

Part 5

(c) Long-term power capacity obligations

Group companies have obligations under certain power generation contracts ("tolling agreements") at December 31, 2002 amounting to \$6.9 billion (2001: \$7.4 billion), of which \$0.7 billion (2001: \$0.7 billion) is conditional upon the exercise of a renewal option by the owner of one of the plants. (\$2.2 billion of the amount at December 31, 2001 was conditional upon the ability of power plant owners to secure financing.) The timing of the payments under such obligations at December 31, 2002 is as follows:

	\$ million
2003	169
2004	308
2005	338
2006	330
2007	333
2008 and after	5,392
	6,870

The fair value of tolling agreements at December 31, 2002 and December 31, 2001, which are included in assets and liabilities in respect of risk management activities (see Notes 13 and 17), and the resultant effect on net income for 2002, 2001 and 2000, was not significant. Recognition in the Financial Statements at fair value is in accordance with generally accepted accounting principles in the US ("US GAAP").

The application of accounting principles generally accepted in the Netherlands would require certain tolling agreements to be treated as capital leases. If this accounting treatment were to be applied, additional tangible fixed assets and related long-term liabilities of approximately \$3.3 billion at December 31, 2002 (2001: \$2.2 billion) would be reflected in the Statement of Assets and Liabilities and the resultant effect on the Group's net income for 2002, 2001 and 2000 would not have been significant. With respect to the conditional amounts referred to above, up to an additional \$0.3 billion (2001: \$1.5 billion) would be included on satisfaction of such conditions.

There have been recent developments in US GAAP of relevance to the accounting for tolling agreements, the direction of which is aligning US and Netherlands GAAP. These developments include the applicability of fair value accounting treatment and FIN 46 "Consolidation of Variable Interest Entities" where the impact is being assessed. It is reasonably possible that the majority of the tolling entities will be considered as variable interest entities of which a Group company is the primary beneficiary; such entities would be required to be consolidated no later than the third quarter, 2003. Group accounting policy in 2003 for these agreements is likely to be affected by these developments.

17 Accounts payable and accrued liabilities

	\$ million	
	2002	2001
Trade payables	13,049	8,476
Amounts due to associated companies	2,075	1,070
Pensions and similar obligations	250	193
Other payables	10,588	4,677
Accruals and deferred income	6,116	4,468
	32,078	18,884

Other payables include amounts in respect of risk management activities and, at December 31, 2002, \$1.3 billion for the acquisition of DEA, payable in July 2003.

18 Long-term liabilities - Other

This includes amounts in respect of risk management activities, advance payments under long-term supply contracts, deposits, liabilities under staff benefit programmes, deferred income and environmental liabilities. The amount includes \$926 million at December 31, 2002 (2001: \$754 million) which does not fall due until more than five years after the respective balance sheet dates.

19 Statement of Cash Flows

This statement reflects the cash flows arising from the activities of Group companies as measured in their own currencies, translated to dollars at quarterly average rates of exchange.

Accordingly, the cash flows recorded in the Statement of Cash Flows exclude both the currency translation differences which arise as a result of translating the assets and liabilities of non-dollar Group companies to dollars at year-end rates of exchange (except for those arising on cash and cash equivalents) and non-cash investing and financing activities. These currency translation differences and non-cash investing and financing activities must therefore be added to the cash flow movements at average rates in order to arrive at the movements derived from the Statement of Assets and Liabilities.

2002	\$ million			
	Movements from Statement of Cash Flows	Movements arising from currency translation	Non-cash movements	Movements derived from Statement of Assets and Liabilities
Tangible and intangible fixed assets	12,193	4,533	15,051	31,777
Investments - associates	460	851	(1,708)	(397)
Other long-term assets	773	547	(1,737)	(417)
Inventories	1,461	704	1,792	3,957
Accounts receivable	5,761	1,551	3,908	11,220
Cash and cash equivalents	(5,267)	153	-	(5,114)
Short-term debt	(7,058)	(855)	(402)	(8,315)
Short-term part of long-term debt	(554)	(17)	-	(571)
Accounts payable and accrued liabilities	(6,885)	(2,369)	(3,940)	(13,194)
Taxes payable	710	(728)	(498)	(516)
Long-term debt	688	(502)	(5,171)	(4,985)
Other long-term liabilities	(236)	(346)	(1,021)	(1,603)
Deferred taxation	161	(1,214)	(4,272)	(5,325)
Other provisions	(434)	(619)	(2,545)	(3,598)
Other items	(179)	(347)	563	37
Net distributions to Parent Companies	1,526	(578)	-	948
Adjustment for Parent Companies' shares and Other comprehensive income excluding currency translation differences	864	1,675	(20)	
	3,984	2,439	-	3,904

Income taxes paid by Group companies totalled \$6.7 billion in 2002 (2001: \$9.3 billion; 2000: \$8.8 billion). Interest paid by Group companies was \$1.0 billion in 2002 (2001: \$0.7 billion; 2000: \$0.9 billion).

The main non-cash movements reflect the following fair values of assets acquired and liabilities assumed resulting from: in Exploration and Production, the acquisition of Enterprise Oil (second quarter); and, in Oil Products, of Pennzoil-Quaker State (fourth quarter) and DEA (first quarter) and from the reclassification of Equilon from an associate to a Group company due to the acquisition of the outstanding shares (first quarter):

	\$ million		
	Exploration and Production	Oil Products	Total
Tangible and intangible fixed assets	11,286	11,999	23,285
Other assets	736	5,772	6,508
Total assets acquired	12,022	17,771	29,793
Current liabilities (excluding debt)	252	3,609	3,861
Debt	2,359	3,608	5,967
Deferred taxation	3,771	638	4,409
Other long-term liabilities and provisions	346	2,220	2,566
Total liabilities assumed	6,728	10,075	16,803
Less: Investment in associate reclassified	-	2,730	2,730
Purchase consideration ^a	5,294	4,966	10,260

^a Includes \$1.3 billion relating to DEA, payable in July 2003.

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20 Employee retirement plans and other postretirement benefits

Retirement plans are provided for permanent employees of all major Group companies. The nature of such plans varies according to the legal and fiscal requirements and economic conditions of the country in which the employees are engaged. Generally, the plans provide defined benefits based on employees' years of service and average final remuneration.

Some Group companies have established unfunded defined benefit plans to provide certain postretirement health care and life insurance benefits to their retirees, the entitlement to which is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period.

Plan assets principally comprise marketable securities and property holdings.

	Pension benefits		Other benefits					
	2002	2001	2002			2001		
			USA	Other	Total	USA	Other	Total
Change in benefit obligation								
Obligations for benefits based on employee service to date at January 1	32,239	31,420	906	344	1,250	838	262	1,100
Increase in present value of the obligation for benefits based on employee service during the year	899	681	32	7	39	10	3	13
Interest on the obligation for benefits in respect of employee service in previous years	2,001	1,784	111	21	132	61	15	76
Benefit payments made	(1,780)	(1,559)	(72)	(21)	(93)	(52)	(18)	(70)
Currency translation effects	3,938	(1,071)	-	45	45	-	(14)	(14)
Other components ^a	1,812	984	1,091	(19)	1,072	49	96	145
Obligations for benefits based on employee service to date at December 31 ^b	39,109	32,239	2,068	377	2,445	906	344	1,250
Change in plan assets								
Plan assets held in trust at fair value at January 1	36,420	42,333						
Actual return on plan assets	(5,943)	(3,420)						
Employer contributions	227	173						
Plan participants' contributions	17	11						
Benefit payments made	(1,780)	(1,559)						
Currency translation effects	3,709	(1,407)						
Other components ^a	385	289						
Plan assets held in trust at fair value at December 31 ^b	33,035	36,420						
Plan assets in excess of/(less than) the present value of obligations for benefits at December 31	(6,074)	4,181	(2,068)	(377)	(2,445)	(906)	(344)	(1,250)
Unrecognised net (gains)/losses remaining from the adoption of current method of determining pension costs	9	(62)						
Unrecognised net (gains)/losses since adoption	9,125	(1,334)	692	93	785	61	105	166
Unrecognised prior service cost/(credit)	1,254	1,016	(26)	-	(26)	(4)	(1)	(5)
Net amount recognised	4,314	3,801	(1,402)	(284)	(1,686)	(849)	(240)	(1,089)
Amounts recognised in the Statement of Assets and Liabilities:								
Intangible assets	420	-						
Prepaid benefit costs	4,506	4,714						
Accrued benefit liabilities	(3,580)	(1,435)	(1,402)	(284)	(1,686)	(849)	(240)	(1,089)
Amount recognised in Parent Companies' Interest in Group Net Assets:								
Accumulated other comprehensive income	2,968	522						
Net amount recognised	4,314	3,801	(1,402)	(284)	(1,686)	(849)	(240)	(1,089)

^a Other components comprise mainly the effect of acquisitions and changes in actuarial assumptions.

^b For employee retirement plans with benefit obligation in excess of plan assets, the respective amounts at December 31, 2002 were benefit obligations of \$26,343 million (2001: \$2,590 million) and plan assets of \$21,072 million (2001: \$1,698 million). The obligation for pension benefits at December 31, 2002 in respect of unfunded plans was \$1,302 million (2001: \$621 million).

20 Employee retirement plans and other postretirement benefits continued

Benefit costs for the year comprise:

	Pension benefits			\$ million								
	2002	2001	2000	2002			2001			2000		
				USA	Other	Total	USA	Other	Total	USA	Other	Total
Service cost	899	681	681	32	7	39	10	3	13	10	4	14
Interest cost	2,001	1,784	1,700	111	21	132	61	15	76	61	16	77
Expected return on plan assets	(3,339)	(3,005)	(2,839)									
Other components	(100)	(216)	(284)	76	7	83	(2)	2	-	(3)	2	(1)
Cost of defined benefit plans	(539)	(756)	(742)	219	35	254	69	20	89	68	22	90
Payments to defined contribution plans	84	87	75									
	(455)	(669)	(667)	219	35	254	69	20	89	68	22	90

Discount rates, projected rates of remuneration growth and expected rates of return on plan assets vary for the different plans as they are determined in the light of local conditions. The weighted averages applicable for the principal plans in the Group are:

	Pension benefits		Other benefits			
	2002	2001	2002		2001	
			USA	Other	USA	Other
Discount rate	5.9%	6.0%	6.5%	5.6%	7.0%	6.0%
Projected rate of remuneration growth	4.0%	4.0%				
Expected rate of return on plan assets	8.0%	7.8%				
Health care cost trend rate in year after reporting year			7.8%	4.6%	6.5%	4.7%
Ultimate health care cost trend rate			5.0%	2.9%	5.0%	2.9%
Year ultimate health care cost trend rate is applicable			2010	2004	2005	2003

The effect of a one percentage point increase/(decrease) in the annual rate of increase in the assumed health care cost trend rates would be to increase/(decrease) annual postretirement benefit cost by approximately \$27 million/(\$24 million) and the accumulated postretirement benefit obligation by approximately \$341 million/(\$287 million).

21 Employee emoluments and numbers**(a) Emoluments**

	\$ million		
	2002	2001	2000
Remuneration	6,096	4,651	4,560
Social law taxes	518	395	390
Pensions and similar obligations (Note 20)	(201)	(580)	(577)
	6,413	4,466	4,373

(b) Average numbers

	thousands		
	2002	2001	2000
Exploration and Production	17	14	13
Gas & Power	2	2	2
Oil Products	75	58	58
Chemicals	9	9	14
Corporate and Other	8	7	8
	111	90	95

(c) Year-end numbers

	thousands		
	2002	2001	2000
Exploration and Production	17	15	13
Gas & Power	2	2	2
Oil Products	80	58	58
Chemicals	9	9	10
Corporate and Other	8	7	7
	116	91	90

In addition to remuneration above, there were charges for redundancy of \$215 million in 2002 (2001: \$110 million; 2000: \$120 million).

The liabilities for redundancies at December 31, 2002 totalled \$395 million (2001: \$222 million; 2000: \$300 million), including \$98 million remaining from liabilities assumed on acquisitions in 2002.

22 Stock-based compensation plans and Parent Companies' shares held by Group companies

Stock-based compensation plans

Certain Group companies have in place various stock-based plans for senior staff and other employees of those and other Group companies. Details of the principal plans are given below.

The Group Stock Option Plans offer eligible employees options over Royal Dutch ordinary shares (Royal Dutch shares) or Shell Transport Ordinary shares (Shell Transport shares) at a price not less than the fair market value of the shares at the date the options were granted. The options are mainly exercisable three years from grant. The options lapse ten years after grant or, if earlier, on resignation from Group employment (subject to certain exceptions). For Group Managing Directors and the most senior executives, a proportion of the options granted is subject to performance conditions primarily based on Total Shareholder Return.

Under the Restricted Stock Plan, grants are made on a highly selective basis to senior staff. A maximum of 250,000 Royal Dutch shares (or equivalent value in Shell Transport shares) can be granted under the plan in any year. Shares are granted subject to a three-year restriction period and the number of shares awarded is based on the share price at the start of the restricted period. The shares, together with additional shares equivalent to the value of the dividends payable over the restriction period, are released to the individual at the end of the three-year period.

The following table shows for 2001 and 2002, in respect of option plans, the number of shares under option at the beginning of the year, the number of options granted, exercised and expired during the year and the number of shares under option at the end of the year, together with their weighted average exercise price translated at the respective year-end exchange rates:

	Royal Dutch shares		Shell Transport shares		Shell Canada common shares ^a	
	Number (thousands)	Weighted average exercise price (\$)	Number (thousands)	Weighted average exercise price (\$)	Number (thousands)	Weighted average exercise price (\$)
Under option at 1 January, 2001	10,214	47.86	41,937	6.34	2,560	15.81
Granted	11,302	59.24	30,601	8.33	1,311	22.95
Exercised	(886)	34.23	(6,882)	5.21	(240)	13.59
Expired	(229)	41.65	(644)	5.97	(15)	20.13
Under option at December 31, 2001	20,401	54.10	65,012	7.30	3,616	17.89
Granted	13,792	59.71	39,210	8.45	1,567	28.36
Exercised	(180)	47.12	(796)	6.21	(394)	14.45
Expired	(632)	54.50	(1,979)	7.53	(12)	25.21
Under option at December 31, 2002	33,381	59.86	101,447	8.26	4,777	21.71

a Unissued.

The following tables provide further information about the options outstanding at December 31, 2002:

	Options outstanding			Options exercisable	
Range of exercise prices	Number (thousands)	Weighted average remaining contractual life (years)	Weighted average exercise price (\$)	Number (thousands)	Weighted average exercise price (\$)
\$40 to \$45	2,062	5.3	42.98	1,873	43.07
\$45 to \$50	11	8.8	47.98	4	47.98
\$50 to \$55	10,231	7.9	53.46	2,784	51.75
\$55 to \$60	814	7.7	56.92	425	56.44
\$60 to \$65	14,263	8.5	62.74	1,195	60.77
\$65 to \$70	2,637	7.8	65.51	-	-
\$70 to \$75	3,363	8.3	73.79	-	-
\$40 to \$75	33,381	8.0	59.86	6,281	51.19

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22 Stock-based compensation plans and Parent Companies' shares held by Group companies continued

Shell Transport shares					
Range of exercise prices	Number (thousands)	Weighted average remaining contractual life (years)	Weighted average exercise price (\$)	Number (thousands)	Weighted average exercise price (\$)
\$5 to \$6	11,511	4.9	5.84	11,511	5.84
\$6 to \$7	512	9.8	6.47	-	-
\$7 to \$8	7,384	3.9	7.06	7,384	7.06
\$8 to \$9	69,252	8.3	8.51	-	-
\$9 to \$10	12,788	5.9	9.84	-	-
\$5 to \$10	101,447	7.3	8.26	18,895	6.32

In the UK, The Shell Petroleum Company Limited and Shell Petroleum N.V. each operate a savings-related stock option scheme, under which options are granted over shares of Shell Transport at prices not less than the market value on a date not more than 30 days before the date of the grant of option and are normally exercisable after completion of a three-year or five-year contractual savings period. The following table shows for 2001 and 2002, in respect of these plans, the number of Shell Transport shares under option at the beginning of the year, the number of options granted, exercised and expired during the year and the number of shares under option at the end of the year:

	thousands	
	2002	2001
Under option at 1 January	17,549	19,538
Granted	6,898	4,291
Exercised	(4,911)	(4,818)
Expired	(856)	(1,462)
Under option at December 31	18,680	17,549

In 2001, the Global Employee Share Purchase Plan was implemented giving eligible employees the opportunity to buy Royal Dutch or Shell Transport shares, with 15% added after a specified holding period. At December 31, 2002, 3,310 (2001: 25,990) Royal Dutch shares and 14,578 (2001: 77,627) Shell Transport shares were held by Group companies in connection with the Global Employee Share Purchase Plan.

Effects on Group net income and Earnings per share under the fair value method

A comparison of the Group's net income and Earnings per share for both Royal Dutch and Shell Transport as reported under the intrinsic value method and on a pro forma basis calculated as if the fair value of options and share purchase rights granted would have been considered as compensation expense is as follows:

	2002		2001		2000	
	As reported	Pro forma	As reported	Pro forma	As reported	Pro forma
Group net income (\$ million)	9,419	9,216	10,852	10,742	12,719	12,688
Earnings per share attributable to Royal Dutch (\$)	2.70	2.64	3.07	3.04	3.56	3.55
Earnings per ADR attributable to Shell Transport (\$)	2.33	2.28	2.65	2.62	3.07	3.06

The fair value of the Group's 2002 option grants was estimated using a Black-Scholes option pricing model and the following assumptions for US dollar, euro and sterling denominated options respectively: risk-free interest rates of 4.6, 4.9 and 5.3 percent; dividend yield of 2.8, 2.7 and 2.8 percent; volatility of 31.2, 30.1 and 32.6 percent and expected lives of five years.

22 Stock-based compensation plans and Parent Companies' shares held by Group companies continued**Parent Companies' shares held by Group companies**

Group companies purchase shares of the Parent Companies in the open market with the purpose of hedging their future obligations arising from the stock options granted to their employees and employees of other Group companies. The number of shares held by Group companies at December 31 in connection with stock option plans were as follows:

	2002	2001
Royal Dutch shares	29,892,326	17,428,720
Shell Transport shares	111,121,746	80,448,200

In connection with other incentive compensation plans linked to the appreciation in value of Royal Dutch and of Shell Transport shares, 9,185,957 Royal Dutch shares and 385,800 Shell Transport shares were held by Group companies at December 31, 2002 and 2001. In addition, 33,600 shares of Royal Dutch were held by Group companies at December 31, 2002 and 2001.

The carrying amount of these and all Parent Company shares held in connection with the stock-based compensation plans at December 31, 2002 is \$2,797 million (2001: \$1,953 million).

23 Decommissioning and restoration costs

For the purposes of calculating provisions for decommissioning and restoration costs, estimated total ultimate liabilities of \$5.2 billion at December 31, 2002 (2001: \$4.3 billion) were used. Such estimates are subject to various regulatory and technological developments.

New US accounting standard FAS 143 (Asset Retirement Obligations) requires that an entity shall recognise the discounted ultimate liability for an asset retirement obligation in the period in which it is incurred together with an offsetting asset. This standard will be effective for the Group from 2003 and the expected amount of the transition adjustment after tax is a credit to income of approximately \$0.3 billion.

24 Information by geographical area and by industry segment**(a) Geographical area**

	2002		2001		2000	
	Net proceeds	Fixed assets	Net proceeds	Fixed assets	Net proceeds	Fixed assets
Europe	65,137	36,770	62,259	19,286	68,060	22,102
Other Eastern Hemisphere	33,322	28,957	31,866	26,513	34,144	22,767
USA	62,632	27,082	21,095	17,651	26,089	15,884
Other Western Hemisphere	18,340	12,037	19,991	9,899	20,853	8,977
Total Group	179,431	104,846	135,211	73,349	149,146	69,730

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24 Information by geographical area and by industry segment continued**(b) Industry segment****2002**

	\$ million					
	Total Group	Exploration and Production	Gas & Power	Oil Products	Chemicals	Corporate and Other
Sales						
third parties	179,431	12,017	16,992	135,544	14,125	753
inter-segment		14,319	620	3,080	1,082	17
Net proceeds	26,336	17,612	138,624	15,207	770	
Operating profit/(loss)						
Group companies	15,199	12,527	107	2,688	321	(444)
Group share of associated companies	2,624	1,322	751	358	213	(20)
	17,823	13,849	858	3,046	534	(464)
Interest and other income	758	98	118	14	3	525
Interest expense	1,364					1,364
Currency exchange gains/(losses)	(23)	(26)	6	(64)	(16)	77
Taxation	7,617	6,924	208	818	32	(365)
Income applicable to minority interests	158					
Net income	9,419	6,997	774	2,178	489	(861)
Total assets at December 31	152,691	57,914	16,057	59,389	13,966	5,365
Investments in associated companies at December 31	17,621	3,594	4,679	5,017	4,154	177
Capital expenditure, acquisitions and new investments in associated companies	23,733	13,237	952	7,968	998	578
Depreciation, depletion and amortisation charge	8,454	5,406	128	2,406	401	113
of which: Impairment	197	33	5	110	29	20

2001

	\$ million					
	Total Group	Exploration and Production	Gas & Power	Oil Products	Chemicals	Corporate and Other
Sales						
third parties	135,211	12,137	15,721	93,517	13,260	576
inter-segment		13,951	705	2,108	990	2
Net proceeds	26,088	16,426	95,625	14,250	578	
Operating profit/(loss)						
Group companies	16,961	14,256	538	2,631	124	(588)
Group share of associated companies	3,041	1,532	941	654	(27)	(59)
	20,002	15,788	1,479	3,285	97	(647)
Interest and other income	1,059	52	128	(12)	2	889
Interest expense	1,133					1,133
Currency exchange gains/(losses)	(30)	(4)	4	(50)	(6)	26
Taxation	8,694	7,813	385	891	(137)	(258)
Income applicable to minority interests	352					
Net income	10,852	8,023	1,226	2,332	230	(607)
Total assets at December 31	111,543	39,918	11,815	37,545	12,056	10,209
Investments in associated companies at December 31	18,018	3,462	4,614	6,072	3,739	131
Capital expenditure and new investments in associated companies	10,700	7,164	908	1,527	760	341
Depreciation, depletion and amortisation charge	6,117	3,834	106	1,617	404	156
of which: Impairment	88	8	(8)	(4)	40	52

2000

\$ million

	Total Group	Exploration and Production	Gas & Power	Oil Products	Chemicals	Corporate and Other
Sales						
third parties	149,146	13,468	15,991	104,002	15,205	480
inter-segment		14,326	496	2,280	1,102	-
Net proceeds		27,794	16,487	106,282	16,307	480
Operating profit/(loss)						
Group companies	20,641	17,681	(360)	2,789	876	(345)
Group share of associated companies	3,859	2,007	646	990	240	(24)
	24,500	19,688	286	3,779	1,116	(369)
Interest and other income	974	15	83	92	6	778
Interest expense	1,324					1,324
Currency exchange gains/(losses)	(114)	8	6	(35)	9	(102)
Taxation	11,273	9,652	263	1,399	139	(180)
Income applicable to minority interests	44					
Net income	12,719	10,059	112	2,437	992	(837)
Total assets at December 31	122,498	36,155	17,767	41,860	12,989	13,727
Investments in associated companies at December 31	18,648	4,225	3,929	6,527	3,899	68
Capital expenditure and new investments in associated companies	7,370	3,994	769	1,456	977	174
Depreciation, depletion and amortisation charge	7,885	3,569	841	2,590	724	161
of which: Impairment	1,785	105	697	824	104	55

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25 Oil and gas exploration and production activities

(a) Capitalised costs

The aggregate amount of tangible and intangible fixed assets of Group companies relating to oil and gas exploration and production activities and the aggregate amount of the related depreciation, depletion and amortisation at December 31 are shown in the table below:

	\$ million		
	2002	2001	2000
Cost			
Proved properties	85,057	63,185	57,136
Unproved properties	4,564	2,531	2,308
Support equipment and facilities	4,031	3,082	1,586
	93,652	68,798	61,030
Depreciation			
Proved properties	44,452	37,246	34,672
Unproved properties	325	212	141
Support equipment and facilities	1,592	1,145	1,033
	46,369	38,603	35,846
Net capitalised costs	47,283	30,195	25,184

The Group share of associated companies' net capitalised costs was \$3,221 million at December 31, 2002 (2001: \$2,966 million; 2000: \$3,831 million).

(b) Costs incurred

Costs incurred by Group companies during the year in oil and gas property acquisition, exploration and development activities, whether capitalised or charged to income currently, are shown in the table below. Development costs exclude costs of acquiring support equipment and facilities, but include depreciation thereon.

2002		\$ million			
		Eastern Hemisphere		Western Hemisphere	
		Europe	Other	USA	Other
Acquisition of properties					
Proved	4,119	106	565	801	5,591
Unproved	1,350	56	368	412	2,186
Exploration	191	468	328	182	1,169
Development	1,876	2,310	1,520	1,349	7,055

2001		\$ million			
		Eastern Hemisphere		Western Hemisphere	
		Europe	Other	USA	Other
Acquisition of properties					
Proved	5	1,069	290	9	1,373
Unproved	23	70	157	(19)	231
Exploration	114	581	303	203	1,201
Development	1,047	1,535	1,214	1,077	4,873

2000		\$ million			
		Eastern Hemisphere		Western Hemisphere	
		Europe	Other	USA	Other
Acquisition of properties					
Proved	1	-	69	-	70
Unproved	4	118	34	57	213
Exploration	79	421	305	115	920
Development	912	1,063	809	575	3,359

The Group share of associated companies' costs incurred was \$551 million in 2002 (2001: \$415 million; 2000: \$227 million).

(c) Earnings

Earnings of Group companies from exploration and production activities are given in the table below. Certain purchases of traded product are netted into sales.

2002					\$ million
	Eastern Hemisphere		Western Hemisphere		Total
	Europe	Other	USA	Other	
Sales					
third parties	5,536	2,806	1,997	946	11,285
intra-group	4,113	6,811	2,863	532	14,319
Net proceeds	9,649	9,617	4,860	1,478	25,604
Production costs ^a	1,826	2,746	589	451	5,612
Exploration expense	171	355	222	167	915
Depreciation, depletion and amortisation	2,209	1,620	1,351	320	5,500
Other income/(costs)	(145)	(371)	(330)	(132)	(978)
Earnings before taxation	5,298	4,525	2,368	408	12,599
Taxation	2,407	2,822	801	115	6,145
Earnings from operations	2,891	1,703	1,567	293	6,454
2001					\$ million
	Eastern Hemisphere		Western Hemisphere		Total
	Europe	Other	USA	Other	
Sales					
third parties	4,971	2,433	2,771	916	11,091
intra-group	3,723	7,131	2,306	791	13,951
Net proceeds	8,694	9,564	5,077	1,707	25,042
Production costs ^a	1,276	2,588	496	509	4,869
Exploration expense	93	353	268	143	857
Depreciation, depletion and amortisation	1,271	1,247	1,072	244	3,834
Other income/(costs)	(395)	(231)	(305)	(247)	(1,178)
Earnings before taxation	5,659	5,145	2,936	564	14,304
Taxation	2,483	3,307	1,035	201	7,026
Earnings from operations	3,176	1,838	1,901	363	7,278

25 Oil and gas exploration and production activities

(c) Earnings continued

2000	Eastern Hemisphere		Western Hemisphere		\$ million
	Europe	Other	USA	Other	Total
Sales					
third parties	5,378	2,296	3,199	1,197	12,070
intra-group	3,714	7,763	2,165	666	14,308
Net proceeds	9,092	10,059	5,364	1,863	26,378
Production costs ^a	1,493	2,695	427	538	5,153
Exploration expense	89	399	190	75	753
Depreciation, depletion and amortisation	1,429	872	953	315	3,569
Other income/(costs)	207	530	378	(314)	801
Earnings before taxation	6,288	6,623	4,172	621	17,704
Taxation	2,792	4,266	1,404	173	8,635
Earnings from operations	3,496	2,357	2,768	448	9,069

a Includes certain royalties paid in cash amounting to \$1,600 million in 2002 (2001: \$1,605 million; 2000: \$1,923 million).

The Group share of associated companies' earnings was \$543 million in 2002 (2001: \$745 million; 2000: \$990 million) after deducting taxation of \$779 million in 2002 (2001: \$787 million; 2000: \$1,017 million).

26 Auditors' remuneration

	\$ million		
Remuneration of KPMG and PricewaterhouseCoopers	2002	2001	2000
Audit fees	25	18	17
Fees for non-audit services	35	32	47

27 Contingencies and litigation

Contingent liabilities of Group companies arising from guarantees related to obligations of non-Group companies amounted to \$4.1 billion at December 31, 2002 (2001: \$3.2 billion). An analysis of the guarantees outstanding at December 31, 2002 is given in the following table:

	\$ billion
In respect of debt	2.1
In respect of customs duties	1.0
Other	1.0
	4.1

Guarantees in respect of debt include \$1.1 billion that expire by 2005 relating to project finance from a syndicate of banks to an associated company and \$0.7 billion, joint and several, relating to project finance from a bank to a joint venture expiring upon completion of the loan repayments in 2014. Guarantees in respect of customs duties mainly relate to a cross guarantee, renewable annually, for amounts payable by industry participants in a western European country.

Group companies are subject to a number of other loss contingencies arising out of litigation and claims brought by governmental and private parties. In the judgement of the Directors of the Group Holding Companies no losses, in excess of provisions made, which are material in relation to the Group financial position are likely to arise in respect of the foregoing matters, although their occurrence may have a significant effect on periodic results.

The operations and earnings of Group companies continue, from time to time, to be affected to varying degrees by political, legislative, fiscal and regulatory developments, including those relating to environmental protection, in the countries in which they operate. The industries in which Group companies are engaged are also subject to physical risks of various types. The nature and frequency of these developments and events, not all of which are covered by insurance, as well as their effect on future operations and earnings, are unpredictable.

28 Financial instruments

Group companies, in the normal course of business, use various types of financial instruments which expose the Group to market or credit risk. Group companies have procedures and policies in place to limit the amount of credit exposure to any counterparty or market. These procedures and the broad geographical spread of Group companies' activities limit the Group's exposure to concentrations of credit or market risk.

Some Group companies enter into derivatives such as interest rate swaps/forward rate agreements to manage interest rate exposure. The financing of most Operating Companies is structured on a floating-rate basis and, except in special cases, further interest rate risk management is discouraged. Foreign exchange derivatives, such as forward exchange contracts and currency swaps/options, are used by some Group companies to manage foreign exchange risk. Commodity swaps, options and futures are used to manage price and timing risks mainly involving crude oil, natural gas and oil products.

The estimated fair value and carrying amount of derivatives held by Group companies at December 31 is as follows:

	\$ million	
	2002	2001
Interest rate swaps/forward rate agreements	169	18
Forward exchange contracts and currency swaps/options	(88)	21
Commodity swaps, options and futures	119	17
	200	56

Pricing and delivery conditions contained within certain contracts for the sale and delivery of own natural gas production from the UK North Sea are not solely based on hydrocarbon-related market prices. Such pricing, which is different from all other similar contracts for western European production volumes, could be interpreted to require fair value treatment under FAS 133; however, fair value treatment has not been applied in order to report all contracts in Europe on a consistent basis. Applying FAS 133 accounting to these contracts would have had an insignificant effect on the Group's 2002 net income.

Other financial instruments in the Statement of Assets and Liabilities include fixed assets: investments – securities, trade receivables, short-term securities, cash and cash equivalents, short and long-term debt, and assets and liabilities in respect of risk management activities. The estimated fair values of these instruments approximate their carrying amounts.

New US accounting guidance EITF Issue No. 02-03 ("Issues Involved in Accounting for Derivative Contracts Held for Trading Purposes and Contracts Involved in Energy Trading and Risk Management Activities") requires that certain energy trading contracts are no longer reported at fair value unless they qualify as derivatives under FAS 133. This has applied from October 26, 2002 for new contracts and from January 1, 2003 for other contracts; the change on January 1, 2003 will not have a significant effect on the Group's Financial Statements. EITF 02-03 further requires that gains and losses on all derivative instruments within the scope of FAS 133 be shown net in the Statement of Income if the derivative instruments are held for trading purposes. This will be applied by the Group from 2003 and the impact is under review.

Supplementary Information - Oil and Gas

Reserves

Net quantities of proved oil and gas reserves are shown in the tables on this page and pages G35 and G36. Proved reserves are the estimated quantities of oil and gas which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions. Proved developed reserves are those reserves which can be expected to be recovered through existing wells with existing equipment and operating methods. The reserves reported exclude volumes attributable to oil and gas discoveries which are not at present considered proved. Such reserves will be included when technical, fiscal and other conditions allow them to be economically developed and produced.

Proved reserves are shown net of any quantities of crude oil or natural gas that are expected to be taken by others as royalties in kind but do not exclude certain quantities related to royalties expected to be paid in cash or those related to fixed margin contracts. Proved reserves include certain quantities of crude oil or natural gas which will be produced under arrangements which involve Group companies in upstream risks and rewards but do not transfer title of the product to those companies.

Oil and gas reserves cannot be measured exactly since estimation of reserves involves subjective judgement and arbitrary determinations. Estimates remain subject to revision.

Crude oil and natural gas liquids

Group companies' estimated net proved reserves of crude oil and natural gas liquids at the end of the year, their share of the net proved reserves of associated companies at the end of the year, and the changes in such reserves during the year are set out below.

Proved developed and undeveloped reserves

	2002					2001					2000				
	Eastern Hemisphere		Western Hemisphere		Total	Eastern Hemisphere		Western Hemisphere		Total	Eastern Hemisphere		Western Hemisphere		Total
	Europe	Other	USA	Other		Europe	Other	USA	Other		Europe	Other	USA	Other	
Group companies															
At January 1	1,105	6,188	675	576	8,544	1,173	6,276	611	610	8,670	1,330	6,143	578	458	8,509
Revisions and reclassifications	103	(170)	77	16	26	47	130	31	17	225	81	210	15	99	405
Improved recovery	15	69	51	-	135	67	51	-	-	118	45	143	-	91	279
Extensions and discoveries	-	389	33	1	423	17	17	139	1	174	12	188	126	1	327
Purchases of minerals in place	667	-	7	102	776	-	80	3	-	83	-	-	-	-	-
Sales of minerals in place	(1)	(101)	(3)	-	(105)	-	-	(1)	(14)	(15)	(71)	(44)	(6)	-	(121)
Production	(254)	(361)	(120)	(38)	(773)	(199)	(366)	(108)	(38)	(711)	(224)	(364)	(102)	(39)	(729)
At December 31	1,635	6,014	720	657	9,026	1,105	6,188	675	576	8,544	1,173	6,276	611	610	8,670
Group share of associated companies															
At January 1	1	568	356	-	925	1	639	441	-	1,081	1	448	817	-	1,266
Revisions and reclassifications	1	43	65	-	109	-	(43)	(35)	-	(78)	-	121	(26)	-	95
Improved recovery	-	6	-	-	6	-	12	1	-	13	-	17	2	-	19
Extensions and discoveries	-	7	33	-	40	-	17	-	-	17	-	55	1	-	56
Purchases of minerals in place	-	121	-	-	121	-	-	-	-	-	-	62	-	-	62
Sales of minerals in place	-	(1)	-	-	(1)	-	-	(9)	-	(9)	-	(12)	(302)	-	(314)
Production	-	(52)	(41)	-	(93)	-	(57)	(42)	-	(99)	-	(52)	(51)	-	(103)
At December 31	2	692	413	-	1,107	1	568	356	-	925	1	639	441	-	1,081
Total					10,133					9,469					9,751
Minority interests' share of proved reserves of Group companies															
At December 31	-	146	-	69	215	-	132	-	74	206	-	54	-	78	132
Oil sands^a															
Group companies (before deduction of minority interests)															
At December 31	-	-	-	600	600	-	-	-	600	600	-	-	-	600	600

^a The oil sands reserves are not considered in the standardised measure of discounted future cash flows for conventional oil and gas reserves, which is found on page G36.

Reserves**Crude oil and natural gas liquids continued****Proved developed reserves**

	2002						2001						2000					
	Eastern Hemisphere		Western Hemisphere		Total		Eastern Hemisphere		Western Hemisphere		Total		Eastern Hemisphere		Western Hemisphere		Total	
	Europe	Other	USA	Other			Europe	Other	USA	Other			Europe	Other	USA	Other		
Group companies																		
At January 1	787	2,275	429	243	3,734		872	2,332	351	257	3,812		916	2,505	340	274	4,035	
At December 31	1,129	2,233	373	224	3,959		787	2,275	429	243	3,734		872	2,332	351	257	3,812	
Group share of associated companies																		
At January 1	1	267	330	-	598		1	292	364	-	657		1	213	638	-	852	
At December 31	1	301	365	-	667		1	267	330	-	598		1	292	364	-	657	

million barrels

Natural gas

Group companies' estimated net proved reserves of natural gas at the end of the year, their share of the net proved reserves of associated companies at the end of the year, and the changes in such reserves during the year are set out below.

These quantities have not been adjusted to standard heat content.

Proved developed and undeveloped reserves

	2002						2001						2000					
	Eastern Hemisphere		Western Hemisphere		Total		Eastern Hemisphere		Western Hemisphere		Total		Eastern Hemisphere		Western Hemisphere		Total	
	Europe	Other	USA	Other			Europe	Other	USA	Other			Europe	Other	USA	Other		
Group companies																		
At January 1	23,722	20,080	3,694	3,117	50,613		23,801	20,132	3,403	3,506	50,842		24,828	21,086	3,400	3,533	52,847	
Revisions and reclassifications	52	(1,064)	162	(103)	(953)		1,006	(777)	141	(289)	81		211	(548)	(39)	206	(170)	
Improved recovery	73	150	20	-	245		38	266	-	-	304		105	215	-	-	320	
Extensions and discoveries	29	-	411	12	452		214	103	385	139	841		55	178	656	29	918	
Purchases of minerals in place	1,074	-	208	59	1,341		-	1,247	355	12	1,614		-	5	50	-	55	
Sales of minerals in place	(5)	(236)	(10)	-	(251)		-	-	(9)	(10)	(19)		(117)	(139)	(78)	(32)	(366)	
Production	(1,331)	(1,019)	(611)	(246)	(3,207)		(1,337)	(891)	(581)	(241)	(3,050)		(1,281)	(665)	(586)	(230)	(2,762)	
At December 31	23,616	17,911	3,874	2,839	48,240		23,722	20,080	3,694	3,117	50,613		23,801	20,132	3,403	3,506	50,842	
Group share of associated companies																		
At January 1	48	5,153	15	-	5,216		56	5,299	86	-	5,441		52	5,047	595	-	5,694	
Revisions and reclassifications	1	157	7	-	165		(4)	68	(29)	-	35		6	346	(209)	-	143	
Improved recovery	-	8	-	-	8		-	17	-	-	17		-	-	2	-	2	
Extensions and discoveries	3	37	1	-	41		3	115	-	-	118		4	147	5	-	156	
Purchases of minerals in place	-	-	-	-	-		-	64	-	-	64		-	-	-	-	-	
Sales of minerals in place	-	-	-	-	-		-	(181)	(40)	-	(221)		-	(19)	(292)	-	(311)	
Production	(8)	(222)	(2)	-	(232)		(7)	(229)	(2)	-	(238)		(6)	(222)	(15)	-	(243)	
At December 31	44	5,133	21	-	5,198		48	5,153	15	-	5,216		56	5,299	86	-	5,441	
Total					53,438						55,829						56,283	
Minority interests' share of proved reserves of Group companies																		
At December 31	-	207	-	490	697		-	287	-	555	842		-	292	-	658	950	

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Reserves**Natural gas continued****Proved developed reserves**

	2002					2001					2000				
	Eastern Hemisphere		Western Hemisphere		Total	Eastern Hemisphere		Western Hemisphere		Total	Eastern Hemisphere		Western Hemisphere		Total
	Europe	Other	USA	Other		Europe	Other	USA	Other		Europe	Other	USA	Other	
Group companies															
At January 1	12,366	6,860	2,363	2,349	23,938	12,986	6,314	2,347	2,542	24,189	13,650	6,261	2,714	2,725	25,350
At December 31	12,105	6,327	2,316	1,782	22,530	12,366	6,860	2,363	2,349	23,938	12,986	6,314	2,347	2,542	24,189
Group share of associated companies															
At January 1	41	1,754	11	-	1,806	53	1,735	66	-	1,854	51	1,728	453	-	2,232
At December 31	38	2,017	17	-	2,072	41	1,754	11	-	1,806	53	1,735	66	-	1,854

Standardised measure of discounted future cash flows

United States accounting principles require the disclosure of a standardised measure of discounted future cash flows, relating to proved oil and gas reserve quantities and based on prices and costs at the end of each year, currently enacted tax rates and a 10% annual discount factor. The information so calculated does not provide a reliable measure of future cash flows from proved reserves, nor does it permit a realistic comparison to be made of one entity with another because the assumptions used cannot reflect the varying circumstances within each entity. In addition a substantial but unknown proportion of future real cash flows from oil and gas production activities is expected to derive from reserves which have already been discovered, but which cannot yet be regarded as proved.

	2002					2001					2000				
	Eastern Hemisphere		Western Hemisphere		Total	Eastern Hemisphere		Western Hemisphere		Total	Eastern Hemisphere		Western Hemisphere		Total
	Europe	Other	USA	Other		Europe	Other	USA	Other		Europe	Other	USA	Other	
Future cash inflows	112,023	164,277	32,702	20,032	329,034	80,526	122,336	18,982	12,331	234,175	93,126	142,208	37,434	22,961	295,729
Future production costs	22,458	23,244	4,858	4,248	54,808	15,389	20,158	4,021	4,086	43,654	16,836	17,547	3,090	4,453	41,926
Future development costs	6,202	16,549	3,201	1,823	27,775	3,793	15,432	2,352	1,570	23,147	2,594	15,514	2,320	1,589	22,017
Future tax expenses	35,826	74,097	9,158	4,185	123,266	27,419	47,321	4,543	1,737	81,020	32,091	66,206	12,020	6,608	116,925
Future net cash flows	47,537	50,387	15,485	9,776	123,185	33,925	39,425	8,066	4,938	86,354	41,605	42,941	20,004	10,311	114,861
Effect of discounting	21,715	25,604	5,479	4,685	57,483	16,311	19,478	2,648	2,039	40,476	18,656	22,032	6,828	4,304	51,820
Standardised measure of discounted future cash flows	25,822	24,783	10,006	5,091	65,702	17,614	19,947	5,418	2,899	45,878	22,949	20,909	13,176	6,007	63,041
Group share of associated companies					7,070					3,888					6,120
Minority interests	-	879	-	465	1,344	-	612	-	307	919	-	360	-	895	1,255

Change in standardised measure of discounted future cash flows

	2002	2001	2000
At January 1	45,878	63,041	54,799
Net changes in prices and production costs	44,133	(33,147)	17,065
Extensions, discoveries and improved recovery	5,375	4,451	8,128
Purchases/(sales) of minerals in place	10,279	2,011	(404)
Revisions of previous reserve estimates	(2,004)	1,358	(560)
Development cost related to future production	(7,637)	(3,837)	(1,967)
Sales and transfers of oil and gas, net of production costs	(19,992)	(20,173)	(21,225)
Development cost incurred during the year	6,124	4,025	2,952
Accretion of discount	7,823	10,754	9,538
Net change in income tax	(24,277)	17,395	(5,285)
At December 31	65,702	45,878	63,041

a The weighted average year-end oil price in 2002 was \$23.87/bbl (2001: \$15.92/bbl; 2000: \$20.00/bbl) and the weighted average year-end gas price in 2002 was \$14.26/bbl of oil equivalent (2001: \$11.44/boe; 2000: \$14.91/boe).

Supplementary Information – Derivatives and other Financial Instruments and Derivative Commodity Instruments

The following information is provided in accordance with the Securities and Exchange Commission rules issued in 1997. The contract/notional amounts of the derivative instruments outstanding give an indication of the extent of the use of these instruments but not of the exposure to credit or market risk. Variable interest rates stated are spot rates applying as at December 31. Amounts denominated in non-dollar currencies have been translated using spot exchange rates at December 31. Associated companies' data are excluded.

Debt securities held for trading purposes

There were no debt securities held for trading purposes by Group companies at December 31, 2002.

The following table gives details of debt securities held for trading purposes by Group companies at December 31, 2001 at estimated fair value, by year of maturity.

2001 (all securities mature in 2002)	\$ million
	Total
Fixed rate US dollar debt securities	1,320
average interest rate	2.1%
Variable rate US dollar debt securities	25
average interest rate	3.6%
Fixed rate euro debt securities	681
average interest rate	3.4%
Variable rate euro debt securities	6
average interest rate	4.7%
Fixed rate Japanese yen debt securities	95
average interest rate	0.1%
Fixed rate UK pound debt securities	50
average interest rate	4.0%
Total	2,177

Debt securities held for purposes other than trading

The following two tables give details of debt securities held for purposes other than trading by Group companies at December 31, 2002 and 2001 respectively, at estimated fair value, by year of maturity.

2002

	2003	2004	2005	2006	2007	2008 and after	\$ million Total
Fixed rate US dollar debt securities	4	41	62	8	100	108	323
average interest rate	0.9%	7.6%	5.7%	7.0%	7.2%	6.7%	
Variable rate US dollar debt securities	9	-	-	-	-	-	9
average interest rate	1.4%	-	-	-	-	-	
Fixed rate euro debt securities	-	21	-	66	38	166	291
average interest rate	-	5.8%	-	6.5%	5.3%	5.5%	
Fixed rate UK pound debt securities	-	-	16	-	4	18	38
average interest rate	-	-	8.5%	-	8.0%	6.3%	
Fixed rate Canadian dollar debt securities	15	4	-	-	-	15	34
average interest rate	6.5%	9.0%	-	-	-	9.6%	
Fixed rate Swedish krona debt securities	-	2	-	-	-	5	7
average interest rate	-	5.0%	-	-	-	6.8%	
Other fixed rate debt securities	4	-	-	-	-	-	4
average interest rate	37.1%	-	-	-	-	-	
Other variable rate debt securities	28	-	-	-	-	-	28
average interest rate	9.6%	-	-	-	-	-	
Total	60	68	78	74	142	312	734

2001

	2002	2003	2004	2005	2006	2007 and after	\$ million Total
Fixed rate US dollar debt securities	25	32	32	25	23	173	310
average interest rate	7.2%	5.0%	5.0%	7.2%	6.3%	6.3%	
Fixed rate euro debt securities	-	29	25	-	37	146	237
average interest rate	-	6.3%	6.3%	-	5.7%	5.4%	
Fixed rate UK pound debt securities	7	-	-	7	-	18	32
average interest rate	6.9%	-	-	7.6%	-	6.2%	
Fixed rate Canadian dollar debt securities	-	-	10	-	-	8	18
average interest rate	-	-	8.0%	-	-	6.9%	
Other fixed rate debt securities	6	-	3	-	5	4	18
average interest rate	8.3%	-	4.9%	-	7.2%	5.8%	
Variable rate debt securities	31	-	-	-	-	-	31
average interest rate	10.6%	-	-	-	-	-	
Total	69	61	70	32	65	349	646

Equity securities held for purposes other than trading

At December 31, 2002, Group companies held equity securities for purposes other than trading amounting to \$3,827 million (2001: \$3,277 million). These principally comprised shares of Royal Dutch and Shell Transport, amounting to \$2,797 million (2001: \$1,953 million), that are held in connection with share option plans and other incentives compensation plans and a portfolio amounting to \$477 million required to be held long-term by the Group insurance companies as security for their insurance activities. The portfolio tracks the Morgan Stanley World Index and therefore is spread over 20 of the major stock markets according to respective market capitalisation, including 56% in the USA, 9% in Japan, 11% in the UK, 4% in France, 3% in Switzerland and 2% in Germany.

Debt

The following two tables give details of debt owed by Group companies at December 31, 2002 and 2001 respectively, by year of maturity. Estimated fair value approximates carrying amount.

2002

	2003	2004	2005	2006	2007	2008 and after	\$ million Total
Fixed rate US dollar debt	7,428	2	827	612	1,237	256	10,362
average interest rate	2.0%	4.5%	4.6%	3.1%	4.7%	9.4%	
Variable rate US dollar debt	2,405	85	24	25	107	429	3,075
average interest rate	2.7%	1.5%	2.3%	2.4%	2.4%	4.9%	
Fixed rate European debt	1,047	-	-	603	785	9	2,444
average interest rate	3.9%	-	-	4.3%	3.5%	4.1%	
Variable rate European debt	701	839	9	-	-	-	1,549
average interest rate	3.9%	3.2%	3.8%	-	-	-	
Other fixed rate debt	157	69	38	-	-	55	319
average interest rate	7.9%	1.6%	8.9%	-	-	6.3%	
Other variable rate debt	1,071	195	28	28	24	31	1,377
average interest rate	4.8%	2.5%	4.6%	4.6%	4.6%	4.6%	
Total	12,809	1,190	926	1,268	2,153	780	19,126

Fixed rate European currency debt expected to mature in 2003 includes \$383 million of Swiss franc debt (with an average interest rate of 2.3%) and \$423 million of UK pound debt (with an average interest rate of 3.9%). Fixed rate European currency debt expected to mature in 2006 and 2007 consists of UK pound debt and euro debt respectively.

Variable rate European debt expected to mature in 2003 includes \$594 million of euro debt (with an average interest rate of 3.5%). Variable rate European debt expected to mature in 2004 consists of euro debt.

Other variable rate debt expected to mature in 2003 includes \$609 million of Canadian dollar debt (with an average interest rate of 1.4%).

2001

	2002	2003	2004	2005	2006	2007 and after	\$ million Total
Fixed rate US dollar debt	972	569	55	46	36	11	1,689
average interest rate	5.9%	5.4%	4.7%	4.7%	4.7%	4.6%	
Variable rate US dollar debt	2,164	98	26	25	131	280	2,724
average interest rate	5.0%	3.7%	4.8%	4.5%	4.7%	5.1%	
Fixed rate European currency debt	73	188	-	1	1	7	270
average interest rate	4.4%	2.8%	-	5.4%	3.0%	4.7%	
Variable rate European currency debt	68	-	-	-	-	-	68
average interest rate	7.8%	-	-	-	-	-	
Other fixed rate debt	79	2	-	10	-	42	133
average interest rate	13.9%	5.9%	-	0.8%	-	7.8%	
Other variable rate debt	624	48	13	7	6	2	700
average interest rate	13.7%	7.9%	11.8%	13.2%	12.8%	9.5%	
Total	3,980	905	94	89	174	342	5,584

Interest rate swaps/forward rate agreements

The following two tables give details of interest rate swaps/forward rate agreements held by Group companies at December 31, 2002 and 2001 respectively, by expected year of maturity. These are held for purposes other than trading. The variable interest rate component of contracts is generally linked to inter-bank offer rates.

2002							\$ million
	2003	2005	2006	2007	2008 and after	Total contract/ notional amount	Estimated fair value
US dollar							
Fixed to Variable: contract/notional amount	500	919	600	1,152	-	3,171	201
average pay rate	1.7%	2.8%	1.5%	1.7%	-		
average receive rate	5.0%	5.7%	3.1%	4.8%	-		
Variable to Fixed: contract/notional amount	288	100	-	72	88	548	(38)
average pay rate	6.0%	4.7%	-	7.2%	7.8%		
average receive rate	2.9%	2.0%	-	4.8%	2.5%		
UK pound							
Fixed to Variable: contract/notional amount	8	-	603	-	-	611	-
average pay rate	4.7%	-	3.9%	-	-		
average receive rate	8.9%	-	4.3%	-	-		
Other currencies							
Fixed to Variable: contract/notional amount	16	-	-	-	-	16	-
average pay rate	2.7%	-	-	-	-		
average receive rate	2.8%	-	-	-	-		
Variable to Fixed: contract/notional amount	4	-	-	-	-	4	-
average pay rate	12.8%	-	-	-	-		
average receive rate	12.3%	-	-	-	-		
Total	816	1,019	1,203	1,224	88	4,350	163

At December 31, 2002, a Group company also held an option to enter into a euro fixed (3.8%) to variable (2.8%) interest rate swap maturing in 2003 with a face value of \$1.2 billion and a fair value of \$6 million. This was exercised on January 2, 2003. No such options were held at December 31, 2001.

2001							\$ million
	2002	2003	2007 and after			Total contract/ notional amount	Estimated fair value
US dollar							
Fixed to Variable: contract/notional amount	826	500	59			1,385	41
average pay rate	4.2%	4.4%	9.6%				
average receive rate	6.0%	5.0%	6.2%				
Variable to Fixed: contract/notional amount	58	288	80			426	(24)
average pay rate	6.9%	6.0%	5.0%				
average receive rate	5.7%	4.1%	4.3%				
Other currencies							
Fixed to Variable: contract/notional amount	94	7	-			101	1
average pay rate	3.0%	5.4%	-				
average receive rate	3.7%	7.0%	-				
Variable to Fixed: contract/notional amount	41	9	-			50	-
average pay rate	9.8%	12.8%	-				
average receive rate	9.1%	9.0%	-				
Total	1,019	804	139			1,962	18

Foreign exchange contracts

The following two tables give details of forward exchange contracts held by Group companies at December 31, 2002 and 2001 respectively. These are held for purposes other than trading. Contract categories with a contract/notional amount exceeding \$100 million and/or an estimated fair value exceeding \$10 million (gain or loss) are listed separately.

2002 (all contracts mature in 2003)

	Average contractual exchange rate	Contract/notional amount	\$ million Estimated fair value
Buy US dollar/sell UK pound	0.64	7,170	(138)
Buy US dollar/sell euro	1.01	2,320	(118)
Buy euro/sell US dollar	1.03	677	13
Buy Canadian dollar/sell US dollar	0.64	450	(6)
Buy UK pound/sell US dollar	1.55	427	14
Buy US dollar/sell Australian dollar	1.77	392	(1)
Buy Swiss franc/sell US dollar	0.68	283	14
Buy US dollar/sell Norwegian krona	7.06	209	(3)
Buy Singapore dollar/sell US dollar	0.57	180	1
Buy US dollar/sell Danish krona	7.18	159	(2)
Buy US dollar/sell Swedish krona	8.84	154	(1)
Buy US dollar/sell Hong Kong dollar	7.80	131	-
Other Contracts		1,005	(2)
Total		13,557	(229)

2001 (all contracts mature in 2002)

	Average contractual exchange rate	Contract/notional amount	\$ million Estimated fair value
Buy UK pound/sell US dollar	1.44	1,735	2
Buy euro/sell US dollar	0.89	706	1
Buy US dollar/sell Canadian dollar	1.60	411	1
Buy US dollar/sell Swedish krona	10.61	291	(1)
Buy US dollar/sell Philippine peso	52	289	(1)
Buy Australian dollar/sell US dollar	0.51	214	1
Buy US dollar/sell Danish krona	8.38	143	1
Buy US dollar/sell Hong Kong dollar	7.80	143	-
Buy US dollar/sell Japanese yen	124	116	8
Buy US dollar/sell Singapore dollar	1.83	114	(1)
Buy euro/sell Danish krona	7.44	106	-
Other contracts		346	4
Total		4,614	15

Currency swaps/options

The following two tables give details of currency swaps contracts held by Group companies at December 31, 2002 and 2001 respectively, by expected year of maturity. These are held for purposes other than trading. Contract categories with a contract/notional amount exceeding \$100 million and/or an estimated fair value exceeding \$10 million (gain or loss) are listed separately.

2002

	Average contractual exchange rate	2003	2004	2005	2006	2007	2008 and after	Total contract/notional amount	\$ million Estimated fair value
Buy UK pound/sell euro	1.57	-	1,085	-	-	-	-	1,085	1
Buy US dollar/sell Canadian dollar	1.54	326	117	64	59	26	9	601	13
Buy US dollar/sell euro	1.09	-	461	-	-	-	-	461	63
Buy Australian dollar/sell US dollar	0.62	-	289	-	-	-	-	289	3
Buy Canadian dollar/sell US dollar	0.64	210	55	9	-	3	-	277	(2)
Buy US dollar/sell Brazilian real	3.53	65	50	42	4	41	-	202	25
Buy US dollar/sell Swiss franc	1.50	200	-	-	-	-	-	200	30
Other contracts		123	-	27	-	-	-	150	9
Total		924	2,057	142	63	70	9	3,263	142

2001

	Average contractual exchange rate	2002	2003	2004	2005	Total contract/notional amount	\$ million Estimated fair value
Buy US dollar/sell Brazilian real	2.41	108	15	61	50	234	(18)
Buy US dollar/sell Canadian dollar	1.39	109	82	15	5	211	15
Buy US dollar/sell Swiss franc	1.50	-	200	-	-	200	(21)
Buy US dollar/sell Australian dollar	1.52	38	39	-	-	77	23
Buy US dollar/sell Zimbabwe dollar	7.67	-	-	-	23	23	13
Other contracts		120	7	92	-	219	5
Total		375	343	168	78	964	17

In conjunction with natural gas marketing activities, Group companies held put and call options to buy Canadian dollars and sell US dollars at December 31, 2002 each with a contract/notional amount of \$0.1 billion (2001: \$0.2 billion) and a total estimated fair value of \$(1) million (2001: \$(11) million) and expected maturity in 2003 (2002-2003).

Commodity derivatives

The tables on this and the following pages give details of commodity swaps, options and futures contracts held by Group companies at December 31, 2002 and 2001 respectively, by expected year of maturity. Variable prices are linked to indexed or dated commodities.

Commodity swaps held for trading purposes

	2003	2004	2005	2006	2007	Total contract/ notional amount	Estimated fair value
\$ million							
Crude oil swaps							
(a) Variable price to variable price contracts:							
contract/notional amount (\$ million)	1,374	62	-	-	-	1,436	(3)
Volume (million barrels "m bbl")	55	3	-	-	-		
average pay/receive price (\$/bbl)	28.8/28.7	22.8/22.8	-	-	-		
(b) Buy fixed price/sell variable price contracts:							
contract/notional amount (\$ million)	970	148	20	2	-	1,140	70
Volume (m bbl)	49	6	1	-	-		
average pay/receive price (\$/bbl)	19.9/21.3	23.6/23.7	22.8/23.6	21.8/21.3	-		
(c) Buy variable price/sell fixed price contracts:							
contract/notional amount (\$ million)	886	57	22	-	-	965	(90)
Volume (m bbl)	57	4	1	-	-		
average pay/receive (\$/bbl)	17.3/15.6	15.5/15.6	23.6/23.0	-	-		
Oil products swaps							
(a) Variable price to variable price contracts:							
contract/notional amount (\$ million)	287	-	-	-	-	287	(1)
Volume (m bbl)	70	-	-	-	-		
average pay/receive (\$/bbl)	23.0/19.8	-	-	-	-		
(b) Buy fixed price/sell variable price contracts:							
contract/notional amount (\$ million)	613	-	1	-	-	614	41
Volume (m bbl)	76	-	-	-	-		
average pay/receive (\$/bbl)	8.1/8.6	-	19.1/17.6	-	-		
(c) Buy variable price/sell fixed price contracts:							
contract/notional amount (\$ million)	681	-	-	-	-	681	(42)
Volume (m bbl)	88	-	-	-	-		
average pay/receive (\$/bbl)	8.2/7.7	-	-	-	-		
Electricity swaps							
(a) Buy fixed price/sell variable price contracts:							
contract/notional amount (\$ million)	261	66	36	29	18	410	66
Volume (thousand megawatt hours "MMwh")	6	2	1	1	**		
average pay/receive (\$/Mwh)	47.2/54.4	39.4/49.8	45.2/52.7	50.1/53.5	49.8/52.7		
(b) Buy variable price/sell fixed price contracts:							
contract/notional amount (\$ million)	320	91	70	54	36	571	(54)
Volume (MMwh)	7	2	1	1	1		
average pay/receive (\$/Mwh)	53.5/48.4	54.8/50.0	53.8/50.7	52.9/49.3	53.1/48.9		

*less than one million barrels

**less than one thousand megawatt hours

2002 continued

	2003	2004	2005	2006	2007	2008 and after	Total contract/ notional amount	\$ million Estimated fair value
Natural gas swaps								
(a) Buy fixed price/sell variable price contracts:								
contract/notional amount (\$ million)	3,803	925	184	87	32	-	5,031	895
Volume (thousand million cubic feet "bcf")	938	234	48	22	6	-		
average pay/receive (\$/thousand cf)	4.1/4.8	4.0/4.5	3.8/4.3	3.9/4.5	5.4/5.5	-		
(b) Buy variable price/sell fixed price contracts:								
contract/notional amount (\$ million)	3,951	803	121	25	4	11	4,915	(831)
Volume (bcf)	967	205	33	7	1	3		
average pay/receive (\$/thousand cf)	4.8/4.1	4.4/3.9	4.1/3.7	4.0/3.5	4.2/4.3	4.2/4.3		
NGL gas basis swaps								
(a) Buy fixed price/sell variable price contracts:								
contract/notional amount (\$ million)	373	88	46	24	15	4	550	(283)
Volume (m bbl)	1,033	246	114	63	40	18		
average pay/receive (\$/bbl)	0.36/0.16	0.36/0.18	0.4/0.25	0.38/0.27	0.38/0.27	0.23/0.09		
(b) Buy variable price/sell fixed price contracts:								
contract/notional amount (\$ million)	344	73	30	15	9	9	480	277
Volume (m bbl)	994	210	79	40	26	27		
average pay/receive (\$/bbl)	0.16/0.35	0.12/0.35	0.14/0.38	0.17/0.38	0.19/0.35	0.13/0.33		
Total							17,080	45

Group companies also held chemical product and natural gas liquid swaps at December 21, 2002 with a contract/notional amount of \$166 million (2001: \$234 million) and fair value of \$5 million (2001: \$(3) million) and expected maturity 2003-2004 (2002-2003).

Commodity swaps held for purposes other than trading

At December 31, 2002 Group companies held crude oil, natural gas and oil product commodity swaps for purposes other than trading with a contract/notional amount of \$57 million (2001: \$66 million) and an estimated fair value of \$7 million (2001: \$(8) million).

2001	2002	2003	2004	2005	2006	2007 and after	Total contract/ notional amount	\$ million Estimated fair value
Crude oil swaps								
(a) Variable price to variable price contracts:								
contract/notional amount (\$ million)	1,305	-	-	-	-	-	1,305	(4)
volume (million barrels "m bbl")	64	-	-	-	-	-		
average pay/receive price (\$ per barrel "\$/bbl")	20.4/20.3	-	-	-	-	-		
(b) Buy fixed price/sell variable price contracts:								
contract/notional amount (\$ million)	431	36	-	-	-	-	467	(31)
volume (m bbl)	35	2	-	-	-	-		
average pay/receive price (\$/bbl)	12.3/11.5	22.0/20.0	-	-	-	-		
(c) Buy variable price/sell fixed price contracts:								
contract/notional amount (\$ million)	505	72	-	-	-	-	577	60
volume (m bbl)	36	4	-	-	-	-		
average pay/receive price (\$/bbl)	12.8/14.3	17.1/19.1	-	-	-	-		
Oil products swaps								
(a) Variable price to variable price contracts:								
contract/notional amount (\$ million)	28	38	-	-	-	-	66	-
volume (m bbl)	1	2	-	-	-	-		
average pay/receive price (\$/bbl)	20.6/20.7	20.9/20.8	-	-	-	-		
(b) Buy fixed price/sell variable price contracts:								
contract/notional amount (\$ million)	357	9	-	-	-	-	366	(22)
volume (m bbl)	34	3	-	-	-	-		
average pay/receive price (\$/bbl)	10.5/9.9	3.1/2.3	-	-	-	-		
(c) Buy variable price/sell fixed price contracts:								
contract/notional amount (\$ million)	480	-	-	-	-	-	480	14
volume (m bbl)	42	-	-	-	-	-		
average pay/receive price (\$/bbl)	11.2/11.5	-	-	-	-	-		
Natural gas swaps								
(a) Buy fixed price/sell variable price contracts:								
contract/notional amount (\$ million)	3,547	671	299	140	66	26	4,749	(943)
volume (thousand million cubic feet "bct")	1,454	376	182	94	50	40		
average pay/receive price (\$/thousand cf)	2.8/2.4	3.2/1.8	3.1/1.7	3.1/1.5	2.9/1.3	2.6/0.7		
(b) Buy variable/sell fixed price contracts:								
contract/notional amount (\$ million)	3,743	746	248	70	58	72	4,937	1,099
volume (bct)	1,467	374	161	76	59	79		
average pay/receive price (\$/thousand cf)	2.4/3.5	2.0/3.5	1.5/3.5	0.9/3.3	1.0/3.1	0.9/2.9		
Total							12,947	173

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Commodity options held for trading purposes**2002**

	2003	2004	2005	Total contract/ notional amount	\$ million Estimated fair value
Crude oil buy calls					
contract/notional amount (\$ million)	711	13	-	724	57
volume (m bbl)	26	-	-		
average strike price (\$/bbl)	27.6	23.1	-		
Crude oil sell calls					
contract/notional amount (\$ million)	620	59	1	680	(70)
volume (m bbl)	23	2	-		
average strike price (\$/bbl)	26.5	27.2	25.1		
Crude oil buy put					
contract/notional amount (\$ million)	416	90	-	506	19
volume (m bbl)	21	4	-		
average strike price (\$/bbl)	20.2	20.4	-		
Crude oil sell put					
contract/notional amount (\$ million)	396	49	-	445	(19)
volume (m bbl)	19	2	-		
average strike price (\$/bbl)	21.3	21.0	-		
Natural gas buy call					
contract/notional amount (\$ million)	7,284	814	51	8,149	654
volume (bcf)	1,375	150	12		
average strike price (\$/thousand cf)	5.3	5.4	4.3		
Natural gas sell call					
contract/notional amount (\$ million)	5,336	654	48	6,038	(468)
volume (bcf)	971	114	8		
average strike price (\$/thousand cf)	5.5	5.7	5.9		
Natural gas buy put					
contract/notional amount (\$ million)	3,975	411	47	4,433	132
volume (bcf)	1,157	124	13		
average strike price (\$/thousand cf)	3.4	3.3	3.7		
Natural gas sell put					
contract/notional amount (\$ million)	5,481	467	71	6,019	(209)
volume (bcf)	1,483	130	21		
average strike price (\$/thousand cf)	3.7	3.6	3		
Total				26,994	96

* less than one million barrels

Group companies also held chemical and oil products options/swaptions at December 31, 2002 with a contract/notional amount of \$51 million (2001: \$46 million) and estimated fair value less than \$1 million (2001: \$4 million) and expected maturity 2003-2004 (2002-2003).

2001	2002	2003	Total contract/ notional amount	\$ million Estimated fair value
Crude oil buy calls				
contract/notional amount (\$ million)	690	154	844	34
volume (m bbl)	25	6		
average strike price (\$/bbl)	27.3	25.6		
Crude oil sell calls				
contract/notional amount (\$ million)	476	77	553	(22)
volume (m bbl)	18	4		
average strike price (\$/bbl)	26.1	22.4		
Crude oil buy put				
contract/notional amount (\$ million)	638	11	649	55
volume (m bbl)	32	1		
average strike price (\$/bbl)	20.1	18.2		
Crude oil sell put				
contract/notional amount (\$ million)	706	72	778	(93)
volume (m bbl)	34	4		
average strike price (\$/bbl)	20.8	18.0		
Natural gas buy call				
contract/notional amount (\$ million)	3,453	1,005	4,458	203
volume (bcf)	752	229		
average strike price (\$/thousand cf)	4.6	4.4		
Natural gas sell call				
contract/notional amount (\$ million)	2,925	1,060	3,985	(149)
volume (bcf)	633	213		
average strike price (\$/thousand cf)	4.6	5.0		
Natural gas buy put				
contract/notional amount (\$ million)	2,552	623	3,175	832
volume (bcf)	760	175		
average strike price (\$/thousand cf)	3.4	3.6		
Natural gas sell put				
contract/notional amount (\$ million)	2,966	654	3,620	(938)
volume (bcf)	855	189		
average strike price (\$/thousand cf)	3.5	3.5		
Total			18,062	(78)

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Commodity futures held for trading purposes

2002

	2003	2004	2005	Total contract/ notional amount	\$ million Estimated fair value
IPE Brent futures					
(a) Short contracts:					
contract/notional amount (\$ million)	421	-	-	421	(24)
volume (m bbl)	16	-	-		
weighted average price (\$/bbl)	26	-	-		
(b) Long contracts:					
contract/notional amount (\$ million)	184	-	-	184	20
volume (m bbl)	7	-	-		
weighted average price (\$/bbl)	26	-	-		
IPE Gasoil futures					
(a) Short contracts:					
contract/notional amount (\$ million)	417	-	-	417	(31)
volume (m bbl)	13	-	-		
weighted average price (\$/bbl)	32	-	-		
(b) Long contracts:					
contract/notional amount (\$ million)	137	-	-	137	6
volume (m bbl)	5	-	-		
weighted average price (\$/bbl)	29	-	-		
Nymex crude oil futures					
(a) Short contracts:					
contract/notional amount (\$ million)	1,836	50	-	1,886	(100)
volume (m bbl)	65	2	-		
weighted average price (\$/bbl)	28	23	-		
(b) Long contracts:					
contract/notional amount (\$ million)	2,003	20	-	2,023	140
volume (m bbl)	73	-	-		
weighted average price (\$/bbl)	28	23	-		
Nymex oil product futures					
(a) Short contracts:					
contract/notional amount (\$ million)	1,312	-	-	1,312	(78)
volume (m bbl)	51	-	-		
weighted average price (\$/bbl)	26	-	-		
(b) Long contracts:					
contract/notional amount (\$ million)	1,129	-	-	1,129	41
volume (m bbl)	45	-	-		
weighted average price (\$/bbl)	25	-	-		
Nymex natural gas futures					
(a) Short contracts:					
contract/notional amount (\$ million)	1,452	278	-	1,730	(293)
volume (bcf)	358	71	-		
weighted average price (\$/thousand cf)	4	4	-		
(b) Long contracts:					
contract/notional amount (\$ million)	1,411	309	24	1,744	284
volume (bcf)	348	78	6		
weighted average price (\$/thousand cf)	4	4	4		
Total				10,983	(35)

* less than one million barrels

Group companies also held electricity futures contracts at December 31, 2002 with a contract/notional amount of \$4 million (2001: nil) and an estimated fair value of \$1 million (2001: nil) with expected maturity 2003.

2001	2002	2003	2004	Total contract/ notional amount	Estimated fair value
IPE Brent futures					
(a) Short contracts:					
contract/notional amount (\$ million)	243	-	-	243	(28)
volume (m bbl)	12	-	-		
weighted average price (\$/bbl)	19.7	-	-		
(b) Long contracts:					
contract/notional amount (\$ million)	229	-	-	229	(28)
volume (m bbl)	12	-	-		
weighted average price (\$/bbl)	19.6	-	-		
IPE Gasoil futures					
(a) Short contracts:					
contract/notional amount (\$ million)	62	-	-	62	10
volume (m bbl)	2.7	-	-		
weighted average price (\$/bbl)	22.9	-	-		
(b) Long contracts:					
contract/notional amount (\$ million)	35	-	-	35	(1)
volume (m bbl)	1.6	-	-		
weighted average price (\$/bbl)	22.9	-	-		
Nymex crude oil futures					
(a) Short contracts:					
contract/notional amount (\$ million)	67	-	-	67	(4)
volume (m bbl)	3	-	-		
weighted average price (\$/bbl)	20.5	-	-		
(b) Long contracts:					
contract/notional amount (\$ million)	50	-	-	50	(7)
volume (m bbl)	2	-	-		
weighted average price (\$/bbl)	20.3	-	-		
Nymex oil product futures					
(a) Short contracts:					
contract/notional amount (\$ million)	11	-	-	11	2
volume (m bbl)	1	-	-		
weighted average price (\$/bbl)	24.9	-	-		
(b) Long contracts:					
contract/notional amount (\$ million)	58	-	-	58	11
volume (m bbl)	2	-	-		
weighted average price (\$/bbl)	26.2	-	-		
Nymex natural gas futures					
(a) Short contracts:					
contract/notional amount (\$ million)	258	29	-	287	55
volume (bcf)	69	8	-		
weighted average price (\$/thousand cf)	3.7	3.8	-		
(b) Long contracts:					
contract/notional amount (\$ million)	369	38	4	411	(81)
volume (bcf)	97	10	1		
weighted average price (\$/thousand cf)	3.8	3.9	4.7		
Total				1,453	(71)

* less than one million barrels

Futures contracts shown above represent unmatched positions. The total contract/notional amount of short contracts represents an aggregation of Group companies' positions where, at December 31, 2002 and 2001 respectively, sales contracts exceed the purchase contracts with the same maturity date. The total contract/notional amount of long contracts represents an aggregation of Group companies' positions where, at December 31, 2002 and 2001 respectively, purchase contracts exceed the sales contracts with the same maturity date.

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Exhibits

EXHIBIT INDEX

Exhibit No.	Description	Page No.
1.1	Articles of Association of Royal Dutch	
1.2	Memorandum and Articles of Association of Shell Transport (incorporated by reference to the Report of Foreign Issuer on Form 6-K (Commission File No. 1-4039) of Shell Transport furnished to the Securities and Exchange Commission on June 21, 2002)	
4.1	Adjustment Agreement between Royal Dutch and Shell Transport dated July 5, 1907, and certain amendments thereto	
4.2	Shell Petroleum N.V. Stock Option Plan, as amended (incorporated by reference to the Post-Effective Amendment No. 1 to Registration Statement on Form S-8 (Registration No. 333-7590) of Royal Dutch and Shell Transport filed with the Securities and Exchange Commission on June 28, 2001)	
4.3	Shell Petroleum Company Limited Stock Option Plan (1967), as amended (incorporated by reference to the Post-Effective Amendment No. 1 to Registration Statement on Form S-8 (Registration No. 333-7590) of Royal Dutch and Shell Transport filed with the Securities and Exchange Commission on June 28, 2001)	
8	Significant Group companies as at December 31, 2002	E2
23.1	Consent of KPMG Accountants N.V., The Hague	E3
23.2	Consent of PricewaterhouseCoopers LLP, London	E4
23.3	Consent of KPMG Accountants N.V., The Hague and PricewaterhouseCoopers LLP, London	E5
23.4	Consent of KPMG Accountants N.V., The Hague	E6
23.5	Consent of KPMG Accountants N.V., The Hague and PricewaterhouseCoopers LLP, London	E7

Exhibits E1

Exhibit 8**Significant Group companies as at December 31, 2002**

Name	Jurisdiction of incorporation	Proportion held directly or indirectly by Registrants (%)
Shell Holdings (U.K.) Limited	UK	100
Shell Oil Company	Delaware, USA	100
Shell Petroleum Inc.	Delaware, USA	100
Shell Petroleum N.V.	The Netherlands	100
Shell U.K. Limited	UK	100
The Shell Petroleum Company Limited	UK	100

Exhibit 23.1

Consent of Independent Accountants

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-7590) of Royal Dutch Petroleum Company and The "Shell" Transport and Trading Company, Public Limited Company of our report dated March 5, 2003, relating to the Financial Statements of Royal Dutch Petroleum Company which is included in this 2002 Annual Report on Form 20-F.

KPMG Accountants N.V.

KPMG Accountants N.V., The Hague

March 31, 2003

FOIA Confidential
Treatment Requested

Exhibits E3

RJW00890325

Exhibit 23.2

Consent of Independent Accountants

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No 333-7590) of Royal Dutch Petroleum Company and The "Shell" Transport and Trading Company, Public Limited Company of our report dated March 6, 2003, relating to the Financial Statements of The "Shell" Transport and Trading Company, Public Limited Company which is included in this 2002 Annual Report on Form 20-F.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP, London

March 31, 2003

Exhibit 23.3

Consent of Independent Accountants

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-7590) of Royal Dutch Petroleum Company and The "Shell" Transport and Trading Company, Public Limited Company of our report dated March 5, 2003, relating to the Financial Statements of the Royal Dutch/Shell Group of Companies which is included in this 2002 Annual Report on Form 20-F.

KPMG Accountants N.V.

KPMG Accountants N.V., The Hague

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP, London

March 31, 2003

Exhibit 23.4

Consent of Independent Accountants

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-7410, 333-7412, 333-11022 and 333-13384) of Royal Dutch Petroleum Company of our report dated March 5, 2003, relating to the Financial Statements of Royal Dutch Petroleum Company which is included in this 2002 Annual Report on Form 20-F.

KPMG Accountants N.V.

KPMG Accountants N.V., The Hague

March 31, 2003

Exhibit 23.5

Consent of Independent Accountants

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-7410, 333-7412, 333-11022 and 333-13384) of Royal Dutch Petroleum Company of our report dated March 5, 2003, relating to the Financial Statements of the Royal Dutch/Shell Group of Companies which is included in this 2002 Annual Report on Form 20-F.

KPMG Accountants N.V.

KPMG Accountants N.V., The Hague

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP, London

March 31, 2003

FOIA Confidential
Treatment Requested

Exhibits E7

RJW00890329