



Royal Dutch Shell plc

**- proposal to purchase minority
shares in Shell Canada Ltd**

Chief Executive - Jeroen van der Veer

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Proposal details

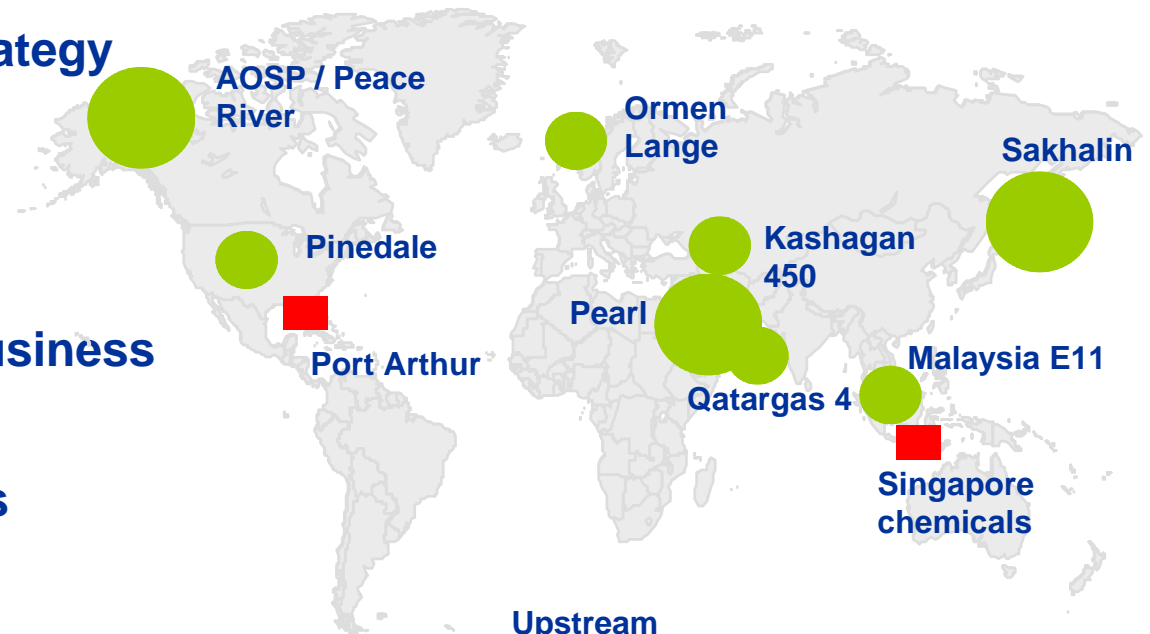
- **Royal Dutch Shell owns 78% stake in Shell Canada**
- **Proposal to acquire all outstanding shares in Shell Canada, for a cash price of C\$40/share**
- **Value of transaction ~ C\$7.7 billion (fully diluted basis)**
- **Offer price is a 29% premium to one month average share price**



Deal context

- Unification and simplification
 - One company, one strategy
 - Global choices
- Simplified N. American business
 - Single organization
 - International synergies
- Unconventionals
 - Control and pace
 - Integration & technology

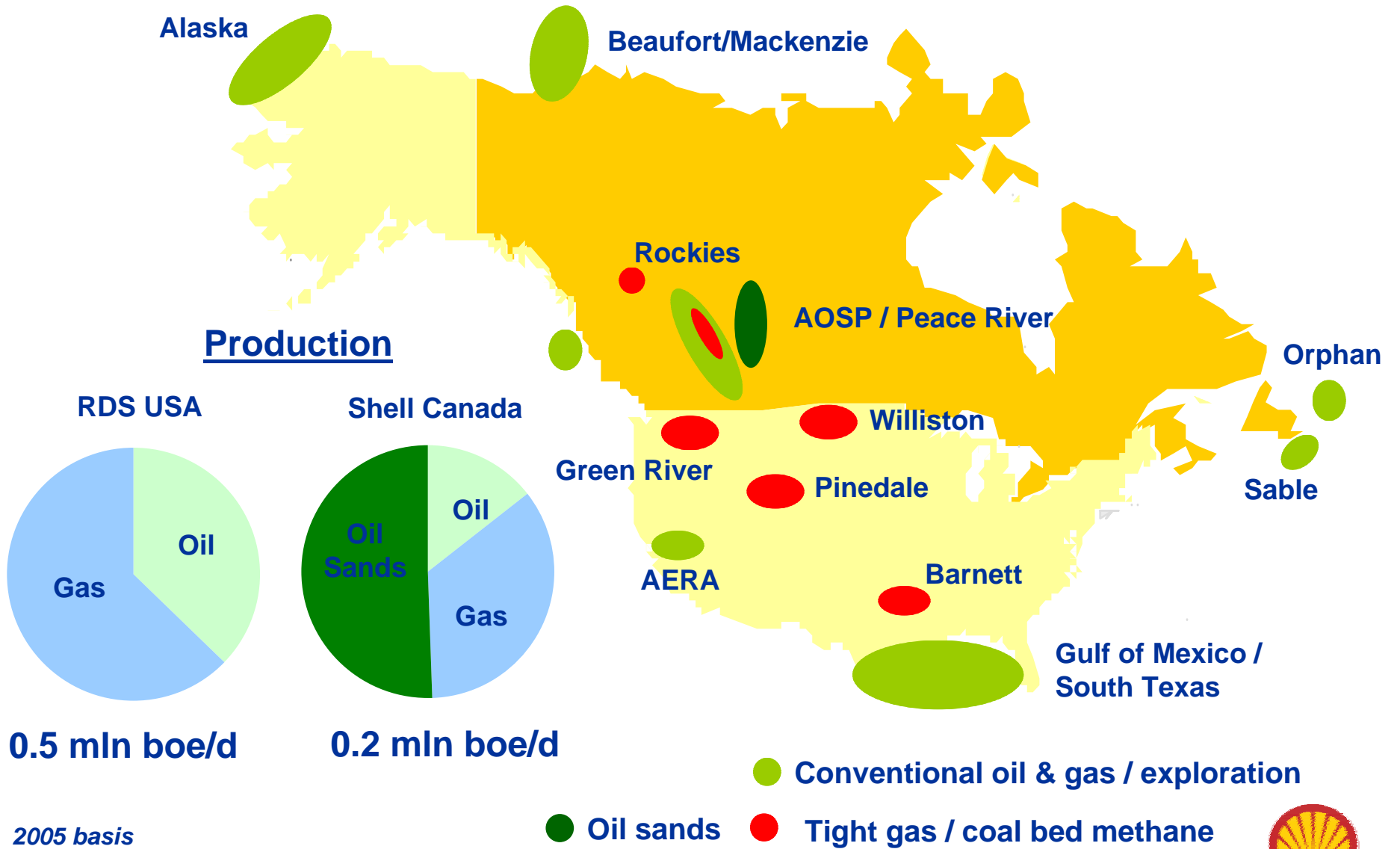
Major growth hubs



Royal Dutch Shell share, gross basis
Pre and post FID projects



Strong North America upstream portfolio



2005 basis

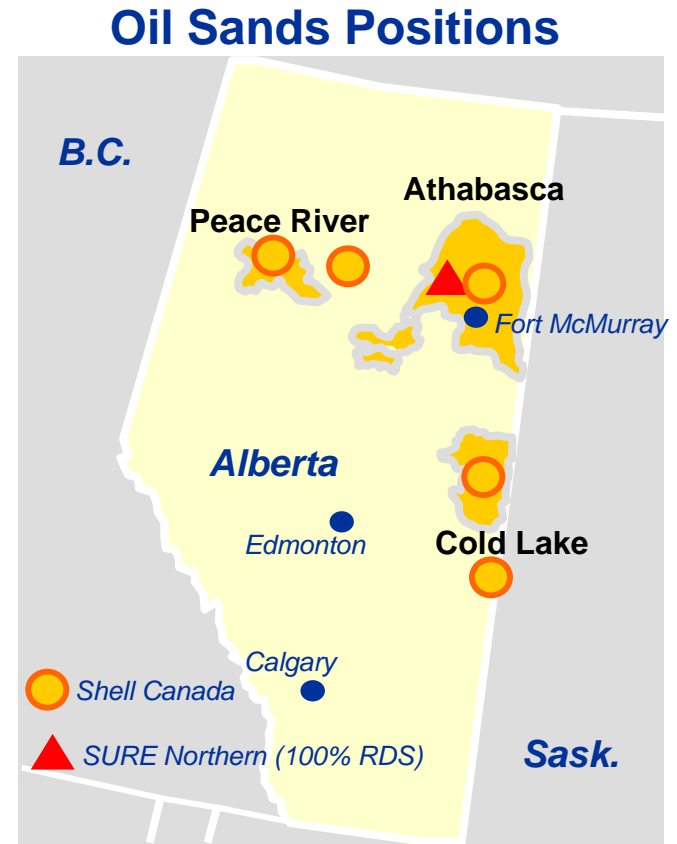
Source: Shell Group and Shell Canada



Canada oil sands

Investment, technology, integration

- Major resource holder
 - >4 bln barrels resources mining
 - >55 bln barrels oil-in-place in situ
- ~100,000 bpd today
- Potential for 500,000 bpd



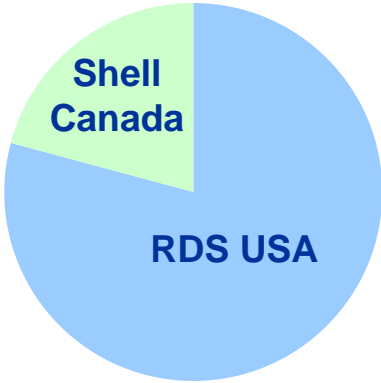
Volumes are Royal Dutch Shell share including Shell Canada minorities

Source: Shell Group and Shell Canada

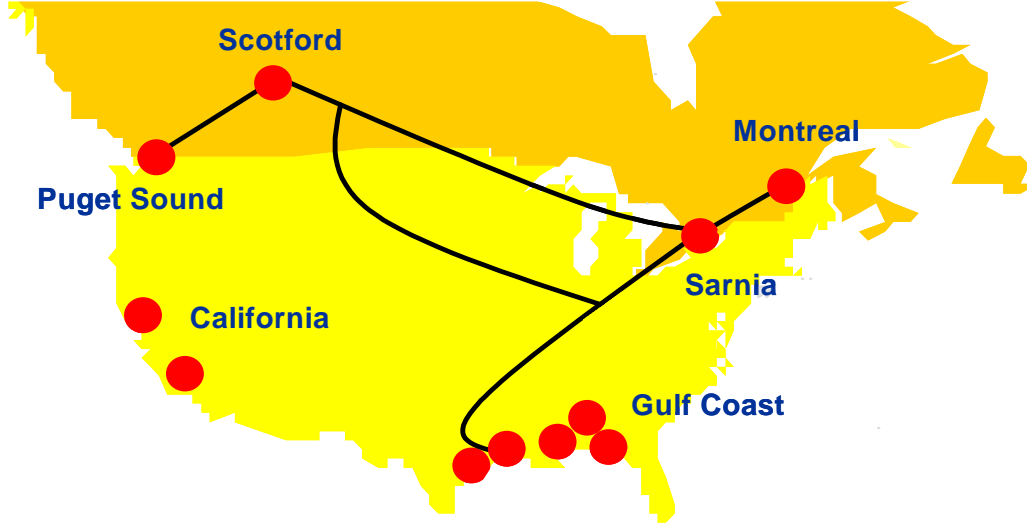


Downstream integration opportunities

Refining capacity



1.2 mln barrels/day



● Refinery — Key industry pipelines

2005 basis

Source: Shell Group and Shell Canada



Accounting impacts

- Shell Canada currently fully consolidated in Royal Dutch Shell accounts
- Proposed buy-out accounted as a transaction between shareholders of a single company (IFRS)
 - Net debt increased by purchase price
 - Equity of RDS and minority interests reduced by purchase price
 - No significant change in capital employed and DD&A
- Satisfactory progress with balance sheet



Summary

- **Proposal to make a cash offer of C\$40/share for outstanding shares**
- **Attractive value to all shareholders**
- **Deal context**
 - **Streamlined company, one strategy**
 - **Simplified North American business**
 - **Unconventionals growth**





Q&A

Royal Dutch Shell plc