



The Annual General Meetings of Royal Dutch Petroleum Company and The “Shell” Transport and Trading Company, p.l.c.

Jeroen van der Veer

President of Royal Dutch and Chief Executive
Royal Dutch/Shell Group

Lord Oxburgh

Chairman of The “Shell” Transport and Trading Company, p.l.c.

Malcolm Brinded

Executive Director Exploration and Production
Royal Dutch/Shell Group

based on speeches made in The Hague and London
June 28, 2005



Jeroen van der Veer is Chief Executive of the Royal Dutch/Shell Group and President of Royal Dutch Petroleum Company. He has been a Managing Director of Royal Dutch Petroleum since 1997.

He was born in Utrecht in the Netherlands. He has two degrees – one in mechanical engineering from Delft University and another in economics from Rotterdam University. He joined the Group in 1971 and has worked in in the Netherlands, Curaçao, the United Kingdom and the United States.

He is a non-executive director of Unilever, serving as a member of the Nomination and Remuneration Committees.



Lord Oxburgh KBE FRS has been a non-executive director of Shell Transport since 1996 and became non-executive Chairman in March 2004.

He has held a number of scientific and university appointments including Chief Scientific Advisor, Ministry of Defence, and Rector, Imperial College of Science, Technology and Medicine.

He is chairman of SETNET and of the House of Lords Select Committee on Science and Technology.



Malcolm Brinded is Executive Director Exploration and Production of the Royal Dutch/Shell Group. He has been a Managing Director of The “Shell” Transport and Trading Company, p.l.c. since 2002.

He was born in the UK in 1953 and joined Shell after graduating in Engineering from Cambridge University. He has worked for Shell companies in Brunei, the Netherlands, Oman and the UK.

He is a Fellow of the Institution of Civil Engineers and of the Royal Academy of Engineering and became an honorary fellow of the Institution of Mechanical Engineers in 2003. He was appointed CBE in the New Year Honours List of 2002 for services to the UK oil and gas industry.

The following text is based on the speeches delivered by Jeroen van der Veer at the Annual General Meeting of Royal Dutch Petroleum Company in The Hague, and by Lord Oxburgh and Malcolm Brinded at the Annual General Meetings of The “Shell” Transport and Trading Company, p.l.c. in London, on June 28, 2005.

2004 was a year of extremes. On the one hand there was the reserves issue, on the other, our excellent operational and financial performance.

We set ourselves three immediate objectives

- to get the reserves issue behind us,
- to keep focused on our business, and
- to change the structure and culture of Shell.

We knew these were essential for starting to rebuild our reputation – particularly with you, our shareholders. We believe we have made major progress with all of them and will tell you why.

But first let me thank Shell staff everywhere. Last year was very difficult for them. I’m proud of how our staff responded.

Strong and competitive performance

Their focus and commitment helped us to drive forward our strategy and achieve strong and competitive results.

Net income for 2004 was a record \$18 billion. And we generated \$33 billion in cash from operations and divestments. This reflected good operational performance as well as high prices and margins.

Our Oil Products business performed particularly well, utilizing its assets better to capture the benefits of those margins. We regained our position in the downstream as the leading earner among the majors.

V-Power was launched in the United States and is the best-selling premium gasoline, reinforcing Shell’s position as the leading US gasoline brand. And the first Shell station opened in India, where we were the first foreign company to get a retail licence.

Gas and Power continued to grow its liquefied natural gas business. Sales were

up 9% and a new liquefaction train was commissioned in Australia.

Chemicals had a good year, with improved asset utilization and higher sales.

Exploration and Production benefited from high prices with production – after divestments – broadly the same as in 2003. New fields started production in the UK, Malaysia, Russia and the United States. And there were exploration finds in 11 countries.

2005 has got off to an excellent start with strong first quarter financial performance across all the businesses.

There have been exploration finds in Norway, the US, Nigeria, Malaysia and Australia, among others. These are encouraging results. And, importantly, we have secured new upstream acreage in the US, Libya, Algeria and Australia.

The Hazira terminal in India has received its first cargo of LNG. And our retail joint venture with Sinopec has begun serving motorists in China’s Jiangsu province.

As part of our drive to reshape our portfolio, we have agreed the sale of Basell and InterGen.

Reserves categorisation

In February, we reported on the final outcome of the comprehensive review to ensure that our reserves are properly categorised under US Securities and Exchange Commission rules.

This came about as a result of the measures we introduced from last April, including our reinforced audit process and the retraining of 3,000 staff in the requirements for SEC reporting.

We settled with the SEC and FSA in the UK. We still face other possible legal actions. But since February we have focused on moving forward.

The key point is that the oil and gas is still in the ground. Our producible

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resources are some five times larger than our SEC proved volumes. Our plans for developing these resources continue to move ahead and we have a strong base on which to grow.

We are investing around \$12 billion a year – 80% of our total investment – in the upstream, and over the next five years plan to unlock some 13 billion barrels of those oil and gas resources.

This investment includes at least \$1.5 billion a year on an expanded, but more focused, exploration effort, with the emphasis on making major discoveries.

Turning strategy into reality

This reflects how we are pursuing our strategy of ‘more upstream and profitable downstream’. I will focus only on a couple of examples – the growth of our industry-leading LNG business and what we are doing in China.

We’re currently on track to nearly double our equity LNG capacity by 2009.

Development of the major Sakhalin 2 project in Russia is progressing and Sakhalin Energy has been very successful in obtaining long-term sales contracts. This is a massive project facing significant cost and schedule challenges, which in part reflect similar pressures affecting the sector worldwide.

Three more liquefaction trains are being built in Nigeria – the first coming on-stream this year – and another one in Oman.

We are also planning new LNG export schemes in Qatar, Nigeria, Australia and Libya.

The Qatargas 4 scheme deepens our important relationship with Qatar Petroleum, which also involves Gas to Liquids and plans for a major petrochemical plant.

I have mentioned our terminal in Hazira, we are also developing import capacity in Mexico – on both the west and east coasts – in the United States and in Italy.

Turning to China, where all our businesses are very active.

The major Nanhai petrochemical plant should be commissioned by the end of this year.

I mentioned our retail venture in Jiangsu. Sales of Shell lubricants are also increasing rapidly and we plan to develop a network of Jiffy Lube outlets with Shanghai Automotive in this rapidly expanding market.

China aims to make much more use of natural gas. The first LNG imports will start next year from the North West Shelf in Australia, where Shell has the largest direct and indirect interest.

We are operators of the Changbei gas field in northwest China in partnership with PetroChina, and we are building a gas pipeline system in Hangzhou.

Shell coal gasification technology is being applied as a way of using China’s main energy resource more efficiently and cleanly. And Shell Solar is involved in rural electrification.

Realising the business opportunities in China – and in other expanding Asian economies – is a vital strategic goal. We’re making good progress.

Valuing technology

Our ability to develop and apply technology – and to recognise good ideas by others – is essential for our competitiveness and how we contribute to society.

Shell has been working on Gas to Liquids for more than 30 years, improving our technology, gaining operational experience and developing markets.

The superior qualities of GTL fuel reduce local emissions from existing vehicles and enable the development of better engines. GTL base oil helps us to develop better lubricants, to reduce emissions and improve fuel economy. Sales of fuels with GTL components in places like Germany are good.

Plans for the major Pearl GTL plant in Qatar are progressing well. This integrated project involves the development of gas reserves in Qatar’s giant North Field.

We are working on using this technology to produce high quality fuel from coal, with the potential for capturing the carbon dioxide in the process for underground storage.

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It could also be used to make biofuel.

But we are pursuing other possibilities too, investing in a novel technology for producing advanced ‘eco-ethanol’ from straw.

Leadership, accountability and teamwork

Turning from what we are doing to how we are doing it.

We believe that the proposed corporate restructuring is vital for making your business more straightforward, accountable and effective. But we have also been transforming how we work together within the organisation.

For example, our Oil Products and Chemicals businesses have been combined in a simpler, global Downstream organisation. This greatly improves direction, standardisation and learning, helping us to focus our global strengths on serving our customers everywhere.

Integrating refining and chemicals manufacturing increases efficiency and opens new opportunities. Indeed our capacity to integrate across our businesses is vital in many other areas, including oil sands and Gas to Liquids.

We have also made important changes to ensure that we comply with regulations and Shell policies. This includes appointing a Group Compliance Officer and strengthening the role of the Finance function.

I believe we have also done much to improve our culture, by focusing on leadership, accountability and teamwork.

Pursuing sustainability

Our commitment to sustainable development remains central to how we do business.

Indeed, we see many opportunities in helping to meet the world’s expanding energy needs in an environmentally and socially responsible manner. This includes working to develop economic ways of dealing with carbon dioxide so that the world can continue using efficient fossil energy safely.

This goes together with pursuing alternative energy sources and technologies, such as biofuels, wind, solar and

hydrogen.

Last month, for example, we signed contracts for the first offshore wind farm in the Netherlands and a further contract for rural solar in China. President Bush visited our new hydrogen station in Washington.

How we manage our operations today is as important as investing in the future.

Let me touch on some areas.

The Sakhalin 2 project will open Russian gas exports to energy-hungry Pacific economies. But we still need to ensure that this major undertaking benefits local communities and safeguards the environment.

Last year Sakhalin Energy asked the IUCN to convene an independent panel of experts to assess the risks to endangered whales. In line with their report, a planned pipeline is being rerouted.

In Nigeria, our people continue working – in very difficult conditions – to improve our environmental performance and strengthen our contribution to Niger Delta communities.

We have cut the volume of oil spilled within our control by 95% since 2000. But much more is spilled by sabotage.

However, progress towards stopping continuous flaring has been slower than expected, largely as a result of our government majority partner focusing their funding on other pressing priorities. We now expect to end this flaring in 2009.

At Norco in Louisiana we have invested to cut air emissions and have established what even our critics acknowledge is credible air quality monitoring.

At the Durban refinery we had a record of spills that shouldn’t have happened, but now we are going beyond independent recommendations to ensure pipeline integrity.

And we have scaled down and cleaned up the Pandacan depot in Manila to the satisfaction of outside experts.

Meeting shareholder expectations

We are transforming the way we do business – our structure, governance,

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organisation, processes and culture.

We realise that our reputation has been damaged, but believe this has motivated Shell people everywhere to work very hard to deliver good performance.

We see a new determination throughout Shell to make sure – rather than take for granted – that we are truly competitive in every aspect of our business – serving customers, running operations,

closing deals, executing projects and contributing to society.

We need to do this to meet your expectations as shareholders.

Our performance last year – in a favourable environment – allowed us to return significant value to shareholders, in dividends and through share buyback, as well as investing more for their future.

But we have much more to do, and to prove. And we intend to do it.

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Holders of ordinary shares of Royal Dutch Petroleum Company ("Royal Dutch") are urged to carefully review the registration statement on Form F-4 (including the prospectus) and other documents relating to the Royal Dutch Offer that have been filed with, or furnished to, the US Securities and Exchange Commission (the 'SEC') by Royal Dutch Shell plc ("Royal Dutch Shell") and the related solicitation/recommendation statement on Schedule 14D-9 that has been filed with the SEC by Royal Dutch and, as the case may be, the Royal Dutch Offer document and the prospectus which have been filed with, or furnished to, Euronext Amsterdam N.V. and the Dutch Authority for the Financial Markets by Royal Dutch Shell, regarding the Royal Dutch Offer, because each of these documents will contain important information relating to the Royal Dutch Offer. A free copy of any of these documents filed with the SEC (once filed) and other documents made public or filed with, or furnished to, the SEC by Royal Dutch Shell, Royal Dutch and The "Shell| Transport and Trading Company, p.l.c. can be obtained at the SEC's website at www.sec.gov. These documents may also be obtained free of charge at the Royal Dutch Shell website at www.shell.com/unification or free of charge by contacting Investor Relations, Shell International B.V., FSK, PO Box 162, 2501 AN The Hague, The Netherlands.

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