



NIET DOOR ACCOUNTANTS  
GECONTROLEERD

## RESULTATEN OVER HET DERDE KWARTAAL VAN 2008 (NIET DOOR ACCOUNTANTS GECONTROLEERD)

- Het resultaat van Royal Dutch Shell over het derde kwartaal van 2008 op basis van geschatte actuele kosten was \$ 10,9 miljard, tegen \$ 6,4 miljard een jaar geleden. De gewone winst per aandeel op basis van geschatte actuele kosten was met 74% gestegen ten opzichte van hetzelfde kwartaal een jaar geleden.
- De kasstroom uit bedrijfsactiviteiten over het derde kwartaal van 2008, exclusief mutaties in het netto-werkkapitaal, was \$ 10,4 miljard. De netto-investeringen over het kwartaal waren \$ 11,2 miljard. De totale, in de vorm van dividend en van inkoop van eigen aandelen naar aandeelhouders teruggevloeide middelen bedroegen \$ 3,1 miljard en de gearing per 30 september was 15.4%.
- De verkoop van de gastransportonderneming BEB Erdgas und Erdoel GmbH (Shell-belang 50%) in Duitsland is in het derde kwartaal van 2008 afgerond en heeft circa \$ 1,4 miljard aan het resultaat van het derde kwartaal van 2008 bijgedragen.
- Over het derde kwartaal van 2008 is een dividend bekendgemaakt van \$ 0,40 per aandeel, een stijging van 11% vergeleken met het dividend op basis van Amerikaanse dollars over het derde kwartaal van 2007.

Jeroen van der Veer, Chief Executive van Royal Dutch Shell: "We hebben in het derde kwartaal van 2008 goede resultaten en operationele performance laten zien. We volgen de mondiale economische situatie nauwlettend. Shell is robuust bij een breed scala aan energieprijzen. Onze strategie is onveranderd: we betalen een concurrerend, toenemend dividend en doen substantiële investeringen in de onderneming voor toekomstige winstgevendheid."

### SAMENVATTING RESULTATEN (NIET DOOR ACCOUNTANTS GECONTROLEERD)

Kwartalen				\$ miljoen	Negen maanden		
3e kw. 2008	2e kw. 2008	3e kw. 2007	% <sup>1</sup>		2008	2007	%
8.448	11.556	6.916	+22	<b>Winst toerekenbaar aan aandeelhouders</b>	<b>29.087</b>	22.864	<b>+27</b>
(2.455)	3.654	524		af: Voorraadeffect Olieproducten en Chemie (zie Engelse Note 2)	<b>2.506</b>	1.984	
<b>10.903</b>	<b>7.902</b>	<b>6.392</b>	<b>+71</b>	Resultaat op basis van geschatte actuele kosten	<b>26.581</b>	20.880	<b>+27</b>
1,37	1,87	1,10	+25	<b>Gewone winst per aandeel (\$)</b>	<b>4,71</b>	3,64	<b>+29</b>
(0,40)	0,59	0,08		af: Voorraadeffect per aandeel (\$)	<b>0,40</b>	0,31	
<b>1,77</b>	<b>1,28</b>	<b>1,02</b>	<b>+74</b>	Gewone winst per aandeel op basis van geschatte actuele kosten (\$)	<b>4,31</b>	3,33	<b>+29</b>
<b>0,40</b>	<b>0,40</b>	<b>0,36</b>	<b>+11</b>	<b>Dividend per gewoon aandeel (\$)</b>	<b>1,20</b>	1,08	<b>+11</b>

<sup>1</sup> Verandering 3<sup>e</sup> kwartaal 2008 ten opzichte van 3<sup>e</sup> kwartaal 2007

Dit document is een vertaling van de eerste drie bladzijden van het officiële Engelstalige document. In het geval van verschillen tussen beide versies prevaleert deze laatste.

De gegevens in dit kwartaalbericht geven de geconsolideerde financiële positie en resultaten van Royal Dutch Shell plc ("Royal Dutch Shell") weer. Geen van de in dit bericht opgenomen bedragen is door accountants gecontroleerd.  
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## BELANGRIJKE KENMERKEN VAN HET DERDE KWARTAAL VAN 2008

- Het **resultaat over het derde kwartaal van 2008 op basis van geschatte actuele kosten** was \$ 10.903 miljoen, 71% hoger dan in dezelfde periode een jaar geleden.
- Het **gerapporteerde resultaat over het derde kwartaal van 2008** was \$ 8.448 miljoen, 22% hoger dan in dezelfde periode een jaar geleden.
- In het resultaat van Olieproducten waren circa \$ 400 miljoen aan non-cash baten begrepen in verband met de verantwoording tegen reële waarde (“fair value accounting”) van commodity-derivaten. In het resultaat van Gas & Elektriciteit waren non-cash baten begrepen van ongeveer \$ 400 miljoen uit hoofde van de verantwoording tegen reële waarde van commodity-derivaten die verband houden met langetermijncontracten (zie de Engelse Note 8).
- De **gewone winst per aandeel op basis van geschatte actuele kosten** was met 74% gestegen ten opzichte van hetzelfde kwartaal een jaar geleden.
- De totale, in de vorm van **dividend en van inkoop van eigen aandelen** naar aandeelhouders teruggevloeide middelen bedroegen in het derde kwartaal van 2008 \$ 3,1 miljard.
- De **kasstroom uit bedrijfsactiviteiten**, exclusief mutaties in het netto-werkkapitaal, was \$ 10,4 miljard, tegen \$ 9,9 miljard in hetzelfde kwartaal een jaar geleden. Inclusief mutaties in het netto-werkkapitaal was de kasstroom uit bedrijfsactiviteiten \$ 12,6 miljard, tegen \$ 9,1 miljard in het derde kwartaal van 2007.
- De **investeringen en exploratiekosten** over het derde kwartaal van 2008 waren \$ 13,2 miljard, inclusief een bedrag van \$ 5,0 miljard in verband met de acquisitie van Duvernay Oil Corp. (“Duvernay”). De **netto-investeringen** (investeringen en exploratiekosten, minus opbrengsten uit afstotingen) over het derde kwartaal van 2008 waren \$ 11,2 miljard.
- Het **rendement op het gemiddeld geïnvesteerd vermogen** op basis van de gerapporteerde winst (zie Engelse Note 3) was 26,3%.
- De **gearing** (zie Engelse Note 5) per 30 september 2008 was 15,4%, tegen 12,1% per 30 september 2007.
- De **olie- en gasproductie**, inclusief de bitumenproductie uit olie-zanden, over het derde kwartaal van 2008 was 2.931 duizend vaten olie-equivalent per dag, vergeleken met 3.137 duizend vaten olie-equivalent per dag in hetzelfde kwartaal van 2007. In vergelijking met het derde kwartaal van 2007 was de productie ongeveer 120 duizend vaten olie-equivalent per dag lager door de gevolgen van orkanen in de Golf van Mexico in de Verenigde Staten en door geplande onderhoudswerkzaamheden in de Britse sector van de Noordzee in verband met de stillegging van de St. Fergus gasverwerkingsinstallaties. Exclusief deze factoren en het effect van afstotingen en prijseffecten op productiedelingscontracten was de productie in het derde kwartaal van 2008 1% lager dan in het overeenkomstige kwartaal van 2007.
- De **LNG-verkoopvolumes** over het derde kwartaal van 2008 waren met 3,10 miljoen ton 6% lager dan in hetzelfde kwartaal een jaar geleden.
- De **beschikbaarheid** van de raffinaderijen bij Olieproducten was 88%, tegen 93% in het derde kwartaal van 2007. De beschikbaarheid van de fabrieken bij Chemie was 86%, 8% lager dan in het derde kwartaal van 2007. De beschikbaarheid van deze installaties bij Olieproducten en bij Chemie werd aanzienlijk beperkt door de orkanen in de Verenigde Staten. De beschikbaarheid van veredelingsinstallaties bij Oliezanden was 96%, 6% hoger dan in hetzelfde kwartaal een jaar geleden.
- De marketingverkoopvolumes van **olieproducten** in het derde kwartaal van 2008 daalden met 3% ten opzichte van hetzelfde kwartaal in 2007 en lagen exclusief het effect van afstotingen op hetzelfde niveau als in het derde kwartaal van 2007. De verkoopvolumes van **chemische producten** daalden met 13% ten opzichte van hetzelfde kwartaal in 2007.

<b>SAMENVATTING RESULTATEN (NIET DOOR ACCOUNTANTS GECONTROLEERD)</b>							
Kwartalen				\$ miljoen	Negen maanden		
3e kw. 2008	2e kw. 2008	3e kw. 2007	% <sup>1</sup>		2008	2007	%
5.501	5.881	3.327		Exploratie & Productie <sup>2</sup>	16.525	9.819	
2.774	625	568		Gas & Elektriciteit	4.347	2.150	
371	351	183		Oliezanden <sup>2</sup>	971	500	
2.304	1.075	1.651		Olieproducten (op basis van geschatte actuele kosten)	4.573	6.075	
116	(142)	360		Chemie (op basis van geschatte actuele kosten)	175	1.334	
(43)	201	413		Corporate	304	1.391	
(120)	(89)	(110)		Minderheidsbelang	(314)	(389)	
<b>10.903</b>	<b>7.902</b>	<b>6.392</b>	<b>+71</b>	<b>Resultaat op basis van geschatte actuele kosten</b>	<b>26.581</b>	<b>20.880</b>	<b>+27</b>

<sup>1</sup> Verandering 3<sup>e</sup> kwartaal 2008 ten opzichte van 3<sup>e</sup> kwartaal 2007

<sup>2</sup> De resultaten van de Oliezanden-activiteiten, die voorheen binnen het segment Exploratie & Productie werden verantwoord, worden met ingang van het vierde kwartaal 2007 als afzonderlijk bedrijfssegment verantwoord. Voor vergelijkingsdoeleinden zijn de resultaten van Exploratie & Productie tot en met het derde kwartaal 2007 aangepast voor de in het segment Oliezanden gerapporteerde bedragen.

## SAMENVATTING VAN GEÏDENTIFICEERDE POSTEN

In het resultaat over het derde kwartaal van 2008 waren de volgende posten begrepen, die per saldo uitkwamen op een bate van \$ 2.063 miljoen (tegen een bate van per saldo \$ 265 miljoen in het derde kwartaal van 2007), zoals in de tabel hieronder weergegeven:

- In het resultaat van **Exploratie & Productie** was een bate begrepen van \$ 575 miljoen, die voortkwam uit winsten uit afstotingen van \$ 347 miljoen, een bate van \$ 167 miljoen in verband met de waardering tegen marktwaarde van bepaalde gascontracten in het Verenigd Koninkrijk, een belastingbate in Canada van \$ 22 miljoen en een bate van \$ 39 miljoen wegens een administratieve aanpassing met betrekking tot pensioenen. In het resultaat over het derde kwartaal van 2007 was een bate begrepen van per saldo \$ 130 miljoen.
- In het resultaat van **Gas & Elektriciteit** was een bate begrepen van per saldo \$ 1.368 miljoen, die voortkwam uit een winst uit een afstoting van \$ 1.395 miljoen, een bate van \$ 33 miljoen in verband met de waardering tegen marktwaarde van bepaalde gascontracten in het Verenigd Koninkrijk en een bate van \$ 7 miljoen wegens een administratieve aanpassing met betrekking tot pensioenen, waarvan het effect gedeeltelijk tenietgedaan werd door een last van \$ 67 miljoen wegens een bijzondere waardevermindering. In het resultaat over het derde kwartaal van 2007 was een last begrepen van per saldo \$ 4 miljoen.
- In het resultaat van **Oliezanden** was een bate begrepen van \$ 25 miljoen in verband met een belastingbate.
- In het resultaat van **Olieproducten** was een bate begrepen van per saldo \$ 77 miljoen, voortkomend uit een bate van \$ 25 miljoen in verband met een belastingbate in Canada en een bate van \$ 52 miljoen wegens een administratieve aanpassing met betrekking tot pensioenen. In het resultaat over het derde kwartaal van 2007 was een bate begrepen van per saldo \$ 121 miljoen.
- In het resultaat van **Chemie** was een bate begrepen van \$ 18 miljoen wegens een administratieve aanpassing met betrekking tot pensioenen. In het resultaat over het derde kwartaal van 2007 was eveneens een bate begrepen van per saldo \$ 18 miljoen.

<b>SAMENVATTING VAN GEÏDENTIFICEERDE POSTEN</b>					
Kwartalen			\$ miljoen	Negen maanden	
3e kw. 2008	2e kw. 2008	3e kw. 2007		2008	2007
			<b>Effect van geïdentificeerde posten op het segmentresultaat:</b>		
<b>575</b>	98	130	Exploratie & Productie	<b>607</b>	387
<b>1.368</b>	-	(4)	Gas & Elektriciteit	<b>1.357</b>	282
<b>25</b>	-	-	Oliezanden	<b>25</b>	-
<b>77</b>	181	121	Olieproducten (op basis van geschatte actuele kosten)	<b>258</b>	150
<b>18</b>	(206)	18	Chemie (op basis van geschatte actuele kosten)	<b>(188)</b>	18
-	-	-	Corporate	-	459
-	-	-	Minderheidsbelang	-	-
<b>2.063</b>	73	265	<b>Effect op resultaat op basis van geschatte actuele kosten</b>	<b>2.059</b>	1.296

Deze geïdentificeerde posten hebben over het algemeen betrekking op gebeurtenissen met een effect van meer dan \$ 50 miljoen op het resultaat van Royal Dutch Shell en worden gerapporteerd teneinde een beter inzicht te verschaffen in de segmentresultaten, het resultaat op basis van geschatte actuele kosten en de winst toerekenbaar aan aandeelhouders. Een nadere toelichting over de bedrijfssegmenten wordt verstrekt in het onderdeel 'Earnings by business segment' (blz. 4 en verder van het Engelstalige document).

#### **Effecten van commodity-prijzen (zie Engelse Note 8 - Accounting for Derivatives)**

Gedurende het **derde kwartaal van 2008** zijn de wereldwijde aan olie en gas gerelateerde referentieprijzen van commodities aanzienlijk gedaald.

Als gevolg van de verantwoording tegen reële waarde ("fair value accounting") van commodity-derivaten die verband houden met langetermijncontracten zoals vereist volgens de International Financial Reporting Standards (IFRS) waren in het resultaat van **Gas & Elektriciteit** in het derde kwartaal van 2008 non-cash baten van circa \$ 400 miljoen begrepen, in tegenstelling tot non-cash lasten van circa \$ 300 miljoen in het tweede kwartaal van 2008.

Zoals vereist volgens IFRS worden commodity-derivaten opgenomen tegen reële waarde, welke is gebaseerd op marktprijzen, en worden fysieke voorraden ruwe olie en olieproducten gewaardeerd tegen historische kosten of lagere netto-opbrengstwaarde. In het resultaat van **Olieproducten** in het derde kwartaal van 2008 waren non-cash baten begrepen van circa \$ 400 miljoen, voornamelijk als gevolg van terugnemingen van in het tweede kwartaal van 2008 opgenomen non-cash lasten van circa \$ 450 miljoen.



## 3RD QUARTER 2008

UNAUDITED RESULTS

### 3RD QUARTER 2008 UNAUDITED RESULTS

- Royal Dutch Shell's third quarter 2008 earnings, on a current cost of supplies (CCS) basis, were \$10.9 billion compared to \$6.4 billion a year ago. Basic CCS earnings per share increased by 74% versus the same quarter a year ago.
- Cash flow from operating activities for the third quarter 2008, excluding net working capital movements, was \$10.4 billion. Net capital investment for the quarter was \$11.2 billion. Total distribution to shareholders, in the form of dividends and share repurchases, was \$3.1 billion and gearing was 15.4% at the end of the third quarter.
- The sale of the BEB Erdgas und Erdoel GmbH (Shell share 50%) gas transport business in Germany was closed, increasing the third quarter 2008 earnings by some \$1.4 billion.
- A third quarter 2008 dividend has been announced of \$0.40 per share, an increase of 11% over the US dollar dividend for the same period in 2007.

Royal Dutch Shell Chief Executive Jeroen van der Veer commented: **"We delivered satisfactory earnings and operating performance in the third quarter of 2008. We are watching the world economic situation closely. Shell is robust across a wide range of energy prices. Our strategy remains to pay competitive and progressive dividends, and to make significant investments in the company for future profitability."**

### SUMMARY OF UNAUDITED RESULTS

Quarters				\$ million	Nine Months		
Q3 2008	Q2 2008	Q3 2007	% <sup>1</sup>		2008	2007	%
8,448	11,556	6,916	+22	<b>Income attributable to shareholders</b>	<b>29,087</b>	22,864	<b>+27</b>
(2,455)	3,654	524		Less: Estimated CCS adjustment for Oil Products and Chemicals (see Note 2)	<b>2,506</b>	1,984	
<b>10,903</b>	<b>7,902</b>	<b>6,392</b>	<b>+71</b>	CCS earnings	<b>26,581</b>	20,880	<b>+27</b>
<b>1.37</b>	1.87	1.10	<b>+25</b>	<b>Basic earnings per share (\$)</b>	<b>4.71</b>	3.64	<b>+29</b>
<b>(0.40)</b>	0.59	0.08		Less: Estimated CCS adjustment per share (\$)	<b>0.40</b>	0.31	
<b>1.77</b>	1.28	1.02	<b>+74</b>	Basic CCS earnings per share (\$)	<b>4.31</b>	3.33	<b>+29</b>
<b>0.40</b>	0.40	0.36	<b>+11</b>	<b>Dividend per ordinary share (\$)</b>	<b>1.20</b>	1.08	<b>+11</b>

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

## KEY FEATURES OF THE THIRD QUARTER 2008

- **Third quarter 2008 CCS earnings** were \$10,903 million or 71% higher than in the same quarter a year ago.
- **Third quarter 2008 reported income** was \$8,448 million or 22% higher than in the same quarter a year ago.
- Oil Products earnings reflected some \$400 million of non-cash gains related to fair value accounting of commodity derivatives. In addition Gas & Power earnings reflected non-cash gains of some \$400 million related to fair value accounting of commodity derivatives associated with long-term contracts (see Note 8).
- **Basic CCS earnings per share** increased by 74% versus the same quarter a year ago.
- Total cash returned to shareholders in the form of **dividends and share repurchases** in the third quarter 2008 was \$3.1 billion.
- **Cash flow from operating activities**, excluding net working capital movements, was \$10.4 billion compared to \$9.9 billion for the same quarter last year. Including net working capital movements, cash flow from operating activities was \$12.6 billion compared to \$9.1 billion in the third quarter 2007.
- **Capital investment** for the third quarter 2008 was \$13.2 billion, including an amount of \$5.0 billion related to the acquisition of Duvernay Oil Corp. (“Duvernay”). **Net capital investment** (capital investment, less divestment proceeds) for the third quarter 2008 was \$11.2 billion.
- **Return on average capital employed (ROACE)**, on a reported income basis (see Note 3), was 26.3%.
- **Gearing** (see Note 5) was 15.4% at the end of the third quarter 2008 versus 12.1% at the end of the third quarter 2007.
- **Oil and gas production**, including oil sands bitumen production, for the third quarter 2008 was 2,931 thousand barrels of oil equivalent per day (boe/d), compared to 3,137 thousand boe/d in the same quarter last year. Production when compared to the third quarter 2007 was reduced by some 120 thousand boe/d due to hurricane impacts in the Gulf of Mexico, USA and a planned maintenance turnaround in the UK North Sea related to the shutdown of the St. Fergus gas processing facilities. Excluding these factors and the impact of divestments and production sharing contracts (PSC) pricing effects, production was 1% lower than the same quarter last year.
- **Liquefied Natural Gas (LNG)** sales volumes of 3.10 million tonnes were 6% lower than in the same quarter a year ago.
- Oil Products refinery **availability** was 88%, compared to 93% in the third quarter 2007. Chemicals manufacturing plant availability was 86%, 8% lower than in the third quarter 2007. Oil Products and Chemicals availability was significantly impacted by the hurricanes in the USA. Oil Sands upgrader availability was 96%, 6% higher than in the same quarter last year.
- **Oil Products** marketing sales volumes in the third quarter 2008 decreased by 3% compared to the same quarter last year, and, excluding the impact of divestments, were in line with the same quarter last year. **Chemical product sales** volumes decreased by 13% compared to the third quarter 2007.

### SUMMARY OF UNAUDITED RESULTS

Quarters				\$ million	Nine Months		
Q3 2008	Q2 2008	Q3 2007	% <sup>1</sup>		2008	2007	%
5,501	5,881	3,327		Exploration & Production <sup>2</sup>	16,525	9,819	
2,774	625	568		Gas & Power	4,347	2,150	
371	351	183		Oil Sands <sup>2</sup>	971	500	
2,304	1,075	1,651		Oil Products (CCS basis)	4,573	6,075	
116	(142)	360		Chemicals (CCS basis)	175	1,334	
(43)	201	413		Corporate	304	1,391	
(120)	(89)	(110)		Minority interest	(314)	(389)	
10,903	7,902	6,392	+71	<b>CCS earnings</b>	<b>26,581</b>	20,880	<b>+27</b>

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

<sup>2</sup> As from the fourth quarter 2007, the earnings of the Oil Sands operations, which were previously reported as part of the Exploration & Production segment, are disclosed as a separate business segment. For comparison purposes, the Exploration & Production earnings up to the third quarter 2007 have been reclassified by the amounts reported under the Oil Sands segment.

## SUMMARY OF IDENTIFIED ITEMS

Earnings in the third quarter 2008 reflected the following items, which in aggregate amounted to a net gain of \$2,063 million (compared to a net gain of \$265 million in the third quarter 2007), as summarised in the table below:

- **Exploration & Production** earnings included a gain of \$575 million, reflecting a gain from divestments of \$347 million, a gain of \$167 million related to the mark-to-market valuation of certain UK gas contracts, a tax credit in Canada of \$22 million and a gain from a pension accounting adjustment of \$39 million. Earnings for the third quarter 2007 included a net gain of \$130 million.
- **Gas & Power** earnings included a net gain of \$1,368 million, reflecting a gain from a divestment of \$1,395 million, a gain of \$33 million related to the mark-to-market valuation of certain gas contracts and a gain from a pension accounting adjustment of \$7 million, which were partly offset by an impairment charge of \$67 million. Earnings for the third quarter 2007 included a net charge of \$4 million.
- **Oil Sands** earnings included a gain of \$25 million related to a tax credit.
- **Oil Products** earnings included a gain of \$77 million, reflecting a gain of \$25 million related to a tax credit in Canada and a gain from a pension accounting adjustment of \$52 million. Earnings for the third quarter 2007 included a net gain of \$121 million.
- **Chemicals** earnings included a gain from a pension accounting adjustment of \$18 million. Earnings for the third quarter 2007 included a net gain of \$18 million.

SUMMARY OF IDENTIFIED ITEMS					
Quarters			\$ million	Nine Months	
Q3 2008	Q2 2008	Q3 2007		2008	2007
			<b>Segment earnings impact of identified items:</b>		
575	98	130	Exploration & Production	607	387
1,368	-	(4)	Gas & Power	1,357	282
25	-	-	Oil Sands	25	-
77	181	121	Oil Products (CCS basis)	258	150
18	(206)	18	Chemicals (CCS basis)	(188)	18
-	-	-	Corporate	-	459
-	-	-	Minority interest	-	-
2,063	73	265	<b>CCS earnings impact</b>	2,059	1,296

These identified items generally relate to events with an impact of greater than \$50 million on Royal Dutch Shell's earnings and are shown to provide additional insight into its segment earnings, CCS earnings and income attributable to shareholders. Further additional comments on the business segments are provided in the section 'Earnings by business segment' on page 4 and onwards.

### Commodity price effects (see Note 8 - Accounting for Derivatives)

During the **third quarter 2008** worldwide oil and gas related commodity market prices declined significantly.

As a result of fair value accounting of commodity derivatives associated with long-term contracts, required under International Financial Reporting Standards (IFRS), **Gas & Power** earnings were increased by some \$400 million, as opposed to non-cash charges of some \$300 million recorded in the second quarter 2008.

As required under IFRS, commodity derivatives are recorded at fair value, which is based on market prices, and physical crude oil and oil products inventories are recorded at the lower of historical cost or net realizable value. During the third quarter 2008, **Oil Products** earnings were increased by non-cash gains of some \$400 million, mainly related to reversals of non-cash charges of some \$450 million recorded in the second quarter 2008.

## EARNINGS BY BUSINESS SEGMENT

EXPLORATION & PRODUCTION								
Quarters				\$ million			Nine Months	
Q3 2008	Q2 2008	Q3 2007	% <sup>1</sup>			2008	2007	%
5,501	5,881	3,327	+65	Segment earnings <sup>2</sup>		16,525	9,819	+68
1,612	1,711	1,792	-10	Crude oil production (thousand b/d) <sup>3</sup>		1,692	1,824	-7
7,207	7,789	7,329	-2	Natural gas production available for sale (million scf/d)		8,246	7,886	+5
2,854	3,054	3,055	-7	Barrels of oil equivalent (thousand boe/d) <sup>3</sup>		3,114	3,183	-2

<sup>1</sup> Q3 on Q3 change  
<sup>2</sup> As from the fourth quarter 2007, the earnings of the Oil Sands operations, which were previously reported as part of the Exploration & Production segment, are disclosed as a separate business segment. For comparison purposes, the Exploration & Production earnings up to the third quarter 2007 have been reclassified by the amounts reported under the Oil Sands segment.  
<sup>3</sup> Excludes oil sands bitumen production

**Third quarter** Exploration & Production segment earnings were \$5,501 million compared to \$3,327 million a year ago. Earnings included a gain of \$575 million related to identified items, compared to a net gain of \$130 million in the third quarter 2007 (see page 3 for details).

Earnings compared to the third quarter 2007 reflected the benefit of higher oil and gas prices on revenues, which was partly offset by lower production volumes, particularly in the USA as a consequence of hurricane impacts, higher exploration expenses and higher royalty expenses.

Global liquids realisations were 57% higher than in the third quarter 2007, compared with marker crudes Brent and WTI increases of 54% and 57% respectively. Global gas realisations were 48% higher than a year ago. Outside the USA, gas realisations increased by 45% whereas in the USA gas realisations increased by 66%.

Third quarter 2008 production (excluding oil sands bitumen production) was 2,854 thousand barrels of oil equivalent per day (boe/d) compared to 3,055 thousand boe/d a year ago. Crude oil production was down 10% and natural gas production was down 2% compared to the third quarter 2007. Production, compared to the third quarter 2007, was impacted by some 120 thousand boe/d as a consequence of the hurricanes in the USA Gulf of Mexico and planned maintenance turnarounds in the UK North Sea related to the shutdown of the St. Fergus gas processing facilities.

Production compared to the third quarter 2007 included additional volumes principally from Ormen Lange (Shell share 17%) in Norway, Changbei (Shell share 50%) in China, West Salym (Shell share 50%) in Russia, F13W (Shell share 50%) and M3S (Shell share 70%) in Malaysia, Stybarrow (Shell share 17.1%) in Australia, Champion West Phase 3B/C (Shell share 50%) in Brunei, Starling (Shell share 28%), Caravel (Shell share 71%), Shamrock (Shell share 100%) and Curlew C (Shell share 100%) in the United Kingdom and Deimos (Shell share 71.5%) in the USA.

### Third quarter portfolio developments

In **Canada**, Shell completed the acquisition of Duvernay, which is a Canadian tight gas company, for \$5.5 billion. During 2008 Shell has also acquired significant additional acreage in the Montney gas play, in areas adjacent to Duvernay's positions, bringing Shell's total spend on tight gas acreage in the area to \$6.2 billion in 2008. Shell estimates that this combined portfolio of approximately 2 thousand square kilometres contains discovered gas resources of some 1 billion boe, with significant additional exploration potential.

In **Australia**, Shell concluded the agreement with Arrow Energy Ltd. to jointly develop projects to extract clean-burning natural gas from coal deposits.

In the **UK**, Shell announced the start-up of the Curlew C field (Shell share 100%), the fourth North Sea field brought on stream during 2008. Together, these fields have an expected aggregate peak production capacity of some 30 thousand boe/d (Shell share).

In the **Netherlands**, Shell, through its joint venture Nederlandse Aardolie Maatschappij BV (Shell share 50%), signed Sales and Purchase Agreements for some €1.1 billion for the sale of assets situated along the NOGAT pipeline, covering exploration, production and transportation of oil and gas. The transaction is subject to regulatory approvals and third party consents.

In the **USA** Gulf of Mexico deepwater, Shell concluded the sale of its interest in the Big Foot prospect (Shell share 12.5%), for some \$0.4 billion.

Also in the **USA**, a 30 thousand boe/d water injection project commenced at the Ursa/Princess field (Shell share 45%). The project is expected to continue for the next 30 years, extending the life of the field by some 10 years.

<b>GAS &amp; POWER</b>								
<b>Quarters</b>				<b>\$ million</b>		<b>Nine Months</b>		
<b>Q3 2008</b>	<b>Q2 2008</b>	<b>Q3 2007</b>	<b>%<sup>1</sup></b>			<b>2008</b>	<b>2007</b>	<b>%</b>
<b>2,774</b>	625	568	<b>+388</b>	<b>Segment earnings</b>		<b>4,347</b>	2,150	<b>+102</b>
<b>3.10</b>	3.08	3.29	<b>-6</b>	<b>LNG sales volumes (million tonnes)</b>		<b>9.69</b>	9.84	<b>-2</b>
<sup>1</sup> Q3 on Q3 change								

**Third quarter** Gas & Power segment earnings were \$2,774 million compared to \$568 million a year ago. Earnings included a net gain of \$1,368 million related to identified items, compared to a net charge of \$4 million in the third quarter 2007 (see page 3 for details). In addition, third quarter 2008 earnings were increased by non-cash gains of approximately \$400 million as a result of fair value accounting of commodity derivatives associated with long-term contracts (see Note 8).

Earnings compared to the third quarter 2007 reflected the impact of strong LNG and gas to liquids (GTL) product prices on revenues and higher marketing and trading contributions, which were partly offset by lower LNG sales volumes.

LNG sales volumes of 3.10 million tonnes were 6% lower than in the same quarter a year ago, mainly as a consequence of planned maintenance shutdowns and changed cargo lifting schedules compared to the same quarter last year.

Marketing and trading earnings, non-LNG related, were higher than in the same quarter a year ago, reflecting increased earnings both in North America and Europe.

### **Third quarter portfolio developments**

In **Germany**, the sale of the BEB Erdgas und Erdoel GmbH gas transport business (Shell share 50%), was closed on July 1, 2008.

In **Iraq**, Shell and the Iraqi Ministry of Oil have signed a heads of agreement to establish an incorporated joint venture (Shell share 49%) to process and market natural gas in southern Iraq.

In **Australia**, construction was completed at the North West Shelf Train 5 (Shell share 22%) with a capacity of 4.4 mtpa (100% basis).

In the **USA**, the 164 Megawatt (MW) Mount Storm Phase I wind farm (Shell share 50%) in West Virginia became operational.

Also in **Germany**, construction of the 20 MW Avancis thin-film solar pilot plant (Shell share 50%) was completed. Commercial sales are expected to begin around the end of 2008.

<b>OIL SANDS</b>								
<b>Quarters</b>				<b>\$ million</b>		<b>Nine Months</b>		
<b>Q3 2008</b>	<b>Q2 2008</b>	<b>Q3 2007</b>	<b>%<sup>1</sup></b>			<b>2008</b>	<b>2007</b>	<b>%</b>
<b>371</b>	351	183	<b>+103</b>	<b>Segment earnings</b>		<b>971</b>	500	<b>+94</b>
<b>77</b>	72	82	<b>-6</b>	Bitumen production (thousand b/d)		<b>78</b>	90	<b>-13</b>
<b>97</b>	104	121	<b>-20</b>	Sales volumes (thousand b/d)		<b>115</b>	134	<b>-14</b>
<b>96</b>	96	90		Upgrader availability (%)		<b>95</b>	93	
<sup>1</sup> Q3 on Q3 change								

**Third quarter** Oil Sands segment earnings were \$371 million compared to \$183 million in the same quarter last year. Earnings included a gain of \$25 million related to an identified item (see page 3 for details).

Earnings compared to the third quarter 2007 reflected the impact of higher oil prices on revenues, which was partly offset by lower production volumes, higher operating costs and higher royalty expenses.

Bitumen production decreased by 6% compared to the same quarter last year. Upgrader availability was 96% compared to 90% in the same quarter last year.

<b>OIL PRODUCTS</b>								
<b>Quarters</b>				<b>\$ million</b>		<b>Nine Months</b>		
<b>Q3 2008</b>	<b>Q2 2008</b>	<b>Q3 2007</b>	<b>%<sup>1</sup></b>			<b>2008</b>	<b>2007</b>	<b>%</b>
<b>(44)</b>	4,539	2,153		<b>Segment earnings</b>		<b>6,862</b>	7,883	
<b>(2,348)</b>	3,464	502		Less: Estimated CCS adjustment (see note 2)		<b>2,289</b>	1,808	
<b>2,304</b>	1,075	1,651	<b>+40</b>	Segment CCS earnings		<b>4,573</b>	6,075	<b>-25</b>
<b>3,273</b>	3,464	3,887	<b>-16</b>	Refinery intake (thousand b/d)		<b>3,476</b>	3,768	<b>-8</b>
<b>6,403</b>	6,642	6,756	<b>-5</b>	Total Oil Products sales (thousand b/d)		<b>6,625</b>	6,552	<b>+1</b>
<b>88</b>	92	93		Refinery availability (%)		<b>91</b>	91	
<sup>1</sup> Q3 on Q3 change								

**Third quarter** Oil Products segment results were a loss of \$44 million compared to earnings of \$2,153 million for the same period last year.

**Third quarter** Oil Products CCS segment earnings were \$2,304 million compared to \$1,651 million in the third quarter 2007. Earnings included a gain of \$77 million related to identified items, compared to a net gain of \$121 million in the third quarter 2007 (see page 3 for details). In addition, third quarter 2008 earnings increased by non-cash gains of around \$400 million as a result of fair value accounting of commodity derivatives (see Note 8).

CCS earnings compared to the third quarter 2007 reflected higher marketing margins, higher realised refining margins and trading contributions, which were partly offset by increased operating costs, lower refinery intake and net currency exchange rate impacts.

Industry refining margins compared to the same quarter a year ago were higher in Europe and declined in the US Gulf Coast, US West Coast and the Asia-Pacific region. Refinery availability was 88%, compared to 93% in the third quarter of 2007. The decrease mainly reflects hurricane impacts in the US Gulf Coast region.

Marketing earnings compared to the same period a year ago increased due to higher B2B margins, which were partly offset by lower retail earnings and lower finished lubricants margins.

Oil Products (marketing and trading) sales volumes decreased by 5% compared to the same quarter last year. Marketing sales volumes were 3% lower than in the third quarter 2007, and, excluding the impact of divestments, were in line with the same quarter last year.

### Third quarter portfolio developments

In **Canada**, Shell announced an increase in its shareholding in Iogen Energy Corporation from 26.3% to 50%, contributing to its strategic investment and development programme in biofuels.

CHEMICALS							
Quarters				\$ million	Nine Months		
Q3 2008	Q2 2008	Q3 2007	% <sup>1</sup>		2008	2007	%
(79)	157	397		<b>Segment earnings</b>	<b>426</b>	1,550	
(195)	299	37		Less: Estimated CCS adjustment (see note 2)	<b>251</b>	216	
<b>116</b>	(142)	360	<b>-68</b>	<b>Segment CCS earnings</b>	<b>175</b>	1,334	<b>-87</b>
<b>4,989</b>	5,396	5,702	<b>-13</b>	<b>Sales volumes (thousand tonnes)</b>	<b>15,844</b>	16,922	<b>-6</b>
<b>86</b>	95	94		<b>Manufacturing plant availability (%)</b>	<b>92</b>	92	

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

**Third quarter** Chemicals segment results were a loss of \$79 million compared to earnings of \$397 million for the same period last year.

**Third quarter** Chemicals CCS segment earnings were \$116 million compared to \$360 million in the same quarter last year. Earnings included a gain of \$18 million related to an identified item, compared to a gain of \$18 million in the third quarter 2007 (see page 3 for details).

CCS earnings compared to the third quarter 2007 reflected lower realised margins, lower sales volumes, lower income from equity-accounted investments and an impairment charge.

Sales volumes decreased by 13% when compared to the third quarter 2007 as a result of lower global demand and the impact of the hurricanes in the US Gulf Coast region.

Chemicals manufacturing plant availability was 86%, some 8% lower than in the third quarter 2007, mainly as a consequence of hurricane impacts in the USA.

<b>CORPORATE</b>					
<b>Quarters</b>			<b>\$ million</b>	<b>Nine Months</b>	
<b>Q3 2008</b>	<b>Q2 2008</b>	<b>Q3 2007</b>		<b>2008</b>	<b>2007</b>
<b>(43)</b>	201	413	<b>Segment earnings</b>	<b>304</b>	1,391

**Third quarter** Corporate segment results were a loss of \$43 million compared to earnings of \$413 million for the same period last year.

Earnings compared to the third quarter 2007 reflected currency exchange losses, higher shareholder costs, lower tax credits and lower net underwriting results, mainly as a consequence of hurricane impacts in the USA, which were partly offset by higher net interest income.

## PRICE AND MARGIN INFORMATION

### OIL & GAS

Quarters				Nine Months	
Q3 2008	Q2 2008	Q3 2007		2008	2007
\$/bbl			<b>Realised oil prices – Exploration &amp; Production<sup>1</sup></b>	<b>\$/bbl</b>	
<b>110.08</b>	110.96	70.88	World outside USA	<b>103.88</b>	63.68
<b>119.25</b>	118.07	70.34	USA	<b>108.77</b>	60.72
<b>111.18</b>	111.92	70.81	Global	<b>104.54</b>	63.23
\$/bbl			<b>Realised oil prices – Oil Sands (period average)</b>	<b>\$/bbl</b>	
<b>113.90</b>	116.20	69.31	Canada	<b>102.60</b>	59.67
\$/thousand scf			<b>Realised gas prices (period average)</b>	<b>\$/thousand scf</b>	
<b>8.89</b>	9.38	6.69	Europe	<b>9.10</b>	6.86
<b>5.91</b>	6.31	4.07	World outside USA (including Europe)	<b>6.03</b>	4.27
<b>10.82</b>	11.89	6.53	USA	<b>10.73</b>	7.16
<b>6.77</b>	7.30	4.57	Global	<b>6.87</b>	4.84
			<b>Oil and gas marker industry prices (period average)</b>		
<b>115.15</b>	121.26	74.84	Brent (\$/bbl)	<b>111.02</b>	67.15
<b>118.07</b>	123.81	75.24	WTI (\$/bbl)	<b>113.25</b>	66.06
<b>117.88</b>	125.18	77.14	Edmonton Par (\$/bbl)	<b>113.76</b>	66.86
<b>9.11</b>	11.36	6.14	Henry Hub (\$/MMBtu)	<b>9.67</b>	6.94
<b>61.75</b>	60.41	30.68	UK National Balancing Point (pence/therm)	<b>58.40</b>	24.39
<b>133.33</b>	110.24	70.95	Japanese Crude Cocktail – JCC (\$/bbl) <sup>2</sup>	<b>109.60</b>	64.42

### REFINING & CRACKER INDUSTRY MARGINS<sup>3</sup>

Quarters				Nine Months	
Q3 2008	Q2 2008	Q3 2007		2008	2007
\$/bbl			<b>Refining marker industry gross margins</b>	<b>\$/bbl</b>	
<b>7.20</b>	11.55	8.05	ANS US West Coast coking margin	<b>9.30</b>	17.75
<b>11.40</b>	10.55	15.40	WTS US Gulf Coast coking margin	<b>10.20</b>	18.45
<b>6.00</b>	5.85	3.50	Rotterdam Brent complex	<b>5.15</b>	4.50
<b>1.85</b>	3.95	2.50	Singapore 80/20 Arab light/Tapis complex	<b>2.55</b>	3.05
\$/tonne			<b>Cracker industry margins (period average)</b>	<b>\$/tonne</b>	
<b>519.00</b>	413.00	352.00	US ethane	<b>430.00</b>	334.00
<b>563.00</b>	262.00	469.00	Western Europe naphtha	<b>419.00</b>	472.00
<b>114.00</b>	92.00	272.00	North East Asia naphtha	<b>87.00</b>	309.00

<sup>1</sup> As from the fourth quarter 2007, the Oil Sands operations, which were previously reported as part of the Exploration & Production segment, are disclosed as a separate business segment. For comparison purposes, the Exploration & Production realised oil prices up to the third quarter 2007 have been reclassified.

<sup>2</sup> JCC prices for the third quarter and nine months 2008 are based on available market data up to the end of July 2008. Prices for these periods will be updated when full market data are available.

<sup>3</sup> The refining and cracker industry margins shown above do not represent actual Shell realised margins for the periods. These are estimated industry margins based on available market information at the end of the quarter.

## OIL & GAS – OPERATIONAL DATA

Quarters				Nine Months			
Q3 2008	Q2 2008	Q3 2007	% <sup>1</sup>		2008	2007	%
thousand b/d				<b>Crude oil production</b>	thousand b/d		
<b>335</b>	390	406		Europe	<b>380</b>	432	
<b>305</b>	314	333		Africa	<b>314</b>	326	
<b>200</b>	196	214		Asia Pacific	<b>201</b>	227	
<b>459</b>	434	445		Middle East, Russia, CIS	<b>440</b>	431	
<b>231</b>	293	314		USA	<b>275</b>	328	
<b>82</b>	84	80		Other Western Hemisphere	<b>82</b>	80	
<b>1,612</b>	1,711	1,792	<b>-10</b>	Total crude oil production excluding oil sands	<b>1,692</b>	1,824	<b>-7</b>
<b>77</b>	72	82		Bitumen production – oil sands	<b>78</b>	90	
<b>1,689</b>	1,783	1,874	<b>-10</b>	Total crude oil production including oil sands	<b>1,770</b>	1,914	<b>-8</b>
million scf/d <sup>2</sup>				<b>Natural gas production available for sale</b>	million scf/d <sup>2</sup>		
<b>2,446</b>	2,930	2,231		Europe	<b>3,420</b>	2,939	
<b>591</b>	549	623		Africa	<b>586</b>	581	
<b>2,508</b>	2,512	2,587		Asia Pacific	<b>2,486</b>	2,486	
<b>229</b>	230	248		Middle East, Russia, CIS	<b>230</b>	253	
<b>942</b>	1,096	1,131		USA	<b>1,047</b>	1,128	
<b>491</b>	472	509		Other Western Hemisphere	<b>477</b>	499	
<b>7,207</b>	7,789	7,329	<b>-2</b>		<b>8,246</b>	7,886	<b>+5</b>
thousand boe/d <sup>3</sup>				<b>Total production in barrels of oil equivalent</b>	thousand boe/d <sup>3</sup>		
<b>757</b>	895	790		Europe	<b>970</b>	939	
<b>407</b>	409	440		Africa	<b>415</b>	426	
<b>631</b>	629	660		Asia Pacific	<b>629</b>	656	
<b>499</b>	474	488		Middle East, Russia, CIS	<b>480</b>	474	
<b>393</b>	482	509		USA	<b>456</b>	522	
<b>167</b>	165	168		Other Western Hemisphere	<b>164</b>	166	
<b>2,854</b>	3,054	3,055	<b>-7</b>	Total production excluding oil sands	<b>3,114</b>	3,183	<b>-2</b>
<b>77</b>	72	82		Bitumen production – oil sands	<b>78</b>	90	
<b>2,931</b>	3,126	3,137	<b>-7</b>	Total production including oil sands	<b>3,192</b>	3,273	<b>-2</b>

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

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

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

## OIL PRODUCTS AND CHEMICALS – OPERATIONAL DATA

Quarters					Nine Months		
Q3 2008	Q2 2008	Q3 2007	% <sup>1</sup>		2008	2007	%
thousand b/d					thousand b/d		
<b>1,462</b>	1,498	1,813		<b>Refinery processing intake</b>	<b>1,566</b>	1,705	
<b>674</b>	741	852		Europe	<b>724</b>	808	
<b>777</b>	874	851		Other Eastern Hemisphere	<b>832</b>	883	
<b>360</b>	351	371		USA	<b>354</b>	372	
<b>3,273</b>	3,464	3,887	<b>-16</b>	Other Western Hemisphere	<b>3,476</b>	3,768	<b>-8</b>
				<b>Oil sales</b>			
<b>2,028</b>	2,067	2,176		Gasolines	<b>2,061</b>	2,221	
<b>810</b>	816	768		Kerosenes	<b>813</b>	740	
<b>2,231</b>	2,225	2,396		Gas/diesel oils	<b>2,264</b>	2,250	
<b>623</b>	776	699		Fuel oil	<b>745</b>	682	
<b>711</b>	758	717		Other products	<b>742</b>	659	
<b>6,403</b>	6,642	6,756	<b>-5</b>	<b>Total oil products *</b>	<b>6,625</b>	6,552	<b>+1</b>
				*Comprising:			
<b>1,795</b>	1,781	1,903		Europe	<b>1,845</b>	1,855	
<b>1,262</b>	1,276	1,279		Other Eastern Hemisphere	<b>1,261</b>	1,254	
<b>1,366</b>	1,436	1,544		USA	<b>1,399</b>	1,488	
<b>718</b>	704	676		Other Western Hemisphere	<b>726</b>	669	
<b>1,262</b>	1,445	1,354		Export sales	<b>1,394</b>	1,286	
thousand tonnes					thousand tonnes		
<b>2,809</b>	3,061	3,302		<b>Chemical sales volumes by main product category <sup>2**</sup></b>	<b>8,989</b>	9,804	
<b>2,178</b>	2,333	2,399		Base chemicals	<b>6,849</b>	7,110	
<b>2</b>	2	1		First line derivatives	<b>6</b>	8	
<b>4,989</b>	5,396	5,702	<b>-13</b>	Other	<b>15,844</b>	16,922	<b>-6</b>
				**Comprising:			
<b>2,112</b>	2,189	2,225		Europe	<b>6,590</b>	6,718	
<b>1,223</b>	1,294	1,376		Other Eastern Hemisphere	<b>3,745</b>	4,009	
<b>1,512</b>	1,760	1,923		USA	<b>5,056</b>	5,667	
<b>142</b>	153	178		Other Western Hemisphere	<b>453</b>	528	

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

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

## NOTE

*All amounts shown throughout this Report are unaudited.*

*In this announcement, excluding in the financial statements, we have aggregated our equity position in projects for both direct and indirect interest (for example, we have aggregated our indirect interest in North West Shelf LNG and the Pluto project via our 34% shareholding in Woodside Energy Ltd).*

*Fourth quarter and full year 2008 results are expected to be announced on January 29, 2009. First quarter results for 2009 are expected to be announced on April 29, 2009, second quarter results are expected to be announced on July 30, 2009 and third quarter results are expected to be announced on October 29, 2009. There will be a Shell strategy update on March 17, 2009.*

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

*This document contains forward-looking statements concerning the financial condition, results of operations and businesses of Royal Dutch Shell. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management’s current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements include, among other things, statements concerning the potential exposure of Royal Dutch Shell to market risks and statements expressing management’s expectations, beliefs, estimates, forecasts, projections and assumptions. These forward-looking statements are identified by their use of terms and phrases such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “objectives”, “outlook”, “probably”, “project”, “will”, “seek”, “target”, “risks”, “goals”, “should” and similar terms and phrases. There are a number of factors that could affect the future operations of Royal Dutch Shell and could cause those results to differ materially from those expressed in the forward-looking statements included in this document, including (without limitation): (a) price fluctuations in crude oil and natural gas; (b) changes in demand for Shell’s products; (c) currency fluctuations; (d) drilling and production results; (e) reserve estimates; (f) loss of market and industry competition; (g) environmental and physical risks; (h) risks associated with the identification of suitable potential acquisition properties and targets, and successful negotiation and completion of such transactions; (i) the risk of doing business in developing countries and countries subject to international sanctions; (j) legislative, fiscal and regulatory developments including potential litigation and regulatory effects arising from recategorisation of reserves; (k) economic and financial market conditions in various countries and regions; (l) political risks, including the risks of expropriation and renegotiation of the terms of contracts with governmental entities, delays or advancements in the approval of projects and delays in the reimbursement for shared costs; and (m) changes in trading conditions. All forward-looking statements contained in this document are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Readers should not place undue reliance on forward-looking statements. Each forward-looking statement speaks only as of the date of this document, October 30, 2008. Neither Royal Dutch Shell nor any of its subsidiaries undertake any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information. In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this document.*

*Please refer to the Annual Report and Form 20-F for the year ended December 31, 2007 for a description of certain important factors, risks and uncertainties that may affect Shell’s businesses.*

*Cautionary Note to US Investors:*

*The United States Securities and Exchange Commission (SEC) permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. We may use certain terms in this announcement that the SEC’s guidelines strictly prohibit us from including in filings with the SEC. US Investors are urged to consider closely the disclosure in our Form 20-F, File No 001-32575 and disclosure in our Forms 6-K, File No 001-32575, available on the SEC’s website [www.sec.gov](http://www.sec.gov). You can also obtain these forms from the SEC by calling 1-800-SEC-0330.*

October 30, 2008

**APPENDIX: ROYAL DUTCH SHELL FINANCIAL REPORT AND TABLES**

<b>STATEMENT OF INCOME (SEE NOTE 1)</b>							
<b>Quarters</b>				<b>\$ million</b>	<b>Nine Months</b>		
<b>Q3 2008</b>	<b>Q2 2008</b>	<b>Q3 2007</b>	<b>%<sup>1</sup></b>		<b>2008</b>	<b>2007</b>	<b>%</b>
<b>131,567</b>	131,419	90,703		<b>Revenue<sup>2</sup></b>	<b>377,288</b>	249,079	
<b>113,249</b>	109,261	76,713		Cost of sales	<b>319,290</b>	206,094	
<b>18,318</b>	22,158	13,990	<b>+31</b>	<b>Gross profit</b>	<b>57,998</b>	42,985	<b>+35</b>
<b>4,139</b>	4,444	3,843		Selling, distribution and administrative expenses	<b>12,552</b>	11,741	
<b>538</b>	408	608		Exploration	<b>1,271</b>	1,330	
<b>2,000</b>	2,671	1,912		Share of profit of equity-accounted investments	<b>7,096</b>	5,858	
<b>174</b>	(140)	(38)		Net finance costs and other (income)/expense	<b>(19)</b>	(1,416)	
<b>15,467</b>	20,117	11,489	<b>+35</b>	<b>Income before taxation</b>	<b>51,290</b>	37,188	<b>+38</b>
<b>6,987</b>	8,363	4,448		Taxation	<b>21,855</b>	13,895	
<b>8,480</b>	11,754	7,041	<b>+20</b>	<b>Income for the period</b>	<b>29,435</b>	23,293	<b>+26</b>
<b>32</b>	198	125		Income attributable to minority interest	<b>348</b>	429	
<b>8,448</b>	11,556	6,916	<b>+22</b>	<b>Income attributable to shareholders of Royal Dutch Shell plc</b>	<b>29,087</b>	22,864	<b>+27</b>

<sup>1</sup> Q3 on Q3 change  
<sup>2</sup> Revenue is stated after deducting sales taxes, excise duties and similar levies of \$25,323 million in Q3 2008, \$25,462 million in Q2 2008, \$22,920 million in Q1 2008, \$20,830 million in Q3 2007, \$18,993 million in Q2 2007 and \$17,305 million in Q1 2007.

<b>BASIC EARNINGS PER SHARE (SEE NOTES 1, 2 AND 7)</b>					
<b>Quarters</b>				<b>Nine Months</b>	
<b>Q3 2008</b>	<b>Q2 2008</b>	<b>Q3 2007</b>		<b>2008</b>	<b>2007</b>
<b>1.37</b>	1.87	1.10	Earnings per share (\$)	<b>4.71</b>	3.64
<b>1.77</b>	1.28	1.02	CCS earnings per share (\$)	<b>4.31</b>	3.33

<b>DILUTED EARNINGS PER SHARE (SEE NOTES 1, 2 AND 7)</b>					
<b>Quarters</b>				<b>Nine Months</b>	
<b>Q3 2008</b>	<b>Q2 2008</b>	<b>Q3 2007</b>		<b>2008</b>	<b>2007</b>
<b>1.37</b>	1.87	1.10	Earnings per share (\$)	<b>4.70</b>	3.63
<b>1.77</b>	1.28	1.02	CCS earnings per share (\$)	<b>4.30</b>	3.32

<b>EARNINGS BY BUSINESS SEGMENT (SEE NOTES 2 AND 4)</b>							
Quarters				\$ million	Nine Months		
Q3 2008	Q2 2008	Q3 2007	% <sup>1</sup>		2008	2007	%
				<b>Exploration &amp; Production<sup>2</sup>:</b>			
<b>3,885</b>	3,952	2,467	<b>+57</b>	- World outside USA	<b>11,377</b>	7,191	<b>+58</b>
<b>1,616</b>	1,929	860	<b>+88</b>	- USA	<b>5,148</b>	2,628	<b>+96</b>
<b>5,501</b>	5,881	3,327	<b>+65</b>		<b>16,525</b>	9,819	<b>+68</b>
				<b>Gas &amp; Power:</b>			
<b>2,437</b>	788	500	<b>+387</b>	- World outside USA	<b>4,158</b>	1,676	<b>+148</b>
<b>337</b>	(163)	68	<b>+396</b>	- USA	<b>189</b>	474	<b>-60</b>
<b>2,774</b>	625	568	<b>+388</b>		<b>4,347</b>	2,150	<b>+102</b>
				<b>Oil Sands<sup>2</sup>:</b>			
<b>371</b>	351	183	<b>+103</b>		<b>971</b>	500	<b>+94</b>
				<b>Oil Products (CCS basis):</b>			
<b>2,307</b>	765	1,316	<b>+75</b>	- World outside USA	<b>4,050</b>	4,301	<b>-6</b>
<b>(3)</b>	310	335	<b>-</b>	- USA	<b>523</b>	1,774	<b>-71</b>
<b>2,304</b>	1,075	1,651	<b>+40</b>		<b>4,573</b>	6,075	<b>-25</b>
				<b>Chemicals (CCS basis):</b>			
<b>253</b>	112	368	<b>-31</b>	- World outside USA	<b>669</b>	1,291	<b>-48</b>
<b>(137)</b>	(254)	(8)	<b>-</b>	- USA	<b>(494)</b>	43	<b>-</b>
<b>116</b>	(142)	360	<b>-68</b>		<b>175</b>	1,334	<b>-87</b>
<b>11,066</b>	7,790	6,089	<b>+82</b>	<b>Total operating segments</b>	<b>26,591</b>	19,878	<b>+34</b>
				<b>Corporate:</b>			
<b>178</b>	81	122		- Interest and investment income/(expense)	<b>369</b>	863	
<b>(264)</b>	27	57		- Currency exchange gains/(losses)	<b>(299)</b>	123	
<b>43</b>	93	234		- Other - including taxation	<b>234</b>	405	
<b>(43)</b>	201	413			<b>304</b>	1,391	
<b>(120)</b>	(89)	(110)		<b>Minority interest</b>	<b>(314)</b>	(389)	
<b>10,903</b>	7,902	6,392	<b>+71</b>	<b>CCS earnings</b>	<b>26,581</b>	20,880	<b>+27</b>
<b>(2,455)</b>	3,654	524		Estimated CCS adjustment for Oil Products and Chemicals	<b>2,506</b>	1,984	
<b>8,448</b>	11,556	6,916	<b>+22</b>	<b>Income attributable to shareholders of Royal Dutch Shell plc</b>	<b>29,087</b>	22,864	<b>+27</b>

<sup>1</sup> Q3 on Q3 change  
<sup>2</sup> As from the fourth quarter 2007, the earnings of the Oil Sands operations, which were previously reported as part of the Exploration & Production segment, are disclosed as a separate business segment. For comparison purposes, the Exploration & Production earnings up to the third quarter 2007 have been reclassified by the amounts reported under the Oil Sands segment.

<b>SUMMARISED BALANCE SHEET (SEE NOTES 1 AND 6)</b>			
	\$ million		
	Sept 30, 2008	June 30, 2008	Sept 30, 2007
<b>Assets</b>			
<b>Non-current assets:</b>			
Intangible assets	5,541	5,336	5,307
Property, plant and equipment	114,193	109,191	96,611
Investments:			
- equity-accounted investments	31,630	32,514	28,717
- financial assets	2,952	2,975	2,987
Deferred tax	3,978	4,089	3,375
Pre-paid pension costs	6,205	6,215	5,045
Other	6,219	6,504	5,903
	<b>170,718</b>	<b>166,824</b>	<b>147,945</b>
<b>Current assets:</b>			
Inventories	33,442	39,624	27,906
Accounts receivable	90,100	127,241	61,636
Cash and cash equivalents	7,821	8,990	14,092
	<b>131,363</b>	<b>175,855</b>	<b>103,634</b>
<b>Total assets</b>	<b>302,081</b>	<b>342,679</b>	<b>251,579</b>
<b>Liabilities</b>			
<b>Non-current liabilities:</b>			
Debt	10,742	11,072	12,660
Deferred tax	14,688	13,994	13,665
Retirement benefit obligations	5,961	6,162	6,449
Other provisions	13,499	14,086	12,467
Other	4,088	4,857	3,797
	<b>48,978</b>	<b>50,171</b>	<b>49,038</b>
<b>Current liabilities:</b>			
Debt	5,984	5,352	4,683
Accounts payable and accrued liabilities	88,387	126,246	63,224
Taxes payable	15,632	15,895	12,144
Retirement benefit obligations	369	419	338
Other provisions	2,356	2,687	2,126
	<b>112,728</b>	<b>150,599</b>	<b>82,515</b>
<b>Total liabilities</b>	<b>161,706</b>	<b>200,770</b>	<b>131,553</b>
<b>Equity attributable to shareholders of Royal Dutch Shell plc</b>	<b>138,469</b>	<b>139,809</b>	<b>118,194</b>
Minority interest	1,906	2,100	1,832
<b>Total equity</b>	<b>140,375</b>	<b>141,909</b>	<b>120,026</b>
<b>Total liabilities and equity</b>	<b>302,081</b>	<b>342,679</b>	<b>251,579</b>

<b>SUMMARISED STATEMENT OF CASH FLOWS (SEE NOTE 1)</b>					
Quarters			\$ million	Nine Months	
Q3 2008	Q2 2008	Q3 2007		2008	2007
			<b>Cash flow from operating activities:</b>		
8,480	11,754	7,041	<b>Income for the period</b>	<b>29,435</b>	23,293
			Adjustment for:		
6,935	8,701	4,798	- Current taxation	<b>22,041</b>	14,525
178	269	126	- Interest (income)/expense	<b>625</b>	454
3,387	3,439	2,842	- Depreciation, depletion and amortisation	<b>9,972</b>	9,340
(1,799)	(757)	(55)	- (Profit)/loss on sale of assets	<b>(2,837)</b>	(1,550)
2,215	(11,751)	(728)	- Decrease/(increase) in net working capital	<b>(6,752)</b>	(2,831)
(2,000)	(2,671)	(1,912)	- Share of profit of equity-accounted investments	<b>(7,096)</b>	(5,858)
2,604	2,447	1,567	- Dividends received from equity-accounted investments	<b>6,803</b>	4,673
(95)	(152)	(109)	- Deferred taxation and other provisions	<b>75</b>	(47)
(618)	10	346	- Other	<b>(514)</b>	(777)
19,287	11,289	13,916	Cash flow from operating activities (pre-tax)	<b>51,752</b>	41,222
(6,686)	(7,121)	(4,777)	Taxation paid	<b>(18,121)</b>	(12,054)
12,601	4,168	9,139	<b>Cash flow from operating activities</b>	<b>33,631</b>	29,168
			<b>Cash flow from investing activities:</b>		
(12,392)	(7,352)	(5,550)	Capital expenditure	<b>(27,173)</b>	(16,563)
(555)	(521)	(644)	Investments in equity-accounted investments	<b>(1,692)</b>	(1,333)
1,087	2,026	174	Proceeds from sale of assets	<b>3,558</b>	6,824
1,160	272	57	Proceeds from sale of equity-accounted investments	<b>1,493</b>	451
(25)	275	35	Proceeds from sale of /(additions to) financial assets	<b>260</b>	1,175
267	269	292	Interest received	<b>821</b>	872
(10,458)	(5,031)	(5,636)	<b>Cash flow from investing activities</b>	<b>(22,733)</b>	(8,574)
			<b>Cash flow from financing activities:</b>		
215	839	554	Net increase/(decrease) in debt with maturity period within three months	<b>191</b>	(290)
238	131	-	Other debt: New borrowings	<b>554</b>	4,396
(166)	(1,479)	(1,235)	Repayments	<b>(2,309)</b>	(3,122)
(295)	(369)	(282)	Interest paid	<b>(962)</b>	(923)
(18)	34	(10)	Change in minority interest	<b>9</b>	(6,705)
(848)	(1,350)	(1,463)	Repurchases of shares	<b>(3,271)</b>	(2,849)
			Dividends paid to:		
(2,290)	(2,489)	(2,283)	- Shareholders of Royal Dutch Shell plc	<b>(7,108)</b>	(6,683)
(105)	(115)	(67)	- Minority interest	<b>(271)</b>	(186)
			Treasury shares:		
36	242	200	- Net sales/(purchases) and dividends received	<b>478</b>	752
(3,233)	(4,556)	(4,586)	<b>Cash flow from financing activities</b>	<b>(12,689)</b>	(15,610)
(79)	(8)	58	Currency translation differences relating to cash and cash equivalents	<b>(44)</b>	106
(1,169)	(5,427)	(1,025)	<b>Increase/(decrease) in cash and cash equivalents</b>	<b>(1,835)</b>	5,090
8,990	14,417	15,117	<b>Cash and cash equivalents at beginning of period</b>	<b>9,656</b>	9,002
7,821	8,990	14,092	<b>Cash and cash equivalents at end of period</b>	<b>7,821</b>	14,092

<b>CAPITAL INVESTMENT</b>						
Quarters			\$ million	Nine Months		
Q3 2008	Q2 2008	Q3 2007		2008	2007	
			<b>Capital expenditure:</b>			
			<b>Exploration &amp; Production<sup>1</sup>:</b>			
8,083	3,038	2,463	- World outside USA	13,323	7,616	
688	916	721	- USA	4,134	2,082	
8,771	3,954	3,184		17,457	9,698	
			<b>Gas &amp; Power:</b>			
1,030	1,006	706	- World outside USA	2,859	2,074	
4	3	1	- USA	8	4	
1,034	1,009	707		2,867	2,078	
835	761	493	<b>Oil Sands<sup>1</sup></b>	2,307	1,282	
			<b>Oil Products:</b>			
879	862	770	- World outside USA	2,197	1,884	
92	68	80	- USA	221	407	
971	930	850		2,418	2,291	
			<b>Chemicals:</b>			
558	399	312	- World outside USA	1,331	649	
49	34	65	- USA	117	244	
607	433	377		1,448	893	
23	83	101	<b>Corporate</b>	143	221	
12,241	7,170	5,712	<b>Total capital expenditure</b>	26,640	16,463	
			<b>Exploration expense</b>			
260	218	183	- World outside USA	613	453	
179	86	211	- USA	345	299	
439	304	394		958	752	
			<b>New equity in equity-accounted investments</b>			
361	347	615	- World outside USA	1,073	1,170	
21	41	5	- USA	67	25	
382	388	620		1,140	1,195	
173	133	24	<b>New loans to equity-accounted investments</b>	552	138	
13,235	7,995	6,750	<b>Total capital investment*</b>	29,290	18,548	
			<b>*Comprising:</b>			
9,618	4,621	3,934	- Exploration & Production <sup>1</sup>	19,678	11,289	
1,169	1,156	901	- Gas & Power	3,250	2,441	
835	761	493	- Oil Sands <sup>1</sup>	2,307	1,282	
983	934	942	- Oil Products	2,453	2,418	
607	439	378	- Chemicals	1,458	896	
23	84	102	- Corporate	144	222	
13,235	7,995	6,750		29,290	18,548	

<sup>1</sup> As from the fourth quarter 2007, the results of the Oil Sands operations, which were previously reported as part of the Exploration & Production segment, are disclosed as a separate business segment. For comparison purposes, the Exploration & Production results up to the third quarter 2007 have been reclassified by the amounts reported under the Oil Sands segment.

<b>ADDITIONAL SEGMENTAL INFORMATION<sup>1</sup></b>					
<b>Quarters</b>			<b>\$ million</b>	<b>Nine Months</b>	
<b>Q3 2008</b>	<b>Q2 2008</b>	<b>Q3 2007</b>		<b>2008</b>	<b>2007</b>
			<b>Exploration &amp; Production<sup>3</sup></b>		
<b>5,501</b>	5,881	3,327	Segment earnings	<b>16,525</b>	9,819
			Including:		
<b>538</b>	408	608	- Exploration	<b>1,271</b>	1,330
<b>2,168</b>	2,228	1,891	- Depreciation, depletion & amortisation	<b>6,561</b>	6,490
<b>1,358</b>	1,103	733	- Share of profit of equity-accounted investments	<b>3,673</b>	2,305
<b>9,556</b>	8,659	6,072	Cash flow from operations	<b>28,544</b>	19,213
<b>1,444</b>	(374)	25	Less: Net working capital movements <sup>2</sup>	<b>1,993</b>	408
<b>8,112</b>	9,033	6,047	Cash flow from operations excluding net working capital movements	<b>26,551</b>	18,805
<b>53,276</b>	49,185	44,419	Capital employed	<b>53,276</b>	44,419
			<b>Gas &amp; Power</b>		
<b>2,774</b>	625	568	Segment earnings	<b>4,347</b>	2,150
			Including:		
<b>151</b>	85	79	- Depreciation, depletion & amortisation	<b>317</b>	230
<b>787</b>	620	471	- Share of profit of equity-accounted investments	<b>1,991</b>	1,319
<b>2,259</b>	149	316	Cash flow from operations	<b>4,325</b>	1,113
<b>718</b>	(845)	(42)	Less: Net working capital movements <sup>2</sup>	<b>775</b>	(135)
<b>1,541</b>	994	358	Cash flow from operations excluding net working capital movements	<b>3,550</b>	1,248
<b>21,094</b>	21,010	17,565	Capital employed	<b>21,094</b>	17,565
			<b>Oil Sands<sup>3</sup></b>		
<b>371</b>	351	183	Segment earnings	<b>971</b>	500
			Including:		
<b>44</b>	45	42	- Depreciation, depletion & amortisation	<b>133</b>	124
<b>684</b>	645	405	Cash flow from operations	<b>1,627</b>	1,312
<b>130</b>	66	51	Less: Net working capital movements <sup>2</sup>	<b>94</b>	575
<b>554</b>	579	354	Cash flow from operations excluding net working capital movements	<b>1,533</b>	737
<b>6,249</b>	5,881	4,283	Capital employed	<b>6,249</b>	4,283

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

<sup>2</sup> Excluding working capital movements related to taxation.

<sup>3</sup> As from the fourth quarter 2007, the results of the Oil Sands operations, which were previously reported as part of the Exploration & Production segment, are disclosed as a separate business segment. For comparison purposes, the Exploration & Production results up to the third quarter 2007 have been reclassified by the amounts reported under the Oil Sands segment.

<b>ADDITIONAL SEGMENTAL INFORMATION<sup>1</sup> (continued)</b>					
Quarters			\$ million	Nine Months	
Q3 2008	Q2 2008	Q3 2007		2008	2007
			<b>Oil Products</b>		
<b>2,304</b>	1,075	1,651	Segment CCS earnings	<b>4,573</b>	6,075
			Including:		
<b>614</b>	609	606	- Depreciation, depletion & amortisation	<b>1,831</b>	1,833
<b>129</b>	441	394	- Share of profit of equity-accounted investments	<b>837</b>	1,395
<b>2,068</b>	(4,148)	1,700	Cash flow from operations	<b>282</b>	5,287
<b>1,537</b>	(9,439)	(366)	Less: Net working capital movements <sup>2</sup>	<b>(8,337)</b>	(2,905)
<b>531</b>	5,291	2,066	Cash flow from operations excluding net working capital movements	<b>8,619</b>	8,192
<b>58,520</b>	63,298	48,423	Capital employed	<b>58,520</b>	48,423
			<b>Chemicals</b>		
<b>116</b>	(142)	360	Segment CCS earnings	<b>175</b>	1,334
			Including:		
<b>215</b>	356	154	- Depreciation, depletion & amortisation	<b>733</b>	459
<b>96</b>	92	174	- Share of profit of equity-accounted investments	<b>346</b>	529
<b>164</b>	361	618	Cash flow from operations	<b>911</b>	1,185
<b>207</b>	(216)	71	Less: Net working capital movements <sup>2</sup>	<b>(18)</b>	(673)
<b>(43)</b>	577	547	Cash flow from operations excluding net working capital movements	<b>929</b>	1,858
<b>11,206</b>	11,328	10,240	Capital employed	<b>11,206</b>	10,240
<sup>1</sup> Corporate segment information has not been included in the table shown. Please refer to the Earnings by business segment section for additional information. The above data does not consider minority interest impacts on the segments.					
<sup>2</sup> Excluding working capital movements related to taxation.					

## NOTES

### 1. Accounting policies and basis of presentation

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

The Oil Sands operations, which were previously reported within the Exploration & Production segment, are reported as a separate business segment with effect from the fourth quarter 2007. Prior period financial statements have been reclassified accordingly.

The accounting policies are unchanged from those set out in Note 2 to the Consolidated Financial Statements of Royal Dutch Shell plc in the Annual Report and Form 20-F for the year ended December 31, 2007 on pages 117 to 121.

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

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

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

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

ROACE is defined as the sum of the current and previous three quarters' income adjusted for interest expense, after tax, divided by the average capital employed for the period.

Components of the calculation are:

\$ million	Q3 2008	Q3 2007
Income (four quarters)	38,068	28,806
Interest expense after tax	676	682
ROACE numerator	38,744	29,488
Capital employed - opening	137,369	124,351
Capital employed - closing	157,101	137,369
Capital employed - average	147,235	130,860
ROACE	26.3%	22.5%

ROACE up to the fourth quarter 2007 had been shown on a Shell share basis. As a consequence of the significant reduction of minority interest during 2007, ROACE calculations are now presented on a 100%-basis. Prior period ROACE calculations have been adjusted for comparison purposes.

### 4. Earnings by business segment

Operating segment results are presented before deduction of minority interest and also exclude interest and other income of a non-operational nature, interest expense, non-trading currency exchange effects and tax on these items, which are included in the Corporate results. Operating segment results are after tax and include equity-accounted investments.

## 5. Gearing

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

\$ million	Sept 30, 2008	Sept 30, 2007
Non-current debt	10,742	12,660
Current debt	5,984	4,683
Total debt	16,726	17,343
Add: Net present value of operating lease obligations <sup>1</sup>	14,387	11,319
Unfunded retirement benefit obligations (after tax) <sup>1</sup>	-	-
Less: Cash and cash equivalents in excess of operational requirements	5,521	12,192
Adjusted debt	25,592	16,470
Total equity	140,375	120,026
Total capital	165,967	136,496
Gearing ratio (adjusted debt as a percentage of total capital)	15.4%	12.1%

<sup>1</sup> As of December 31, 2007 and 2006, respectively.

## 6. Equity

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

\$ million	Ordinary share capital	Treasury shares	Other reserves	Retained earnings	Total	Minority interest	Total equity
<b>At December 31, 2007</b>	536	(2,392)	14,148	111,668	123,960	2,008	125,968
Income for the period	-	-	-	29,087	29,087	348	29,435
Income/(expense) recognised directly in equity	-	-	(4,906)	-	(4,906)	(204)	(5,110)
Capital contributions/(repayments) from/to minority shareholders and other changes in minority interest	-	-	-	59	59	25	84
Dividends paid	-	-	-	(7,108)	(7,108)	(271)	(7,379)
Treasury shares: net sales/(purchases) and dividends received	-	478	-	-	478	-	478
Repurchases of shares	(7)	-	7	(3,085)	(3,085)	-	(3,085)
Share-based compensation	-	-	(58)	42	(16)	-	(16)
<b>At September 30, 2008</b>	529	(1,914)	9,191	130,663	138,469	1,906	140,375

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

## 7. Basis for Royal Dutch Shell earnings per ordinary share

The total number of Royal Dutch Shell ordinary shares in issue at the end of the period was 6,255.1 million. Royal Dutch Shell reports earnings per share on a basic and on a diluted basis, based on the weighted average number of Royal Dutch Shell (combined A and B) ordinary shares outstanding. Shares held in respect of share options and other incentive compensation plans are excluded in determining basic earnings per share.

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

Millions	Q3 2008	Q2 2008	Q3 2007
Royal Dutch Shell ordinary shares of €0.07 each	<b>6,147.3</b>	6,170.3	6,261.7

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

Millions	Q3 2008	Q2 2008	Q3 2007
Royal Dutch Shell ordinary shares of €0.07 each	<b>6,159.8</b>	6,189.1	6,285.8

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

Millions	Q3 2008	Q2 2008	Q3 2007
Royal Dutch Shell ordinary shares of €0.07 each	<b>6,133.4</b>	6,159.1	6,245.3

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

## 8. Accounting for Derivatives

IFRS require that derivative instruments be recognised in the financial statements at fair value. Any change in the current period between the period end market price and the contract settlement price is recognised in income where hedge accounting is either not permitted or not applied to these contracts.

The physical crude oil and related products held by the Oil Products business as inventory are recorded at historical cost or net realisable value, whichever is lower, as required under IFRS. Consequently, any increase in value of the inventory over cost is not recognised in income until the sale of the commodity occurs in subsequent periods.

In the Oil Products business, the buying and selling of commodities includes transactions conducted through the forward markets using commodity derivatives to reduce economic exposure. The derivatives are typically associated with a future physical delivery of the commodities.

These differences in accounting treatment for physical inventory (at cost or net realisable value, whichever is lower) and derivative instruments (at fair value) have resulted in timing differences in the recognition of gains or losses between reporting periods.

Similarly, earnings from long-term contracts held by Gas & Power are recognised in income upon realisation. Associated commodity derivatives are recognised at fair value as of the end of each quarter.

These differences in accounting treatment for long-term contracts (on accrual basis) and derivative instruments (at fair value) have resulted in timing differences in the recognition of gains or losses between the reporting periods.

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