained in the Notice of the Annual General Meeting.

By Order of the Board

Michiel Brandjes

Company Secretary

March 8, 2006

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

These Summary Consolidated Financial Statements are an abridged version of the Consolidated Financial Statements of the Royal Dutch Shell Group and of the Directors' Remuneration Report for 2005. They do not contain sufficient information to allow for a full understanding of the results and the state of affairs of the Royal Dutch Shell Group, and of its policies and of arrangements concerning Directors' remuneration. The auditors' report on the Consolidated Financial Statements and the auditable part of the Directors' Remuneration Report was unqualified. For further information consult the full 2005 Annual Report and Form 20-F (available at www.shell.com/annualreport or see the back cover for contact addresses to request a free copy).

Summary Consolidated Statement of Income

	\$ million	
	2005	2004
Revenue	306,731	266,386
Cost of sales	252,622	223,259
Gross profit	54,109	43,127
Selling, distribution and administrative expenses	15,482	15,098
Exploration	1,286	1,809
Share of profit of equity accounted investments	7,123	5,015
Interest and other income	1,171	1,483
Interest expense	1,068	1,059
Income before taxation	44,567	31,659
Taxation	17,999	12,168
Income from continuing operations	26,568	19,491
Income/(loss) from discontinued operations	(307)	(234)
Income for the period	26,261	19,257
Income attributable to minority interest	950	717
Income attributable to shareholders of Royal Dutch Shell plc	25,311	18,540

Earnings per share

	\$	
	2005	2004
Basic earnings per share	3.79	2.74
Continuing operations	3.84	2.77
Discontinued operations	(0.05)	(0.03)
Diluted earnings per share	3.78	2.74
Continuing operations	3.83	2.77
Discontinued operations	(0.05)	(0.03)

Summary Consolidated Balance Sheet

	\$ million	
	Dec 31, 2005	Dec 31, 2004
Assets		
Non-current assets		
Intangible assets	4,350	4,528
Property, plant and equipment	87,558	87,918
Investments:		
equity accounted investments	16,905	19,190
financial assets	3,672	2,700
Deferred tax	2,562	2,789
Prepaid pension costs	2,486	2,479
Other	4,091	5,793
	121,624	125,397
Current assets		
Inventories	19,776	15,375
Accounts receivable	66,386	37,473
Cash and cash equivalents	11,730	9,201
	97,892	62,049
Total assets	219,516	187,446
Liabilities		
Non-current liabilities		
Debt	7,578	8,858
Deferred tax	10,763	12,930
Retirement benefit obligations	5,807	6,795
Other provisions	7,385	6,828
Other	5,095	5,800
	36,628	41,211
Current liabilities		
Debt	5,338	5,734
Accounts payable and accrued liabilities	69,013	37,909
Taxes payable	8,782	9,058
Retirement benefit obligations	282	339
Other provisions	1,549	1,812
	84,964	54,852
Total liabilities	121,592	96,063
Equity attributable to shareholders of Royal Dutch Shell plc		
	90,924	86,070
Minority interest	7,000	5,313
Total equity	97,924	91,383
Total liabilities and equity	219,516	187,446

March 8, 2006



Peter Voser

Chief Financial Officer, for and on behalf of the Board of Directors

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

Summary Consolidated Statement of Changes in Equity

	\$ million		
	Royal Dutch Shell shareholders' equity	Minority interest	Total equity
At January 1, 2004	73,535	3,408	76,943
Income for the period	18,540	717	19,257
Income/(expense) recognised directly in equity	2,807	609	3,416
Dividends paid	(7,391)	(264)	(7,655)
Other changes	(1,421)	843	(578)
At December 31, 2004	86,070	5,313	91,383
IAS 32/39 transition	796	–	796
At January 1, 2005 (after IAS 32/39 transition)	86,866	5,313	92,179
Income for the period	25,311	950	26,261
Income/(expense) recognised directly in equity	(4,366)	106	(4,260)
Dividends paid	(10,556)	(293)	(10,849)
Other changes	(6,331)	924	(5,407)
At December 31, 2005	90,924	7,000	97,924

Summary Consolidated Statement of Cash Flows

	\$ million	
	2005	2004
Cash flow from operating activities:		
Income for the period	26,261	19,257
Adjustment for:		
Current taxation	19,435	13,081
Interest (income)/expense	632	803
Depreciation, depletion and amortisation	11,981	12,845
(Profit)/loss on sale of assets	(1,313)	(3,087)
Decrease/(increase) in net working capital	(5,664)	(4,062)
Share of profit of equity accounted investments	(7,123)	(5,015)
Dividends received from equity accounted investments	6,709	4,190
Deferred taxation and other provisions	(1,515)	(1,007)
Other	(47)	292
Cash flow from operating activities (pre-tax)	49,356	37,297
Taxation paid	(19,243)	(10,760)
Cash flow from operating activities	30,113	26,537
Cash flow from investing activities:		
Capital expenditure	(15,904)	(13,566)
Investments in equity accounted investments	(705)	(1,058)
Proceeds from sale of assets	2,310	5,142
Proceeds from sale of equity accounted investments	4,313	1,316
Proceeds from sales of/Additions to financial assets	362	1,739
Interest received	863	463
Cash flow from investing activities	(8,761)	(5,964)
Cash flow from financing activities:		
Net increase/(decrease) in debt with maturity period within three months	(956)	8
Other debt:		
New borrowings	2,057	2,044
Repayments	(2,656)	(6,380)
Interest paid	(1,124)	(962)
Change in minority interest	1,143	812
Net issue/(repurchase) of shares	(4,988)	(698)
Dividends paid to:		
Shareholders of Royal Dutch Shell plc	(10,556)	(7,391)
Minority interest	(293)	(264)
Payment to former Royal Dutch shareholders	(1,651)	–
Treasury shares: net sales/(purchases) and dividends received	451	(761)
Cash flow from financing activities	(18,573)	(13,592)
Currency translation differences relating to cash and cash equivalents	(250)	113
Increase/(decrease) in cash and cash equivalents	2,529	7,094
Cash and cash equivalents at January 1	9,201	2,107
Cash and cash equivalents at December 31	11,730	9,201

1. Nature of the Summary Consolidated Financial Statements

The Summary Consolidated Financial Statements have been derived from the Consolidated Financial Statements of Royal Dutch Shell plc and its consolidated subsidiaries (collectively known as the "Shell Group"). These financial statements give retroactive effect for all periods presented to the Unification Transaction whereby, on July 20, 2005, Royal Dutch Shell plc became the parent company of Royal Dutch Petroleum Company and The "Shell" Transport and Trading Company, p.l.c.

The Consolidated Financial Statements of the Shell Group have been prepared in accordance with applicable laws of England and Wales and International Financial Reporting Standards (IFRS) as adopted by the European Union. They have been prepared under the historical cost convention as modified by the revaluation of certain financial assets and liabilities.

This represents the Shell Group's first application of IFRS and all periods are presented in accordance with those IFRS and IFRIC interpretations issued and effective, or issued and early-adopted, as at December 31, 2005, with the exception that IAS 32 and 39 regarding financial instruments was applied as permitted with effect from January 1, 2005 with limited impact. Reconciliations and descriptions of the transition from those Generally Accepted Accounting Principles (GAAP) applied in the Shell Group's 2004 Consolidated Financial Statements (US GAAP) as at January 1, 2004 and for 2004 are provided in the 2005 Annual Report and Form 20-F.

The Consolidated Financial Statements are presented in US dollars ("dollars") and include the accounts of Royal Dutch Shell plc and of those companies in which it, either directly or indirectly, has control either through a majority of the voting rights or the right to exercise a controlling influence or to obtain the majority of the benefits and be exposed to the majority of the risks. Investments in companies over which Shell Group companies have significant influence but not control are classified as associated companies and are accounted for on the equity basis. Interests in jointly controlled entities are also recognised on the equity basis. Interests in jointly controlled assets are recognised by including the Shell Group share of assets, liabilities, income and expenses on a line-by-line basis.

Assets and liabilities of non-dollar Shell Group companies are translated to dollars at year-end rates of exchange, while their statements of income and cash flows are translated at quarterly average rates. Translation differences arising on consolidation are taken directly to a currency translation differences account within equity. As part of the transition to IFRS, the balance of this account was eliminated at January 1, 2004 and transferred to retained earnings with no impact on total equity. Upon divestment or liquidation of an entity, cumulative currency translation differences related to that entity are taken to income.

2. Segment earnings

	\$ million	
	2005	2004
Exploration & Production	14,238	9,823
Gas & Power	1,573	1,815
Oil Products	9,982	7,597
Chemicals	991	1,148
Other	(523)	(1,126)
Income for the period	26,261	19,257

Operating segment results are presented above as appraised by management on the basis of income including share of profit from equity accounted investments, certain interest and other income and interest expense and income from discontinued operations and after tax. A reconciliation to segment results presented in accordance with IAS 14 "Segment Reporting" is provided in the Annual Report and Form 20-F for the year ended December 31, 2005.

3. Dividends

	\$ million	
	2005	2004
Interim dividends paid: €1.21 per Class A share (2004: €0.89)	6,241	4,580
Interim dividends paid: €1.23 per Class B share (2004: €0.81)	4,315	2,809
Shell Transport preference dividends paid: Nil (2004: 7.00 pence)	-	2
	10,556	7,391

In addition, on February 2, 2006, the Directors proposed a further interim dividend in respect of 2005 of €0.23 per Class A share and €0.23 per Class B share, payable on March 15, 2006, which will absorb an estimated \$1,836 million of shareholders' funds.

4. Key management compensation

	\$ thousands	
	2005	2004
Short-term employee benefits ^a	14,700	10,801
Post-employment benefits ^b	4,278	1,034
Other long-term benefits ^c	2,350	838
Share-based payments ^d	207	-
	21,535	12,673

- a In addition to salaries and fees, this includes annual bonus (shown in the related performance year and not in the following year in which they are paid), cash benefits, car benefits and other benefits such as medicare contributions and social law taxes.
- b The amounts contributed by the Shell Group to pension funds. 2005 includes a one-off payment of \$2.61 million made on behalf of Peter Voser to the Shell Swiss Expatriate Pension Fund.
- c The annual bonus deferred under the Deferred Bonus Plan.
- d The realised gains on exercise of share options.

Key management comprises the Executive and Non-executive Directors of Royal Dutch Shell.

There were no termination benefits in 2005 and 2004.

Aggregate Directors' emoluments in respect of qualifying services to Royal Dutch Shell are \$8,029,587 (2004: \$Nil) of which \$2,517,958 (2004: \$Nil) relates to emoluments receivable in respect of services to the parent company and \$5,511,629 (2004: \$Nil) in respect of services to other Group companies.

SUMMARY DIRECTORS' REMUNERATION REPORT

This is a summary of the full Directors' Remuneration Report which can be found in the Annual Report and Form 20-F for the year ended December 31, 2005 and on the Shell website www.shell.com/investor.

Executive Directors' Remuneration

REMCO is committed to the principles of pay for performance, competitiveness, shareholding, consistency and compliance. It bases remuneration policies and decisions for Executive Directors on these principles.

The Executive Directors' compensation package is made up of a number of different elements.

Base pay is set at a competitive level appropriate to the scope and complexity of the roles of Chief Executive and Executive Director and reflects the reporting structure in the Executive Committee. Base pay levels are set in euros and benchmarked against the major integrated oil companies, the FTSE 20, the AEX 10 and the top 20 companies in the FTSE Eurotop 100, based on market capitalisation.

REMCO endorsed Executive Directors' base pay increases in 2005 as follows: Jeroen van der Veer 3.3%; Malcolm Brinded 2.4%; Linda Cook 4.9%; Rob Routs 2.8%; and Peter Voser 7.6%. These increases were made in order to sustain the current market position of these levels, recognising normal market movements.

The **Annual bonus** is designed to reward Executive Directors for achieving results that further Shell's objectives and is determined in accordance with the stretching but realistic financial, operational and sustainable development targets in the Shell Group scorecard. At the end of the financial year, results are translated into an overall score between a minimum of zero and a maximum of two. Bonus awards are based on this score multiplied by the target bonus level. REMCO uses its judgment in making its final determinations.

Shell Group scorecard components



- 25% Total Shareholder Return (TSR) against major integrated oil companies
- 25% Operational Cash Flow
- 30% Operational excellence in each of the businesses
- 20% Sustainable development*

* Primarily based on number of reported cases of work-related injury.

The target level of the 2005 bonus was 100% of base pay for Executive Directors. The overall score resulting from the 2005 Shell Group scorecard process was 1.25 and REMCO confirmed this outcome. REMCO decided that the annual bonuses payable to Executive Directors for 2005 would be 125% of base pay. The target level for Executive Directors for 2006 will be 100% of base pay.

Earnings of Executive Directors in office during 2005

The information in this table has been audited

	Jeroen van der Veer		Malcolm Brinded		Linda Cook		Rob Routs		Peter Voser	
	2005	2004 ^b	2005	2004 ^b	2005	2004 ^b	2005	2004 ^b	2005	2004 ^{b,c}
Salaries and fees	1,525,000 ^d	1,281,774	1,041,454	1,015,711	834,294	338,892	912,500	884,516	822,099	197,597
Bonus ^e	1,937,500 ^f	1,350,000 ^f	1,312,500 ^f	935,027	1,062,500	442,000	1,156,250	810,000	1,062,500 ^g	-
Cash benefits	16,632 ^h	15,505	19,674 ^h	40,488	530,401 ⁱ	160,991	69,919 ⁱ	69,985	117,285 ^k	960,761
Total cash	3,479,132	2,647,279	2,373,628	1,991,226	2,427,195	941,883	2,138,669	1,764,501	2,001,884	1,158,358
Car benefit ^l	-	-	21,906	22,049	23,531	10,003	34,454	35,108	-	-
Other benefits ^m	5,114	2,538	2,301	2,366	43,691	18,629	5,114	34,757	3,856	4,251
Total emoluments in euro	3,484,246	2,649,817	2,397,835	2,015,641	2,494,417	970,515	2,178,237	1,834,366	2,005,740	1,162,609
Total emoluments in dollar ^a	4,331,484	3,290,881	2,986,152	2,501,612	3,100,966	1,205,309	2,707,903	2,278,150	2,479,632	1,444,539
Total emoluments in sterling ^a	2,383,129	1,798,139	1,637,486	1,366,968	1,706,114	658,582	1,489,855	1,244,782	1,368,847	788,935

The aggregate amount of emoluments paid to or receivable by Executive Directors of Royal Dutch Shell from Royal Dutch Shell, Royal Dutch, Shell Transport and other Shell Group companies (both prior to and following the Unification Transaction) for services in all capacities during the fiscal year ended December 31, 2005, was €12,560,475.

a Dollar and sterling converted to euro and euro converted to dollar and euro converted to sterling at the applicable quarterly average rate of exchange.

b The amounts disclosed in the 2004 Annual Report and Accounts and in the Annual Report on Form 20-F/A (Amendment No 1) 2004 of Royal Dutch and Shell Transport have been restated to reflect the classification of various cash and benefit items to ensure consistent presentation with the 2005 amounts. Malcolm Brinded resigned from the Board of Royal Dutch and was appointed to the Board of Shell Transport on March 3, 2004. Malcolm Brinded's 2004 amounts as shown in this table include the total amounts received from Royal Dutch, Shell Transport and Shell Group companies.

c Peter Voser was appointed an Executive Director with effect from October 4, 2004, therefore, where appropriate, the 2004 emoluments are pro rated. His cash benefits include a one-off transition payment of €928,400 / \$1,180,994 / £645,000 paid on joining the Group. He was not eligible for a 2004 bonus.

d Jeroen van der Veer's salary increase with effect from November 1, 2004 did not come into payment until 2005. His 2005 salary figure as stated here excludes a payment of €32,500 relating to his November and December 2004 salary.

e The annual bonus figures are shown in the table in their related performance year and not in the following year in which they are paid.

f Of which 50% has been/will be deferred under the Deferred Bonus Plan.

g Of which 25% will be deferred under the Deferred Bonus Plan.

h Includes a representation allowance, the employer's contribution to the health insurance plan and a car allowance.

i Includes a representation allowance, the employer's contribution to the health insurance plan, a long-service award, school fees compensation, and tax compensations and reimbursements.

j Includes a representation allowance, the employer's contribution to the health insurance plan, school fees compensation, and tax compensations and reimbursements.

k Includes a representation allowance, the employer's contribution to the health insurance plan, a car allowance, a settling-in allowance and tax compensations and reimbursements.

l The car benefit is stated at the value employed by the Fiscal Authorities in the Netherlands for company-provided vehicles which is 22% of the original purchase price.

m Comprises social security premiums paid by the employer.

Long-term incentives In 2005, Shell discontinued share option grants in favour of conditional share awards under an amended Long-Term Incentive Plan (LTIP) and Deferred Bonus Plan, designed to ensure a closer link between remuneration and relative performance, which was approved by shareholders. For 2005 and 2006 awards, relative TSR has been chosen as the performance test that most closely aligns the interests of Executive Directors with those of shareholders, under these plans. Any conditional performance shares are only released if the performance condition is met and REMCO will retain discretion to adjust the levels of release based on the ranking, upwards or downwards, depending on its judgment of the underlying performance of the Shell Group.

Under the LTIP, awards consisting of conditional performance shares are made with a face value between zero and two and a half times base pay. For 2005 and 2006 awards, the number of shares Executive Directors actually will receive will be as follows:

TSR Rank	Performance shares received
1st	2 x award
2nd	1.5 x award
3rd	0.8 x award
4th or 5th	Nil

During 2005, the face value of conditional awards made were 2.4 times base pay for the Chief Executive and 2.2 times base pay for the other Executive Directors. The actual number of shares received in 2008 will depend on TSR performance from 2005 to 2007.

The Deferred Bonus Plan encourages share ownership by allowing Executive Directors to invest part of their annual bonus in Royal Dutch Shell shares. Under the plan, Executive Directors can choose to invest up to 50% of their annual bonus in deferred bonus shares. Executive Directors will be required to defer 25% of their bonus relating to the 2006 financial year and beyond as deferred bonus shares. Any dividends payable on these deferred bonus shares are paid as dividend shares. Provided the Executive Director remains employed by Shell for three years following the year in which the bonus was earned, he or she will receive one matching share for every four deferred bonus and dividend shares. Additional performance related matching shares can be earned as follows:

TSR Rank	Number of performance-related matching shares (per every 4 shares)
1st	3
2nd	2
3rd	1
4th or 5th	Nil

The deferred bonus shares, dividend shares and matching shares are released three years after the end of the year in which the annual bonus was earned. Jeroen van der Veer and Malcolm Brinded deferred 50% of their 2004 bonus into the Deferred Bonus Plan in 2005. The 2002 award, under the previous Deferred Bonus Plan related to the 2001 bonus, was released to Mr Van der Veer in February 2005, including additional matching shares (equivalent to 5,636 Royal Dutch Shell plc Class A shares after tax).

Pension Retirement benefit arrangements for Executive Directors are based on local market practices and the overall value of the remuneration package necessary to attract and retain high-calibre individuals. Under these arrangements only the base pay is pensionable except in relation to Linda Cook. In line with standard US market practice under the US plans, Linda Cook's annual bonus is also pensionable. Contribution rates for Executive Directors are the same as for other employees under these plans. Under the US defined benefit plans, employee contributions are not required.

In the UK, changes to pension law including the introduction of a lifetime allowance which limits tax-efficient pension savings, were introduced with effect from April 6, 2006. Malcolm Brinded's entitlements in the SOCPF are not affected by these changes. His past service entitlements within the SCPF will grow in line with any future salary changes and he will be able to elect

for these to be within either the current SCPF or a supplementary unapproved pension plan to be established for British senior executives. In light of changes to Swiss pension law introducing a cap on insured benefits, the pension policy for the Swiss Executive Director was reviewed in 2005. In order to continue to offer Peter Voser similar retirement benefits as the other Executive Directors, in the course of 2006 a supplementary defined benefit plan will be established which will deliver the balance of pension in retirement.

Taking account of developments in age discrimination legislation in jurisdictions relevant to Royal Dutch Shell, REMCO decided to depart from a policy of mandatory retirement at a particular age for Executive Directors. REMCO will agree retirement schedules with Executive Directors to retire as required to plan effective executive leadership succession, taking into account applicable legislation and the individual's preferences.

During 2005, Jeroen van der Veer, Malcolm Brinded, Linda Cook, Rob Routs, Peter Voser and Maarten van den Bergh accrued retirement benefits under defined benefit plans (2004: in total eight Royal Dutch and Shell Transport Managing Directors). In 2005, one Royal Dutch Shell Executive Director also accrued retirement benefits under defined contribution schemes (2004: one Royal Dutch and one Shell Transport Managing Director). In 2005, the employer contributions to the retirement benefits of the Executive Directors of Royal Dutch Shell were \$4,278,227.

Shareholdings Executive Directors are expected to build up shareholdings to the value of two times their base pay over five years. Until this target is met, they are required to retain 50% of the shares received through the release of LTIP awards and matching shares under the Deferred Bonus Plan from 2008 and maintain that level until retirement.

Executive Directors' Contracts of Service

Contracts for Executive Directors are governed by Dutch law. They contain similar terms and conditions to those for our senior executives based in the Netherlands. Under Dutch law, their contracts entitle them to the statutory notice period that applies for employees in the Netherlands. This is one month for an employee and up to a maximum of four months for the employer, depending on the duration of the employment contract concerned at the time of termination. The contracts end at retirement or by notice of either party. They expire automatically on the employee's retirement. Jeroen van der Veer and Rob Routs will stand for re-election at the Annual General Meeting of 2006; Malcolm Brinded and Linda Cook at the AGM of 2007; and Peter Voser at the AGM of 2008.

Standard Executive Directors' contracts do not contain any predetermined settlements for early termination. REMCO will recommend terms and conditions for any situation where severance payment is appropriate, taking into consideration applicable law and corporate governance provisions. Temporary severance arrangements may be agreed to help the recruitment process if Executive Directors are appointed from outside the Shell Group. Peter Voser's contract includes a temporary severance arrangement if his employment is terminated under certain conditions before October 4, 2007. His severance pay would be equal to his gross annual base pay plus his most recent bonus, but in no event less than €1,500,000.

Performance graph

The graphs overleaf compare, on the basis required by Schedule 7A of the Companies Act 1985, the TSR of Royal Dutch Shell and that of the companies comprising the Euronext 100 share index and the FTSE 100 share index. The first graph shows the comparison for the Royal Dutch shares and subsequently Royal Dutch Shell plc Class A shares as listed at the Euronext Exchange over the five year period from 2001 to 2005 versus the Euronext 100 share index. The second graph shows the comparison for the Royal Dutch Shell Class A shares as listed at the Euronext Exchange from July 20, 2005 versus the Euronext 100 share index. The third graph shows the comparison for the

SUMMARY DIRECTORS' REMUNERATION REPORT

Shell Transport shares and subsequently Royal Dutch Shell plc Class B shares as listed at the London Stock Exchange over the five year period from 2001 to 2005 versus the FTSE 100 share index. The fourth graph shows the comparison for the Royal Dutch Shell plc Class B shares as listed at the London Stock Exchange from July 20, 2005 versus the FTSE 100 share index. The Board regards the Euronext 100 and the FTSE 100 share indices as an appropriate broad market equity index for comparison, as they are the leading market indices in Royal Dutch Shell's home markets.

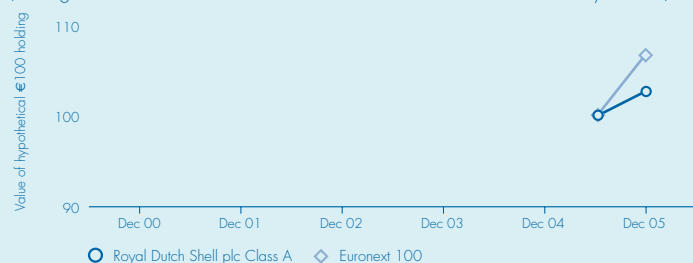
1. Historical TSR performance of Royal Dutch Shell plc Class A

Growth in the value of a hypothetical €100 holding over five years Euronext 100 comparison based on 30 trading day average values



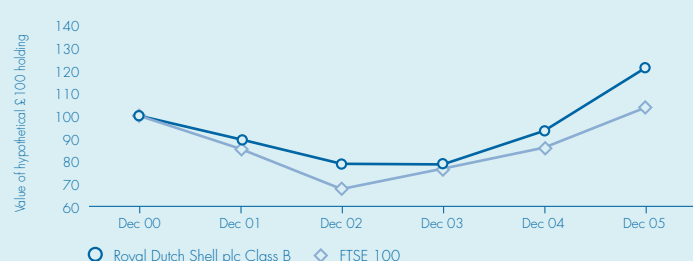
2. Historical TSR performance of Royal Dutch Shell plc Class A

Growth in the value of a hypothetical €100 holding since the Unification Transaction on 20th July 2005. Euronext 100 comparison based on 30 trading day average values (averaged forward from the Unification Transaction and backwards from year end)



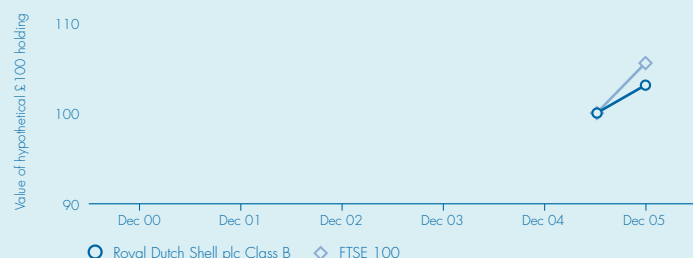
3. Historical TSR performance of Royal Dutch Shell plc Class B

Growth in the value of a hypothetical £100 holding over five years FTSE 100 comparison based on 30 trading day average values



4. Historical TSR performance of Royal Dutch Shell plc Class B

Growth in the value of a hypothetical £100 holding since the Unification Transaction on 20th July 2005. FTSE 100 comparison based on 30 trading day average values (averaged forward from the Unification Transaction and backwards from year end)



Non-executive Directors

Remuneration policy

The Board determines the remuneration of all Directors of Royal Dutch Shell, within a limit specified by the Articles of Association. The annual limit was set at £2,500,000 (\$4,545,041^b). In 2005, the total amount of fees to Royal Dutch Shell Non-executive Directors was £778,949 (\$1,404,090^b).

All Non-executive Directors of Royal Dutch Shell are paid an annual fee of £70,000 (\$127,261^b). The fee level set for the Chairman of the Board is £500,000 (\$909,008^b). However, the current Chairman of the Board, Aad Jacobs, elected to be paid £150,000 (\$272,702^b). The Senior Independent Director, Lord Kerr of Kinlochard, receives an additional fee of £30,000 (\$54,540^b). Additional committee fees are shown in the table below. Non-executive Directors are paid an additional fee of £3,000 (\$5,454^b) for any meeting involving intercontinental travel, although there will be no payment for one meeting per year requiring intercontinental travel, held in a location other than The Hague. Executive Directors of Royal Dutch Shell do not receive any Directors' fees. There are currently no proposals to increase Royal Dutch Shell Non-executive Directors' fees in 2006.

Committee name	Additional annual Chairman's fee ^a		Additional annual member's fee	
	£	\$ ^b	£	\$ ^b
Audit Committee	25,000	45,450	15,000	27,270
Remuneration Committee	20,000	36,360	11,500	20,907
Social Responsibility Committee	15,000	27,270	8,000	14,544
Nomination and Succession Committee	15,000	27,270	8,000	14,544

a The Chairman of a committee of the Board does not receive an additional fee for membership of that committee.

b Sterling converted to dollar at the quarterly average rate of exchange.

Long-term incentives

Non-executive Directors are not eligible for any long-term incentive awards. However, some Non-executive Directors hold share options relating to their former service with the Group. Maarten van den Bergh exercised his existing share options (75,900) on April 28, 2005. The exercise price was €45.38 (Royal Dutch Share price). The net gain delivered to him was €160,230 (\$207,123).

Non-executive Directors' pension interest

Non-executive Directors do not accrue any retirement benefits as a result of their Non-executive Directorships with Royal Dutch Shell. During his service as a Managing Director for the Shell Group, Maarten van den Bergh accrued retirement benefits under the Shell Petroleum Company Limited Managing Directors' Pension Scheme. In 2005, the employer contribution to Maarten van den Bergh's retirement benefits was \$83,536.

Appointments

In accordance with the Combined Code, Non-executive Directors are appointed for specified terms of office, subject to the provisions of the Articles of Association regarding their election and re-election at the Annual General Meeting. Non-executive Directors' appointments are subject to three months' notice and there is no compensation provision for early termination. The term of appointment of the current Non-executive Directors is until the close of business of the Annual General Meeting in 2007, except for Aad Jacobs who will resign after the AGM of 2006 on June 1, 2006. You can obtain a copy of the standard letter of appointment for Non-executive Directors from the Company Secretary.

Signed on behalf of the Board

Michiel Brandjes
Company Secretary
March 8, 2006

REPORT OF THE INDEPENDENT AUDITORS

To the members of Royal Dutch Shell plc

We have examined the Summary Consolidated Financial Statements of Royal Dutch Shell plc.

Respective responsibilities of Directors and auditors

The Directors are responsible for preparing the Annual Review and Summary Consolidated Financial Statements in accordance with applicable law. Our responsibility is to report to you our opinion on the consistency of the Summary Consolidated Financial Statements with the Consolidated Financial Statements, the Report of the Directors and Directors' Remuneration Report, and its compliance with the relevant requirements of Section 251 of the Companies Act 1985 and the regulations made thereunder. We also read the other information contained in the Annual Review and Summary Consolidated Financial Statements and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Summary Consolidated Financial Statements.

This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 251 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this statement is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Basis of opinion

We conducted our work in accordance with Bulletin 1999/6, 'The auditors' statement on the summary financial statement' issued by the Auditing Practices Board for use in the United Kingdom.

Opinion

In our opinion the Summary Consolidated Financial Statements are consistent with the Consolidated Financial Statements, the Report of the Directors and the Directors' Remuneration Report of Royal Dutch Shell plc for the year ended December 31, 2005 and comply with the applicable requirements of Section 251 of the Companies Act 1985 and the regulations made thereunder.

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
London
March 8, 2006

The Report of the Independent Auditors on the Consolidated Financial Statements for the year ended December 31, 2005 was unqualified and did not include a statement under either Section 237(2) (accounting records or returns inadequate or accounts not agreeing with records and returns) or Section 237(3) (failure to obtain necessary information and explanations) of the Companies Act 1985.

The maintenance and integrity of the Shell.com website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CORPORATE GOVERNANCE SUMMARY

Corporate Governance

This report on corporate governance sets out the policies and practices of Royal Dutch Shell since the Unification Transaction on July 20, 2005.

In addition to complying with the corporate governance requirements in the UK, Royal Dutch Shell is also obliged to follow the rules of the Euronext Stock Exchange as well as Dutch securities laws due to its listing thereupon and also US securities laws, rules and regulations as they apply because securities issued by Royal Dutch Shell are traded on the New York Stock Exchange (NYSE). Royal Dutch Shell has taken steps to comply with provisions of the Sarbanes-Oxley Act and the corporate governance rules of the NYSE to the extent that they are applicable to Royal Dutch Shell as a foreign private issuer.

Combined Code compliance

The Listing Rules of the FSA require listed companies to state whether or not they have complied with the principles and provisions set out in Section 1 of the Combined Code throughout the year and to explain any non-compliance. The Board confirms the compliance of Royal Dutch Shell with principles and provisions set out in the Section 1 of the Combined Code in the period since the Unification Transaction on July 20, 2005.

Shareholder communications

Information about Group companies is available on the Shell website www.shell.com. In addition, there is a dedicated shareholder e-mail address to which questions can be sent royaldutchshell.shareholders@shell.com and also dedicated shareholder telephone lines (The Hague +31 (0)70 377 1365/4088 and London +44 (0)20 7934 3363) or dedicated fax lines (The Hague +31 (0)70 377 3953 and London +44 (0)20 7934 7515). In addition, the Chairman and Chief Executive attend meetings from time to time with shareholders.

Royal Dutch Shell's share registrar, Lloyds TSB Registrars, operates an online internet access facility for shareholders, providing details of their shareholdings www.shareview.co.uk. Facilities are also provided for shareholders to lodge proxy appointments electronically. The Royal Dutch Shell Nominee Service provides a facility for investors to hold their shares in Royal Dutch Shell in paperless form. Shareholders may opt to receive communications from Royal Dutch Shell in electronic form instead of paper.

Shell General Business Principles and Code of Ethics

For the guidance of Executive Directors, principal executives and senior financial officers of the Group, a Code of Ethics has been adopted by Royal Dutch Shell in conjunction with the Shell General Business Principles. These documents can be found on the Shell website at www.shell.com/codeofethics, and www.shell.com/sgbp.

New York Stock Exchange (NYSE) rules

The NYSE corporate governance rules allow foreign private issuers to follow home country practice, except that foreign private issuers are required to have an audit committee that satisfies the requirements of Rule 10A-3 of the U.S. Securities Exchange Act of 1934. In addition, the NYSE requires a foreign private issuer to provide certain written affirmations and notices to the NYSE and a summary of the ways in which their corporate governance practices significantly differ from those followed by domestic USA companies under NYSE listing standards. Royal Dutch Shell provides such a summary on the Shell website www.shell.com/investor.

The Board

During 2005, the Board comprised a Non-executive Chairman, Aad Jacobs, five Executive Directors, including the Chief Executive, Jeroen van der Veer, and nine Non-executive Directors, including the Senior Independent Non-executive Director, Lord Kerr of Kinlochard who is also the Deputy Chairman. A list of Directors, with details of their biographies, is given on page 5 of this Review.

The Board meets on a regular basis and has a formal schedule of matters reserved to it. This includes matters such as the approval of the Annual Report and Form 20-F, approval of interim dividends and recommendation of final dividends, the approval of material contracts and the approval of new Board appointments. The full list of matters reserved to the Board for decision is available from the Company Secretary and can be found on the Shell website www.shell.com/investor.

The roles of Chairman and Chief Executive are separate and the Board has agreed their respective responsibilities. The Chairman has responsibility for the leadership of the Board and for ensuring that the Board and its committees function effectively. The Chairman, together with the Chief Executive, ensures that the members of the Board receive accurate, timely and clear information.

The Chief Executive bears overall responsibility for the implementation of the strategy agreed by the Board, the operational management of Royal Dutch Shell and the business enterprise connected with it. He is supported in this by the Executive Committee, which he chairs, see below.

The Non-executive Directors provide a wide range of skills and experience to the Group. They bring independent judgment on issues of strategy, performance and risk through their contribution to Board meetings and to the Board's committee meetings. The Non-executive Directors meet routinely without the Executive Directors being present to discuss, among other things, the performance of individual Directors.

All Directors may seek at Royal Dutch Shell's expense independent professional advice in connection with their role as a Director and all Directors have access to the advice of the Company Secretary. Royal Dutch Shell has provided to the Directors indemnities and directors' and officers' insurance in connection with the performance of their responsibilities. Copies of these indemnities and the directors' and officers' insurance policies are open to inspection.

The Articles of Association require that all Directors should be subject to re-election at intervals of not more than three years. All Directors vacate office at age 70 at the latest but may stand for re-election by shareholders.

Executive Committee

The Executive Committee comprises the Chief Executive, Jeroen van der Veer; the Executive Director of Exploration & Production, Malcolm Brinded; the Executive Director of Gas & Power, Linda Cook; the Executive Director of Oil Products and Chemicals, Rob Routs; and the Chief Financial Officer, Peter Voser.

The Executive Committee is responsible for Royal Dutch Shell's overall business and affairs and has final authority in all matters of management that are not within the duties and authorities of the Board or of the AGM of Royal Dutch Shell. It implements all Board resolutions and supervises all management levels in Royal Dutch Shell.

Audit Committee

The Audit Committee is comprised of four financially literate members that have the necessary ability and experience to understand the financial statements.

For the purposes of the Combined Code Christine Morin-Postel qualifies as a person with recent and relevant experience.

A copy of the terms of reference of the Audit Committee is available from the Company Secretary and can be found on the Shell website www.shell.com/investor.

The key responsibilities of the Audit Committee are to assist the Board in fulfilling its responsibilities in relation to internal control and financial reporting, to carry out certain oversight functions on behalf of the Board and to monitor compliance with applicable external legal and regulatory requirements, the Shell General Business principles and Code of Ethics. The Audit Committee is also responsible for the approval of all services to be provided by the external auditor, PricewaterhouseCoopers LLP and reviews and assesses management's

response to audit findings and recommendations and discusses the adequacy of the risk management and internal control system of Royal Dutch Shell with the auditors including any significant matters arising from the audits with, as appropriate, the chief internal auditor, management and the external auditors. The Audit Committee also monitors the qualifications, expertise, resources and independence of the internal and external auditors and assesses annually the performance and effectiveness of the auditors.

PricewaterhouseCoopers LLP and KPMG acted as joint auditors of Royal Dutch Shell. KPMG resigned as auditor on November 7, 2005, subsequent to the Unification. PricewaterhouseCoopers LLP have signified their willingness to continue in office, and a resolution for their reappointment will be submitted to the AGM.

Nomination and Succession Committee

A copy of the terms of reference of the Nomination and Succession Committee is available from the Company Secretary and can be found on the Shell website www.shell.com/investor.

The Nomination and Succession Committee keeps under review the leadership needs of Royal Dutch Shell and is responsible for identifying and nominating suitable candidates for the approval of the Board to fill vacancies as and when they arise. It is also responsible for making recommendations on the appointment of the chairman of each of the Audit Committee, the Remuneration Committee and the Social Responsibility Committee and, in consultation with the chairman of the relevant committee, the membership of those committees. It makes recommendations in respect of corporate governance guidelines for Royal Dutch Shell, monitors compliance with corporate governance requirements and makes recommendations in respect of disclosures relating to corporate governance and its appointment processes.

In 2005, the Nomination and Succession Committee recommended to the Board the appointment of Jorma Ollila, currently Chairman and CEO of Nokia, to succeed Aad Jacobs as Non-executive Chairman of Royal Dutch Shell. The Board adopted this proposal. A resolution has been proposed to be put to the AGM of the shareholders of Royal Dutch Shell, to be held on May 16, 2006 for the election of Mr Ollila as a Director of Royal Dutch Shell, with effect from June 1, 2006.

Remuneration Committee (REMCO)

A copy of the terms of reference of REMCO is available from the Company Secretary and can be found on the Shell website www.shell.com/investor.

REMCO determines and agrees with the Board the remuneration policy and individual remuneration packages, including incentive and performance plans and pensions, for the Chief Executive and the Executive Directors. REMCO also considers and advises on the terms of any contract to be offered to a Director. It also monitors the remuneration for other senior executives and makes recommendations as appropriate.

Social Responsibility Committee

A copy of the terms of reference of the Social Responsibility Committee is available from the Company Secretary and can be found on the Shell website www.shell.com/investor.

The Social Responsibility Committee reviews the policies and conduct of Royal Dutch Shell with respect to the Shell General Business Principles as well as the Group's health, safety and environment policy and other relevant Group policies and standards.

Independent Non-executive Directors

All the Non-executive Directors as at the end of 2005 are considered by the Board to be wholly independent of any personal business connection with Royal Dutch Shell or companies of the Group, with the exception of Maarten van den Bergh who receives a pension from a Shell Group pension fund.

Significant commitments of the Chairman

Please see the biography of Aad Jacobs on page 5.

Performance evaluation

Performance evaluations of the Board, its committees, the Directors and the Chairman were undertaken in respect of 2005. The conclusions of these evaluations were communicated to the Board and the Executive Directors, including the Chief Executive. The Chairman also met separately with each of the Non-executive Directors to discuss that Non-executive Director's performance.

Major shareholders

The quarterly and annual results presentations and all major analyst meetings are announced in advance on the Shell website and by means of press releases. These presentations can be followed real time via webcasting or teleconference. Other meetings with analysts or investors are not normally announced in advance, nor can they be followed by webcast or any other means. Discussions in such meetings are always limited to information that is already in the public domain. This is in line with the requirements to ensure that all shareholders and other parties in the financial market have equal and simultaneous access to information which may influence the share price of Royal Dutch Shell. The Chairman, the Chief Executive, the Chief Financial Officer and the Executive Vice-President Investor Relations of Royal Dutch Shell report regularly to Directors on the views of major shareholders.

Going concern

The Directors consider that taking into account the assets and income of the Group, Royal Dutch Shell has adequate resources to continue in operational existence for the foreseeable future. For this reason the Directors adopt the going concern basis for the Financial Statements contained in this Report.

Internal controls

The Directors are responsible for the Group's system of internal control and for reviewing its effectiveness.

The Group takes a risk-based approach to internal control. Management in the Group is responsible for implementing, operating and monitoring the system of internal control, which is designed to provide reasonable, but not absolute, assurance of achieving business objectives. Royal Dutch Shell's financial, operational and compliance controls are subject to periodic review by the Board in respect of process and effectiveness. The Directors consider that these internal control arrangements are compatible with the guidance for directors published in September 1999 (known as the Turnbull Guidance) in relation to the internal control provisions of the Combined Code.

The Directors accordingly confirm that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group which has been in place for the period since the Unification Transaction on July 20, 2005 and up to the date of approval of the Annual Report and Form 20-F, that the process is regularly reviewed by the Board and that it accords with the guidance for Directors referred to above.

Further information

The following information is available from the Company Secretary and can be found on the Shell website www.shell.com/investor:

- > the Terms of Reference of the Nomination and Succession Committee, Remuneration Committee, Audit Committee and the Social Responsibility Committee, explaining their role and the authority delegated to them by the Board;
- > the full list of matters reserved to the Board for decision;
- > Code of Ethics;
- > Shell General Business Principles; and
- > Memorandum and Articles of Association.

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management and Internal Control

The Group takes a risk-based approach to internal control. Management in the Group is responsible for implementing, operating and monitoring the system of internal control, which is designed to provide reasonable, but not absolute assurance of achieving business objectives. Related requirements are set out in a Statement on Risk Management, which describes the methodology to be followed to manage risks to objectives. Our control framework is supported by a set of risk-based standards; these establish rules and instructions on enterprise-wide risks that require common treatment across the Group.

We have a variety of processes for obtaining assurance on the adequacy of risk management and internal control. These include:

- > a structured process to identify and review risks to the achievement of Group objectives;
- > a formalised self-appraisal and assurance letter process by which assurance is provided on compliance with Group standards;
- > risk-based audits of the Group's operations by Internal Audit;
- > a business control incident reporting process; and
- > an ethics and compliance programme.

These established processes allow the Board, via the Audit Committee, regularly to consider the overall effectiveness of the system of internal control and to perform a full annual review of the system's effectiveness.

In the context of reserves estimation and reporting, the Group has taken a number of steps to revise and improve controls and procedures following the reserves restatements in 2004 and the related investigation and report to the Audit Committee at the time.

Risk factors

The Group's operations and earnings are subject to various risks relating to changing competitive, economic, political, legal, social, industry, business and financial conditions. These risks to Group objectives are highlighted below:

- > fluctuating prices for oil, natural gas, oil products and chemicals as a result of various factors including natural disasters, political instability, conflicts, economic conditions or actions taken by major oil exporting countries;
- > ability to deliver large-scale projects and replace oil and gas reserves as a result of various factors including uncertain geology, frontier conditions, availability of new technology and availability of skilled resources. Failures in exploration and in identifying, and consummating transactions to access suitable potential reserves;
- > loss of business reputation due to perceived failure to meet the Shell General Business Principles, which govern how the Group and its individual companies conduct their affairs;
- > security breaches resulting from crime, social unrest, civil war and terrorism affecting both our staff and assets;

- > strong competition from within the energy industry and other industries in several areas including securing access to acreage and reserves, developing innovative products and solutions and developing and applying new technology;
- > operational hazards, natural disasters, pandemics and breaches of technical integrity. The scale, diversity and complexity of the Group's activities increase its exposure to these risks;
- > changes in legislation, taxation, regulation and to expropriation of property including matters related to land tenure, entitlement to produced hydrocarbons, production rates, royalties, pricing, environmental protection, social impact, exports, taxes and foreign exchange;
- > currency fluctuations and exchange controls. The Group is present in more than 140 countries and territories throughout the world and is subject to risks from changes in currency values and exchange;
- > resourcing inefficiencies. Changing global demographics, specifically declining numbers of science graduates in Europe and the US, could add to the resourcing challenge;
- > information technology failures, given an increasing focus on standardisation, reliance on IT systems, and regulation;
- > doing business in politically sensitive or unstable countries could increase exposure to various developments such as forced divestiture of assets, restrictions on production, civil unrest, and cancellation of contract rights;
- > effective governance of the Group could be challenged by non-compliance with laws and regulations, and the incorrect design and operation of internal controls;
- > failure of senior management in that they may make decisions or take actions that damage the Group's interests;
- > lack of access to technology and inadequate innovation could impede delivery of the Group's strategy;
- > inability to control or influence the operations, behaviours, and performance of our partners and ventures;
- > volatile economic and financial market conditions resulting from economic or political instability;
- > estimation of reserves involves subjective judgments and determinations based on various factors;
- > US sanctions on certain countries (e.g. Iran, Syria and Sudan) may impact our business activity in those countries; and
- > the impact of climate change and resultant societal and governmental challenge could result in project delays and compliance risks for existing assets.

In addition, the Group has mitigation programmes to manage risks related to Property, Liability, Treasury, Trading, Pension and Environmental/Decommissioning cost.

SUPPLEMENTARY INFORMATION

Oil and natural gas reserves^a (at December 31)

Estimated net proved developed and undeveloped oil and natural gas reserves, including the Group share of equity accounted investments, are set out below.

	million barrels of oil equivalent (boe) ^b		
	2005	2004	2003 ^c
Group companies	7,761	8,064	11,625
Group share of equity accounted investments	3,705	3,818	1,355

Oil sands^a (at December 31)

	million barrels		
	2005	2004	2003
Group companies	746	615	572

a Petroleum reserves from operations that do not qualify as oil and gas producing activities, such as our Athabasca Oil Sands Project, are not included.

b For this purpose natural gas has been converted to crude oil equivalent using a factor of 5,800 standard cubic feet per barrel.

c In connection with the adoption of IFRS as of January 1, 2004, an entity in Europe that had previously been accounted for as a Group company on a proportionate basis, has instead been accounted for as an equity accounted investment. As a result of this change, some 20 million barrels of oil and 13.2 trillion standard cubic feet of gas proved reserves that, as of December 31, 2003, are shown for Group companies are, as of January 1, 2004, shown as part of the Group share of equity accounted investments.

Capital investment

	\$ million	
	2005	2004
Exploration & Production	12,046	9,708
Gas & Power	1,602	1,633
Oil Products	2,844	2,823
Chemicals	599	868
Other industry segments and Corporate	345	243
	17,436	15,275

Operational data

Crude oil and natural gas liquids production

	thousand barrels daily		
	2005	2004	2003
(including equity accounted investments and excluding Oil sands)			
Europe	541	580	671
Other Eastern Hemisphere	1,044	1,113	1,147
USA	333	375	414
Other Western Hemisphere	80	105	101
	1,998	2,173	2,333

Natural gas production available for sale

	million standard cubic feet (scf) daily		
	2005	2004	2003
(including equity accounted investments)			
Europe	3,659	3,739	3,587
Other Eastern Hemisphere	2,955	3,198	3,195
USA	1,150	1,332	1,527
Other Western Hemisphere	499	539	540
	8,263	8,808	8,849

Refinery processing intake

	thousand barrels daily		
	2005	2004	2003
Europe	1,804	1,770	1,776
Other Eastern Hemisphere	849	962	956
USA	953	1,055	1,079
Other Western Hemisphere	375	375	356
	3,981	4,162	4,167

Liquefied natural gas (LNG)

	million tonnes		
	2005	2004	2003
Global equity LNG sales volume	10.7	10.2	9.3

Oil sales

	thousand barrels daily		
	2005	2004	2003
Gasolines	2,404	2,760	2,763
Kerosines	811	833	798
Gas/diesel oils	2,296	2,398	2,311
Fuel oil	844	849	820
Other products	702	760	753
Total oil products	7,057	7,600	7,445
Crude oil	3,695	5,160	4,769
	10,752	12,760	12,214

Chemicals sales volumes by main category

	thousand tonnes		
	2005	2004	2003
Base chemicals	13,710	14,184	13,165
First-line derivatives	8,891	9,499	9,779
Other	225	477	164
	22,826	24,160	23,108

SHAREHOLDER INFORMATION

Annual General Meeting

The Annual General Meeting of Royal Dutch Shell plc will be held at the Circustheater, Circusstraat 4 in The Hague at 11 a.m. (Dutch time) on May 16, 2006, with an audio-visual link to a satellite meeting place at Novotel London-West Hotel and Convention Centre, Hammersmith, London at 10 a.m. (UK time). The Notice convening the Meeting is enclosed.

Royal Dutch Shell has two classes of shares – Class A shares and Class B shares. The Class A shares and Class B shares have identical rights except in relation to the dividend source. Dividends having a Dutch source are intended to be paid to holders of Class A shares and dividends having a UK source are intended to be paid to holders of Class B shares.

Royal Dutch Shell listing information		
	Class A Shares	Class B Shares
Ticker symbol London	RDSA	RDSB
Ticker symbol Amsterdam	RDSA	RDSB
Ticker symbol New York (ADR*)	RDS.A	RDS.B
ISIN Code	GB00B03MLX29	GB00B03MM408
CUSIP	G7690A100	G7690A118
SEDOL Number – London	B03MLX2	B03MM40
SEDOL Number – Euronext	B09CBL4	B09CBN6
Weighting on FTSE as at 30/9/05	5.453%	3.911%
Weighting on AEX as at 30/9/05	16.155%	not included

* One ADR is equal to two underlying shares.

Share prices

RDSA and Royal Dutch ordinary shares – Amsterdam^a

	€					
	RDSA		Royal Dutch ordinary shares			
	2005 ^b (July 20 to Dec 31)	2005 ^b (Jan 1 to Sept 30)	2004	2003	2002	2001
High	27.67	28.38	22.02	22.29	31.60	36.74
Low	24.12	20.92	18.30	16.68	19.61	21.86
Year end	25.78	25.80	21.18	20.90	20.98	28.45

RDSA – London

	pence				
	2005 (July 20 to Dec 31)	2004	2003	2002	2001
High	1,894	–	–	–	–
Low	1,633	–	–	–	–
Year end	1,771	–	–	–	–

Class A ADRs and Royal Dutch New York Shares – New York^c

	\$					
	Class A ADRs		Royal Dutch New York Shares			
	2005 ^d (July 20 to Dec 31)	2005 ^d (Jan 1 to Oct 3)	2004	2003	2002	2001
High	68.08	67.45	57.79	52.70	57.30	64.15
Low	57.79	55.37	45.79	36.69	38.60	39.75
Year end	61.49	62.80	57.38	52.39	44.02	49.02

RDSB – Amsterdam

	€				
	2005 (July 20 to Dec 31)	2004	2003	2002	2001
High	28.90	–	–	–	–
Low	25.41	–	–	–	–
Year end	27.08	–	–	–	–

RDSB and Shell Transport Ordinary Shares – London

	RDSB		Shell Transport Ordinary Shares			
	2005 ^e (July 20 to Dec 31)	2005 ^e (Jan 1 to July 19)	2004	2003	2002	2001
High	1,968	1,991	1,570	1,531	1,888	2,255
Low	1,717	1,528	1,205	1,154	1,256	1,403
Year end	1,858	1,838	1,545	1,446	1,423	1,643

Class B ADRs and Shell Transport ADRs – New York

	Class B ADRs		Shell Transport ADRs			
	2005 ^f (July 20 to Dec 31)	2005 ^f (Jan 1 to July 19)	2004	2003	2002	2001
High	70.94	69.86	59.98	52.42	54.91	62.24
Low	60.69	57.75	45.38	37.45	39.47	44.92
Year end	64.53	64.56	59.63	52.24	45.15	48.09

- a Pursuant to the terms of the Unification Transaction, holders of Royal Dutch ordinary shares received two Royal Dutch Shell plc Class A ordinary shares for each Royal Dutch ordinary share. To assist comparison, the historical prices of the Royal Dutch ordinary shares have been divided by 2 to reflect such exchange ratio.
- b Royal Dutch ordinary shares continued to trade on Euronext Amsterdam following the completion of the Unification Transaction until such shares were delisted on September 30, 2005.
- c Pursuant to the terms of the Unification Transaction, holders of Royal Dutch New York Shares received one Royal Dutch Shell plc Class A ADR for each Royal Dutch New York Share. Each Royal Dutch Shell plc Class A ADR represents two Royal Dutch Shell plc Class A ordinary shares.
- d The New York Stock Exchange halted trading in the Royal Dutch New York Shares on October 3, 2005, following delisting in Amsterdam, and resumed trading in the Royal Dutch New York Shares on October 31, 2005, following the joint public announcement by Royal Dutch Shell and Royal Dutch of the definitive terms of the Restructuring, in which all outstanding Royal Dutch shares were exchanged for €52.21 (or the equivalent in loan notes). The table opposite excludes trading in Royal Dutch New York Shares for the period from October 3 through their delisting on November 21, 2005.
- e Pursuant to the terms of the Unification Transaction, holders of Shell Transport Ordinary Shares (including Shell Transport Ordinary Shares to which holders of Shell Transport bearer warrants were entitled) received 0.287333066 Royal Dutch Shell plc Class B ordinary shares for each Shell Transport Ordinary Share. To assist comparison, the historical prices of the Shell Transport Ordinary Shares have been divided by 0.287333066 to reflect such exchange ratio.
- f Pursuant to the terms of the Unification Transaction, holders of Shell Transport ADRs received 0.861999198 Royal Dutch Shell plc Class B ADRs for each Shell Transport ADR. To assist comparison, the historical prices of the Shell Transport ADRs have been divided by 0.861999198 to reflect such exchange ratio. Each Royal Dutch Shell plc Class B ADR represents two Royal Dutch Shell plc Class B ordinary shares.

Capital gains tax

For the purposes of UK capital gains tax, the market values of the Company's shares were:

	£	
	March 31, 1982	July 20, 2005
Historical information relating to:		

Royal Dutch Petroleum Company (N.V. Koninklijke Nederlandsche Petroleum Maatschappij) which ceased to exist on December 21, 2005

	1.1349	17.6625
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Share prices have been restated where necessary to reflect all capitalisation issues since the relevant date. This includes the change in the capital structure following the Unification Transaction of Royal Dutch and Shell Transport where 1 Royal Dutch share was exchanged for 2 Royal Dutch Shell plc Class A ordinary shares.

Historical information relating to:

The "Shell" Transport and Trading Company, p.l.c. which delisted on July 19, 2005

	1.4502	Not applicable
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Share prices have been restated where necessary to reflect all capitalisation issues since the relevant date. This includes the change in the capital structure following the Unification Transaction of Royal Dutch and Shell Transport where 1 Shell Transport share was exchanged for 0.287333066 Royal Dutch Shell plc Class B ordinary shares.

Dividends

Class A shares	€		
	2005	2004	2003
Q1	0.23*	–	–
Q2	0.23	–	–
Q3	0.23	–	–
Q4	0.23	–	–
Interim	–	0.38*	0.37*
Final/second interim	–	0.52*	0.51*
Total	0.92	0.90	0.88
Amount paid during the year	1.21	0.89	0.87

* Historical data for Royal Dutch converted to Royal Dutch Shell equivalents.

Class B shares	pence		
	2005	2004	2003
Q1	15.84	–	–
Q2	15.89	–	–
Q3	15.64	–	–
Q4	15.64	–	–
Interim	–	21.75	21.23
Final/second interim	–	37.24	33.58
Total	63.01	58.99	54.81
Amount paid during the year	84.61	55.33	53.60

Class A ADRs	\$		
	2005	2004	2003
Q1	0.59	–	–
Q2	0.55	–	–
Q3	0.56	–	–
Q4	0.56	–	–
Interim	–	0.88	0.86
Final/second interim	–	1.33	1.21
Total	2.26	2.24	2.08
Amount paid during the year	3.04	2.12	1.96

Class B ADRs	\$		
	2005	2004	2003
Q1	0.57	–	–
Q2	0.55	–	–
Q3	0.56	–	–
Q4	0.56	–	–
Interim	–	0.78	0.67
Final/second interim	–	1.43	1.21
Total	2.24	2.21	1.88
Amount paid during the year	3.10	1.99	1.71

Dividends

In setting the level of dividends, the Royal Dutch Shell Board intends to pay quarterly dividends and provide per share increases in dividends at least in line with European inflation over time.

Royal Dutch Shell will declare its dividends in euro. Dividends declared on Class A ordinary shares will be paid in euro, although holders of Class A ordinary shares will be able to elect to receive dividends in sterling. Dividends declared on Class B ordinary shares will be paid in sterling, although holders of Class B ordinary shares will be able to elect to receive dividends in euro. Holders of the ADRs will receive payment in dollars. Eligible shareholders must make currency elections the day before the declaration date.

It is expected that holders of Class B ordinary shares will receive dividends through the dividend access mechanism applicable to such shares.

Dividend reinvestment plan (DRIP)

A DRIP is offered on both classes of shares and, depending on how an investor holds shares, is offered by either Lloyds TSB Registrars or ABN Amro. DRIPs for ADRs traded on the NYSE are offered by the Bank of New York.

Lloyds TSB Registrars

The DRIP operated by Lloyds TSB Registrars is available to investors in respect of shares held directly in the Royal Dutch Shell Nominee Service or on the Royal Dutch Shell plc share register. You will be liable for tax on dividends reinvested on the same basis as if you had received the cash and arranged the purchase of shares yourself.

ABN Amro

The DRIP operated by ABN Amro is available to shareholders who hold their shares in Euroclear Nederland through an admitted institution of Euroclear Nederland and are expecting to receive the dividend in the default currency for Class A ordinary and Class B ordinary shares.

Bank of New York

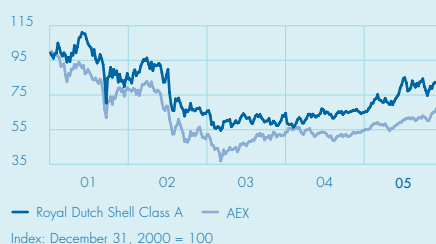
The Bank of New York maintains a (*Global BuyDIRECT™*) plan for the Royal Dutch Shell Class A ADRs, available to registered holders and first time investors and a DRIP for the Class B share ADRs available to registered ADR holders.

Tax consequences of participation in the plan may vary depending upon the tax residence of the shareholder and the class of shares held. Holders of Class A ordinary shares should note that it is the net dividend that will be reinvested.

To participate, or if you have any further questions, please call your bank or broker if your shareholding is through Euroclear Nederland, Bank of New York if enquiries relate to ADRs and Lloyds TSB Registrars for all other shareholders.

Indexed share price

Royal Dutch Shell plc Class A/AEX Index



Indexed share price

Royal Dutch Shell plc Class B/FTSE 100 Index



SHAREHOLDER INFORMATION

Financial calendar

Financial year ends December 31, 2005

Announcements

Full year results for 2005 February 2, 2006
First quarter results for 2006 May 4, 2006
Second quarter results for 2006 July 27, 2006
Third quarter results for 2006 October 26, 2006

Dividends – Ordinary shares Class A and Class B including ADRs

2005 Fourth quarter interim*

Announced	February 2, 2006
Ex-dividend date	February 8, 2006
Record date	February 10, 2006
Payment date	March 15, 2006

2006 First quarter interim

Announced	May 4, 2006
Ex-dividend date	May 10, 2006
Record date	May 12, 2006
Payment date	June 14, 2006

2006 Second quarter interim

Announced	July 27, 2006
Ex-dividend date	August 2, 2006
Record date	August 4, 2006
Payment date	September 13, 2006

2006 Third quarter interim

Announced	October 26, 2006
Ex-dividend date	November 1, 2006
Record date	November 3, 2006
Payment date	December 13, 2006

Annual General Meeting May 16, 2006

* The Directors do not propose to recommend any further distribution in respect of 2005.

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