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Internal reporting: Expectation Estimate of Exploration Discoveries and Revisions 1990 - 1999 Oil/NGL

Input sheet Oil/NGL											
Country Name: Mycountry 1999											
Estimate for Company: My Company											
Estimate for year ending: 31 December 1999											
Year of discovery	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	Total
Discoveries as initially reported	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sales in place as 31.12.1999											0.00
Revisions from discovery to 31.12.1999											0.00
Check	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	
Total resources at 31.12.1999	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sales in place during 1999											0.00
Revisions during 1999											0.00
Discoveries during 1999											0.00
Total resources at 31.12.1999	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Company share of expectation produced											0.00
developed reserves (P2)											0.00
undeveloped reserves (P3+E2)											0.00
commercial SFR (P4+E4 and P5+E5)											0.00
non-commercial SFR (P7+E7)											0.00
Government PSC take (Royalty in Kind/Carry)											0.00
Check	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	
Oil/NGL Gas Unit Finding Cost											
Exploration Expenditure (m m US\$)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Discoveries as initially reported (m m US\$)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total resources at 31.12.1999 (m m US\$)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unit Finding Cost (initial) (US\$/barrel)											0.00
Unit Finding Cost (resources 31.12.1999)											0.00

Discovered volumes reported historically were estimates of recoverable volumes and did not imply commerciality. From 1996 onwards volumes reported as discoveries should be a minimum of below the annually advised UTC ceiling for non-commercial SFR.

After initial discovery, volumes down to end year total resources are Company equity share of 100% expectation volumes (including potential recovery after license expiry), excluding royalty in kind. In PSC countries, these volumes therefore include government PSC take.

(Oil and NGL volumes in 10^6 std. m³ at standard conditions.)

Comments:

DREV comments:

Date: 05-Nov-99

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Internal reporting: Expectation Estimate of Exploration Discoveries and Revisions 1990 - 1999 Gas

Input sheet Gas											
Country Name: Mycountry 1999											
Estimate for Company: My Company											
Estimate for year ending: 31 December 1999											
Year of discovery	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	Total
Discoveries as initially reported	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Sales in place as 31.12.1999											0.000
Revisions from discovery to 31.12.1999											0.000
Check	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	
Total resources at 31.12.1999	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Sales in place during 1999											0.000
Revisions during 1999											0.000
Discoveries during 1999											0.000
Total resources at 31.12.1999	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Company share of expectation produced											0.000
developed reserves (P2)											0.000
undeveloped reserves (P3+E3)											0.000
commercial SFR (P4+E4 and P5+E5)											0.000
non-commercial SFR (P7+E7)											0.000
Government PSC take (Royalty in Kind/Carry)											0.000
Check	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	

Discovered volumes reported historically were estimates of recoverable volumes and did not imply commerciality. From 1996 onwards volumes reported as discoveries should be a minimum of below the annually advised UTC ceiling for non-commercial SFR.

After initial discovery, volumes down to end year total resources are Company equity share of 100% expectation volumes (including potential recovery after license expiry), excluding royalty in kind. In PSC countries, these volumes therefore include government PSC take.

(Gas volumes 'in place' in 10^6 std. m³ at standard conditions.)

Comments:

DREV comments:

Date: 05-Nov-99

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A2 External Reporting

The following submissions are required for external reporting:

1. Proved and Proved Developed Reserves Volumes Oil, NGL and Gas

Group share of proved and proved developed reserves as at the 31 December 1999 and reconciliation with the reserves reported in the previous year. Reserves are expressed in sales products.

If an OU/ NVO has interests in several licence areas subject to different contract types (e.g. concession, PSC or else), a separate submission must be made for each contract type.

1a. Summary of Major Changes to Proved Reserves

A breakdown by field should be provided for significant changes in the proved and proved developed reserves. This is a new format for 1999.

2. Statistical Data

Records Group share in acreage and wells as at year-end with reconciliation to previous year's statement.

3. Standardized Measure

Records the 'Standardized Measure of Discounted Future Net Cash Flow Relating to Proved Oil and Gas Quantities' as per FASB Statement no. 69. Reporting of Standardized Measure (SM) and quantification of changes to the SM applies to all ventures reporting proved reserves at 31.12.99 (to estimate SM'99 and quantify changes from SM'98) or previously reported proved reserves at 31.12.98 but now report proved reserves equal to zero (to quantify the changes from SM'98 to SM'99=0).

This year for the first time the actual Standardized Measure calculation and results are part of the submission (in previous years only the input data was submitted).

A2.1 Licence and Contract period

For external reporting, Group share of reserves (proved, proved developed) is limited to production within the existing licence or contract period. However, production beyond the licence or contract period can be included if there is a legal right to extend a production licence or PSC, or if the government has formally indicated that it will favour substantiated requests for extensions in the future (letter of assurance). Then volumes recoverable during the extension period are included in the Group share, assuming currently existing or other anticipated terms. Such considerations should be documented in the annual submission.

In some countries, the issue or duration of production licences for gas fields is effectively coupled to the conclusion of gas sales contracts. In other areas, a realistic target date for initiation must be set for projects that are not yet firmly planned so that the production forecast and other screening assumptions can be used to estimate the volume produced before licence or contract expiry.

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A2.2 Change Categories

The change categories that apply to external reporting are defined as follows:

<i>Revisions and Reclassifications</i>	Represents changes in previous estimates of proved reserves, either upward or downward, resulting from new information (except for extensions) normally obtained from development drilling and production history or resulting from a change in economic factors.
<i>Improved Recovery</i>	Describes positive reserves changes allocated to a field where Reserves were already carried resulting from application of improved recovery techniques if significant. If not significant, such changes shall be included in revisions and reclassifications.
<i>Extensions and Discoveries</i>	Include Reserves volumes that are allocated for the first time to a discovered field and Reserves allocated for the first time to a discovered accumulation (e.g. a new fault block or reservoir), located within the boundaries of a field that already carries Reserves. First time allocation of proved reserves is not necessarily linked to the year of actual discovery of the field.
<i>Purchases in Place</i>	Include Reserves additions solely due to equity changes as a result of a financial or barter transaction.
<i>Sales in Place</i>	Include Reserves reductions solely due to equity changes as a result of a financial or barter transaction.
<i>Production</i>	Sales quantities sold during the year after fiscal metering and delivered at the location where the upstream company ceases to have an interest in the end products.

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page 3**A2.3 SEC Standardized Measure**

The SEC requires disclosure of the "Standardized Measure of Discounted Future Net Cash Flows Relating to Proved Oil and Gas Reserve Quantities", which is effectively the present value of the Group's Proved Reserves based on end year prices and operating cost at a prescribed 10% discount rate. The input data and the method of calculation have been standardized by the US Financial Accounting Standards Board (FASB in statement No 69).

Three options are available for calculating and reporting Standardised Measure in USD:

1) Standard Input (General OUNVO/NOVs)

Based on input parameters (production and capex forecast) the SM value of proved reserves is calculated using year end oil, NGL and gas prices (unit revenue averages for 4q99) and operating costs (unit lifting cost by product average for full year 1999) all derived from 1999 CERES returns.

If OUs have proved production profiles available, these should be submitted and all input data should be consistent with the proved profile (e.g. capex necessary to achieve this production, abandonment cost related to this production profile, etc.). If proved production profiles are not available, the expectation profile should be submitted and all input data should be consistent with the expectation profiles (capex, abandonment cost, etc.). In the latter case, the model will truncate the expectation production profile as soon as the proved reserve volumes are produced and will apply proved-to-expectation ratios to capex and abandonment costs.

The present value of the after tax cash flows relating to abandonment of the fields that feature in the production profile should be calculated using a discount rate of 10%.

OUNVO/NOVs are requested to submit the effective tax rate appropriate to the annual income from production, which should be consistent with CERES

2) Direct Cash Flow (Innovative Contracts)

The SM value of proved reserves is calculated based on detailed cash flow and proved production forecast directly provided by the company. Cash flow should be consistent with data supplied in CERES return (end year prices and lifting costs).

3) Special (USA and Canada)

Explicit input of SM and record of changes in local currency (USD or CAD).

Input data for the SM can be selected in either USD or local currency. End year (31.12.99) exchange rates between USD and local currencies will be provided by EPB-P early January 2000.

A2.4 Submission sheets

External reporting: Estimate of Proved and Proved Developed Reserves Volumes: Oil, NGL and Gas

External reporting: Summary of Major Changes Proved Reserves

External reporting: Statistical Data

External reporting: Standardized Measure

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External reporting: Estimate of Proved and Proved Developed Reserves
Volumes: Oil, NGL and Gas

Input sheet 1	Country Name : Mycountry	1999
Estimate for Company: My Company		

Estimate for year ending: 31 December 1999

Volumes are Group entitlement to sales volumes, based on a Group interest of:

0.00%

A Company share of: 0.00%

Excluding royalty in kinds as follows:

Oil Royalty in kind % 0.00%

NGL Royalty in kind % 0.00%

Gas Royalty in kind % 0.00%

Minority interest % 0.00%

	1999 - Input GROUP EQUITY			
	Oil 10 ⁶ m ³	NGL 10 ⁶ m ³	Gas 10 ⁹ std. m ³ (net quot)	Gas 10 ⁹ Nm ³ (9500 kcal/Nm ³)
Proved reserves at 1.1.1999	0.00	0.00	0.000	0.000
Revisions and Reclassifications				
Improved recovery				
Extensions and Discoveries				
Purchases in place				
Sales in place				
Production (i.e. net sales) during 1999				
Proved reserves at 31.12.1999	0.00	0.00	0.000	0.000
Proved developed reserves at 1.1.1999	0.00	0.00	0.000	0.000
Transfer Undeveloped to Developed				
Revisions				
Production (i.e. net sales) during 1999	0.00	0.00	0.000	0.000
Proved developed reserves at 31.12.1999	0.00	0.00	0.000	0.000
Minority Reserves included 1.1.1999	0.00	0.00	0.000	0.000
Minority Reserves included 31.12.1999	0.00	0.00	0.000	0.000

Check Proved	OK	OK	OK	OK
Check Proved Developed	OK	OK	OK	OK

These estimates were prepared in accordance with the current Group interpretation of the SEC guidelines

NB. Separate forms by field may be requested if different fields are held in different proportions.

Comments:

Sec sheet 1 comments:

Date: 05-Nov-99

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External Reporting: Statistical Data

Input Sheet

Country Name : Mycountry
Estimate for Company : My Company
Group Interest :
Estimate for year ending : 1999

Acreage (in thousands of square kilometres)		Gross	Net
Developed (i.e. any licence, lease or concession area which contains a production field)		0.00	0.00
Undeveloped (i.e. total minus developed holdings)		0.00	0.00
Number of wells (as carried by Company records)			
New wells drilled during the year	Exploration (potential accumulations)		
	dry	0	0.0
	not dry	0	0.0
	Development (prospective plus productive fields)		
	dry	0	0.0
	not dry	0	0.0
New wells drilling at end year	Exploration	0	0.0
	Development	0	0.0
Producing or capable of production during December	oil	0	0.0
	gas	0	0.0

Location of Activities (at year end)

Exploration
Production
Shell Operated

These estimates were prepared in accordance with the current Group interpretation of the SEC guidelines.

Comments:

Statistics comments:

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page 7**Standard Input (General OU/NYO/NOV)**

External reporting: Standardized Measure

Input sheet 1

Country Name: Mycountry
Entity Number

1999

Profile within licence			
Is this profile Proved or Expectation within licence? Click to Toggle --> Forecast of production of reserves within licence period.	Oil 10 ⁶ m ³ Expectation	NGL 10 ⁶ m ³ Expectation	Gas 10 ⁶ Nm ³ Expectation
2000			
2001			
2002			
2003			
2004			
2005			
2006			
2007			
2008			
2009			
2010			
2011			
2012			
2013			
2014			
2015			
2016			
2017			
2018			
2019			
Total production 2000 to 2019	0.00	0.00	0.00
Remaining unproduced at 31.12.2019			
Total reserves	0.00	0.00	0.00
	OK	OK	OK

Currency	USD	Units	min
Total forecast development expenditure RT99		2000	
		2001	
		2002	
		2003	
		2004	
Total development expenditure 2000 to 2004			0.0
Total development expenditure 2005 to 2019			
Total development expenditure			0.0

Financial data - total upstream (to be completed with Finance Department)

Tax written-down value of property, plant and equipment at 31.12.1999

Tax losses carry forward as at 31.12.1999

Present value of after tax Abandonment cost discounted with factor (j,b) at 31.12.1999

Statutory tax rate consistent with Sector 01, line item [3643]

Exchange Rate USD/USD at 31.12.1999

Actual Development expenditure 1999

Use same Currency and units see above	A: revenues	B: volume	C: unit rev	CC: unit revenue net of roy	unit margin
	Q4	Q4	[A/B]	[C-H]	[CC-G]
Oil:			0.00	0.00	0.00
NGL:			0.00	0.00	0.00
Gas:			0.00	0.00	0.00
	D: prod cost full year	E: royalties full year	F: volume full year	G: unit prod cost [D/F]	H: unit royalty [E/F]
Oil:			0.00	0.00	0.00
NGL:			0.00	0.00	0.00
Gas:			0.00	0.00	0.00
	total		developed	undeveloped	
Proved Reserves, Oil [mln m ³]	0.00		0.00	0.00	
Proved Reserves, NGL [mln m ³]	0.00		0.00	0.00	
Proved Reserves, Gas [mrd Nm ³]	0.000		0.000	0.000	
Expectation Reserves within licence, Oil [mln m ³]	0.00		0.00	0.00	
Expectation Reserves within licence, NGL [mln m ³]	0.00		0.00	0.00	
Expectation Reserves within licence, Gas [mrd Nm ³]	0.000		0.000	0.000	

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Direct Cash Flow Input (Innovative Contracts).

SM direct cashflow input

Mycountry

1999

Input		Local currency:		USD		Cash Flow should be based on end year prices and costs						
From 2000												
NPV 1B	NPV 0/min	Units	1999	2000	2001	2002	2003	2004	2005	2006		
0.0	0.0	Revenues Oil	min USD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	Revenues NGL	min USD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	Revenues Gas	min USD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0	0	Revenues Total	min USD	0	0	0	0	0	0	0	0	0
0.0	0.0	Lifting Cost Oil	min USD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	Lifting Cost NGL	min USD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	Lifting Cost Gas	min USD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0	0	Lifting Cost Total	min USD	0	0	0	0	0	0	0	0	0
0	0	Margin Total	min USD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0	0	Dev't Capex	min USD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0	0	Taxation	min USD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0	0	Abandonment	min USD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0	0	Net Cash Flow	min USD	0	0	0	0	0	0	0	0	0

Calculation USD Exchange Rate
USD/USD at end year

1.0000

From 2000												
NPV 10	NPV 0/min	Units	1999	2000	2001	2002	2003	2004	2005	2006		
0.0	0.0	Revenues Oil	min USD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	Revenues NGL	min USD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	Revenues Gas	min USD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0	0	Revenues Total	min USD	0	0	0	0	0	0	0	0	0
0.0	0.0	Lifting Cost Oil	min USD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	Lifting Cost NGL	min USD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	Lifting Cost Gas	min USD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0	0	Lifting Cost Total	min USD	0	0	0	0	0	0	0	0	0
0	0	MARGIN	min USD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0	0	Dev't Capex	min USD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0	0	Taxation	min USD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0	0	Abandonment	min USD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0	0	Net Cash Flow	min USD	0	0	0	0	0	0	0	0	0

From 2000												
min base	NPV 0	Proved Production	Units	1999	2000	2001	2002	2003	2004	2005	2006	
0.0	0.00	Oil Production	min m ³	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.0	0.00	NGL production	min m ³	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.0	0.000	Gas Sales	mm Nm ³	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
0.0	0.0	Total Production	min base	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Average	Unit Revenue Oil	USD/m ³	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.0	0.00	Unit Revenue NGL	USD/m ³	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.0	0.00	Unit Revenue Gas	USD/1000 Nm	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.0	0.00	Unit lifting cost Oil	USD/m ³	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.0	0.00	Unit lifting cost NGL	USD/m ³	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.0	0.00	Unit lifting cost Gas	USD/1000 Nm	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.0	0.00	Unit Margin Oil	USD/m ³	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.0	0.00	Unit Margin NGL	USD/m ³	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.0	0.00	Unit Margin Gas	USD/1000 Nm	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Note: Only part of the sheet shown above.

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page 9**Special (USA and Canada)****External reporting: Standardized Measure**

Input sheet 2	Country Name Mycountry	1999
	Local Currency USD	

	Local Currency				Currency USD		
\$ millions	1999	1998	1997	1996	1999	1998	1997
Future cash inflows from sales of oil and gas	0	0	0		0	0	0
Future development costs (incl. Abandonment)	0	0	0		0	0	0
Future production costs	0	0	0		0	0	0
Future tax expenses	0	0	0		0	0	0
Future net cash flows	0	0	0		0	0	0
Effect of discounting net cash flows at 10%	0	0	0		0	0	0
Standardized measure of disc. future net cash flows	0	0	0	0	0	0	0
Analysis of Aggregate Change							
SM as at 1/1	0	0	0		0	0	0
a. changes in prices and lifting costs (net margin)	0	0	0		0	0	0
b. changes due to discoveries and improved recovery	0	0	0		0	0	0
c. changes due to purchases and sales of minerals	0	0	0		0	0	0
d. changes due to reserves revisions	0	0	0		0	0	0
e. changes in dev't costs related to future production	0	0	0		0	0	0
f. sales of Oil and Gas during the period	0	0	0		0	0	0
g. dev't cost incurred during the period	0	0	0		0	0	0
h. accretion of discount	0	0	0		0	0	0
i. net change in income tax	0	0	0		0	0	0
j. other (should be zero)	0	0	0		0	0	0
SM as at 31/12	0	0	0		0	0	0
Minority Share (%)	0.0000%	0.0000%	0.0000%	1996	1999	1998	1997
Exchange rate USD/USD at end year	1.0000	1.0000	1.0000	1.0000			
Average Oil Price (\$/bbl)	0.00	0.00	0.00		0.00	0.00	0.00
Average NGL Price (\$/bbl)	0.00	0.00	0.00		0.00	0.00	0.00
Average Gas Price (\$/boe)	0.00	0.00	0.00		0.00	0.00	0.00
Average Lifting Cost Oil (\$/bbl)	0.00	0.00	0.00		0.00	0.00	0.00
Average Lifting Cost NGL (\$/bbl)	0.00	0.00	0.00		0.00	0.00	0.00
Average Lifting Cost Gas (\$/boe)	0.00	0.00	0.00		0.00	0.00	0.00
Average Margin Oil (\$/bbl)	0.00	0.00	0.00		0.00	0.00	0.00
Average Margin NGL (\$/bbl)	0.00	0.00	0.00		0.00	0.00	0.00
Average Margin Gas (\$/boe)	0.00	0.00	0.00		0.00	0.00	0.00

Date: 05-Nov-99

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A3 Guideline to the Reserves Reporting Workbook

The Reserves Reporting Workbook is a Microsoft Excel workbook (Office'97 format) which contains all submission forms for the internal and external reporting of reserves volumes in spreadsheet format. The spreadsheets contain notes to assist the completing of the submission forms. Where possible, consistency checks are included.

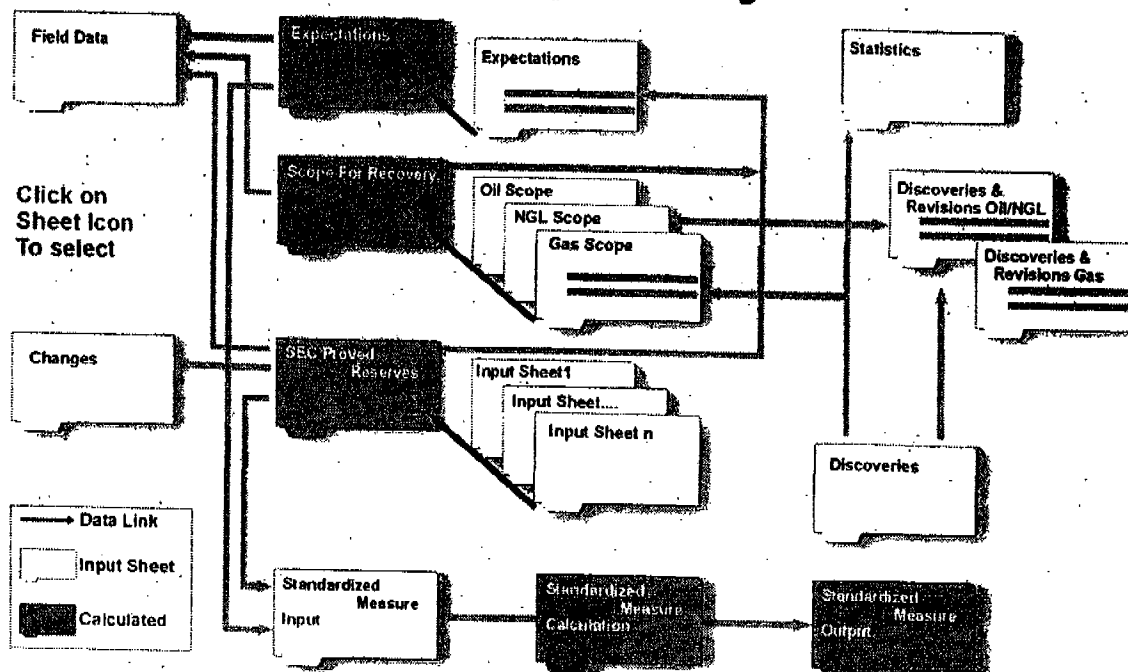
Each year, each OU, NVO and NOV will receive its dedicated Reserves Reporting Workbook electronically, which already contains the relevant opening statements. The workbook is password protected. The password will be sent to OU and NVO reserves focal points separately.

EP Planning (EPB-P) is the custodian for the Reserves Reporting Workbook. Questions and suggestions regarding the workbook can be directed to the Group Hydrocarbon Resource Coordinator.

Road Map

When the model is opened the "Road Map" is shown as the default view. The Road Map gives an overview of the reserves workbook structure and can be used to navigate through the model. By clicking on the sheet icon, the sheet is selected.

Reserves report Layout

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Reserves Report Set-Up

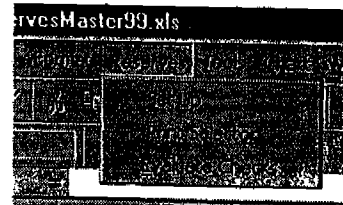
When the workbook is opened for the first time, the set-up dialogue box will ask for general information, e.g. Company Name, Date, Job Title, and Name of the Manager responsible for signing. In the Standardized Measure box, the type of input and the Name of the Finance Manager/Controller who will sign the form are to be provided.

The parameters can be changed at a later stage by using the "Set-Up" option in the main menu bar or from the 'road map'.

Utilities

The workbook will present a "Reserves" menu option in the main menu bar.

From this menu option three utilities can be pulled down which can be used to access the 'Set-Up' menu, the print selector menu and the 'evaluation log'.



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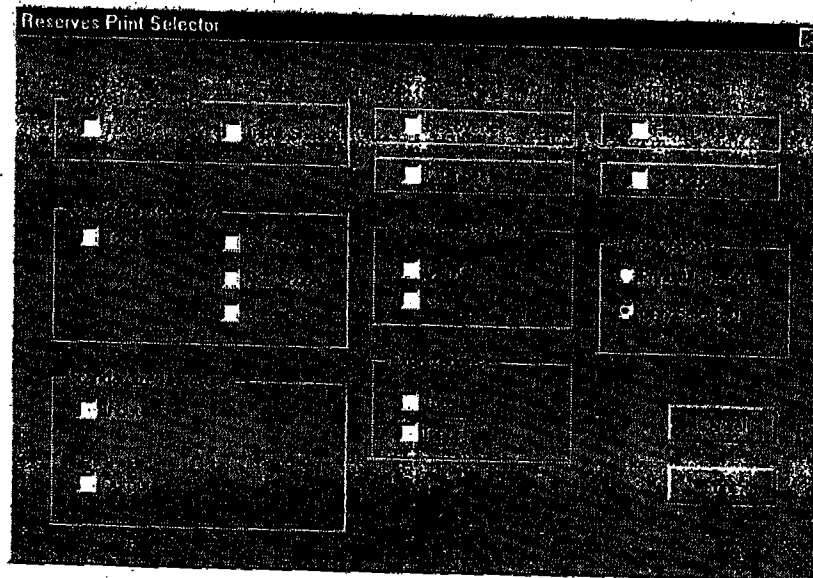
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page 3**Set-Up**

Allows changes to be made to the general data and Standardized Measure input selection as described under "Reserves Report Set-Up".

Print selector

This menu allows printing of an individual selection of sheets from the workbook or all sheets in one go.

**Evaluate Checks**

Checks are built in on a number of sheets to ensure data consistency. These checks are automatically evaluated on closure of the workbook or when the 'Evaluate Checks' is selected from the pull down menu.

An evaluation log records the results of the checks. Please ensure that all checks are 'OK' prior to submitting the workbook to the Centre!

Total Exp	OK
Total SFR	OK
Expectation	OK
Field Data	ERROR
Total Sec	OK
Change	OK
SM Calculation	OK
SFR Oil	OK
SFR NGL	OK
SFR Gas	OK
Drev Gas	OK
Drev OilNGL	OK

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Field Data

On the 'Field Data' sheet, additional lines to enter the resources volumes for individual fields can be dynamically added or deleted by using the 'red' or 'blue' buttons on the worksheet. The user has the choice to enter the additional lines field by field or to make a multiple entry.

Insert one field

Entering data field by field can be done using the first 'tab' option in the menu which ensures a consistent set-up of the entered data, (i.e. Location/Operated and contract area)

Field Data Setup

New Field

Offshore

Operated

Contract

1000

OK Cancel

Insert multiple field entries

This option can be used to insert a total number of blank lines equal to the total number of fields to be reported. Subsequently, the user can paste all field data, including field names and location/operated information directly from another electronic worksheet outside the model. Location and Operated information must be entered by the user. Note that these must be filled in as per the defined selection, as this is taken into account by the 'check' evaluation of the sheet.

Field Data Setup

Warning: The option only inserts empty field entries and does not set the Location/Operated/Contract Parameters

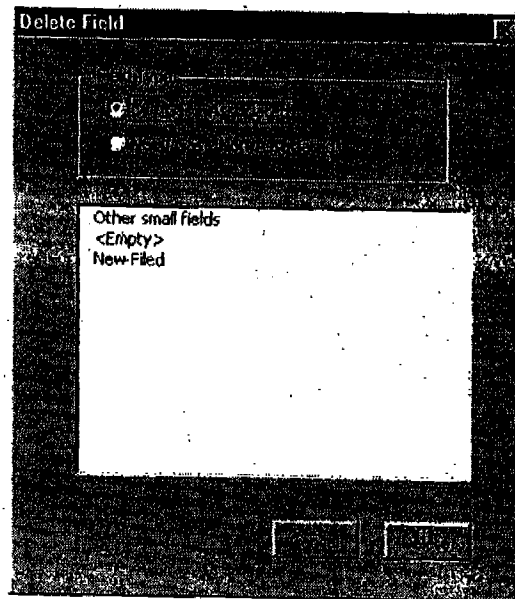
Offshore

OK Cancel

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page 5**Delete field entries**

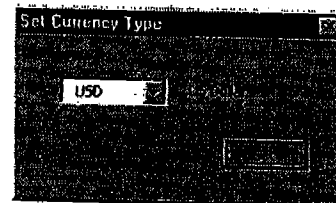
To remove a field entry from the sheet use the red button, this will bring up a dialogue from which the entry to be deleted can be selected, as shown below:

**Standardized measure**

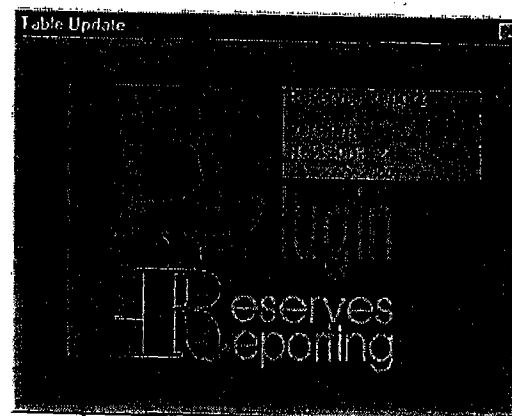
The type of standardized measure input is defined in the "Set-up" menu.

Currency Selection

The local currency type has to be selected using a sheet button, this will show a dialogue containing the available currencies and will set the selected appropriate exchange rate.

**Exchange Rates**

In January 2000 there will be a "plug in" distributed (via Email) which will update the internal Exchange Rates Table of the Reserves Report workbook. This plug-in is an Excel file, which will execute automatically on opening and only prompts for the Reserves Report workbook name.



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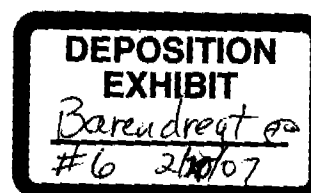
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Petroleum Resource Volume Guidelines
Resource Classification and Value Realisation

Custodian : SIEP-EPB-P
Date of issue : September 2000
Keywords : Resource Volumes, Guidelines, Reserves, FASB, SEC



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1. INTRODUCTION

Petroleum resources represent a significant part of the company's upstream assets and are the foundation of most of its current and future upstream activities. Reserves replacement is the basis for a sustainable EP Business. To aid in understanding, planning, and decision making about these petroleum resources, resource volumes are classified according to the maturity or status of its associated development project. The current status and changes in petroleum resources, and specifically the commercially recoverable portion (reserves), are a significant concern to management. The future of the company depends on our effectiveness in maturing resources to the point where maximum economic value is realised.

For the Shell Group as a whole, petroleum resources are reported annually to ExCom and are essential information for the strategic planning process of the EP business. The current status and changes to the proved and proved developed reserves are also published in the Group's Annual Report and 20-F submitted to the Securities and Exchange Commission (SEC). Reserves also form a key component of analyst evaluation of company performance. Therefore the importance of these figures cannot be overemphasised. Reliability, uniformity, consistency, transparency and auditability are essential elements in the collation of petroleum resource reports by Operating Units (OUs) and New Venture Operations (NVOs).

Key issues are proved reserves replacement and realising maximum value from the total hydrocarbon resource portfolio, pursuing maturation of resource volumes to developed reserves and ultimately sales. Proved developed reserves though depreciation impact directly on the financial bottom line and therefore require special attention.

These guidelines serve as a reference for OUs and NVOs and as the standard against which audits will be conducted. The information on internal and external submission requirements and quantification methods are included in other communications. Submission requirements will be communicated annually in a letter from EP Planning.

The present, 2000 version contains a small number of corrections/modifications and clarifications compared to the 1999 edition, which are indicated by a line in the margin.

2. PETROLEUM RESOURCES

2.1 Definition

A petroleum resource is any accumulation of hydrocarbons that is known or anticipated to exist in a sub-surface rock formation, located in the company's current exploration and production acreage. If the petroleum resource extends beyond the company's licence area the resource volumes must be divided according to the granted licence boundaries, to take proper account of Group share.

Resource volumes are reported as the quantities of sales product for crude oil, natural gas and natural gas liquids. The corresponding quantities of field recovery should be maintained by the OU (See Appendix 6). The reporting of petroleum resource volumes should further indicate the petroleum type, the reporting units and conditions, and the Group share.

Resource volumes are tied to the project that develops them and are generally reported by field. The term reserves is used for resource volumes associated with a project that is technically and commercially mature. Resource volumes that do not meet these criteria are called scope for recovery (SFR). Proved reserves are the portion of reserves that is reasonably certain to be produced. These distinctions will be discussed in Sections 3 and 4.

2.2 Group Share

Only the Group share of resource volumes is reported. The Group share is determined by agreements with the resource holders. Resource volumes can be distinguished according to three different types of agreement, which are discussed below.

If an OUNVO has interests in several licence areas subject to different contract types, a separate submission must be made with respect to proved reserves for each of the contract types.

- Equity** Equity resources are the Group share of resources in Concessions. Concession agreements lay down the general terms and conditions of operation. These agreements with governments define the applicable tax rules, the Group share of resources in Concessions and the duration of the production licence.
- Entitlement** Entitlement resources are the Group share of production in acreage governed by a Production Sharing Contract (PSC). The Group entitlement share of production is the Group interest in the sum of cost oil plus excess cost oil plus profit oil, in accordance with the PSC terms. The entitlement share is calculated from economic modelling reflecting current estimates of future costs.
- Innovative Production Contracts** In recent years, a number of resource holding countries have introduced innovative production contracts in order to attract investment by foreign oil companies while preserving the principle of national resource ownership. These agreements typically provide for the contractor to recover costs and profits from hydrocarbon revenues while holding no title to, or entitlement to receive petroleum resources.
- US Financial Accounting Standards Board (FASB) regulations have lagged behind these developments and provide little explicit guidance on reserves disclosure when the risks and rewards of ownership are carried without legal title to mineral rights.
- However, volumes covered by such innovative contracts should be included in external reports in an informative way to be consistent with the spirit of the SEC regulations. The volumes from which economic benefit is derived should be reported if all three of the following conditions are met:
1. The OU participates in the production operations as either operator or in partnership with the operator, and so bears a share of the costs and risks of the production operations.

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2. The OU derives future economic value that is directly related to the volume of hydrocarbons produced. For example, a fee expressed as a fixed or indexed amount per barrel of production would constitute a derivation of value from the produced hydrocarbons, but an operating fee that is largely independent of production would not. The actual source of revenues used to pay the OU is not crucial to this point. For example, if the remuneration is determined by a produced gas volume but paid from oil revenues, the economic value to the OU is in effect derived from the produced gas, and this volume should be reported.
3. The OU is exposed to the normal risks and rewards associated with ownership of mineral rights, including the downside and upside from changes in the value of future production volumes. These include the risk that costs may not be recovered, due to either uncertainty as to the presence or magnitude of hydrocarbon volumes or to movements in petroleum prices.

OUs and NVOs working under such contracts should complete the standard resource volume submission for the Group/Company interest in these volumes, noting the nature of the interest. Group share of production is calculated from economic modelling of total financial reward in line with contract terms versus total revenues. Reported volumes should be in line with the reporting of traditional reserves with regard to royalties and should therefore reflect the volumes from which pre-tax cash flow is derived. As elsewhere, cash royalties are regarded as a production cost.

When an OU is participating in a venture which grants neither title to, nor an entitlement to receive petroleum, and which does not satisfy the three criteria above the OU should not report reserves or production volumes. For example this might occur if the recovery of costs is guaranteed against adverse price movements or a shortfall in recovered volumes.

**Licence or
Contract
Extensions**

For internal reporting purposes, Group share of the expectation estimate of reserves and scope for recovery are recorded for the total producing life, i.e. including the period beyond the relinquishment date, but not covered by a right to extend or by a letter of assurance (see below). The currently existing licence terms or other anticipated terms should be assumed for this extrapolation. In addition to full life cycle volumes, resource volumes limited to the current licence only are recorded for total expectation reserves, developed expectation reserves and total commercial scope for recovery.

For external reporting, Group share of reserves (proved, proved developed) is limited to production within the existing licence or contract period. However, production beyond the licence or contract period can be included if there is a legal right to extend a production licence or PSC, or if the government has formally indicated that it will favour substantiated requests for extensions in the future (letter of assurance). Then volumes recoverable during the extension period are included in the Group share, assuming currently existing or other anticipated terms. Such considerations should be documented in the annual submission.

In some countries, the issue or duration of production licences for gas fields is effectively coupled to the conclusion of gas sales contracts. In other areas, a realistic target date for initiation must be set for projects that are not yet firmly planned so that the production forecast and other screening assumptions can be used to estimate the volume produced before licence or contract expiry.

**Long Term
Supply
Agreements**

FASB regulations (69 par. 13) require that quantities of oil or gas subject to purchase under long term supply, purchase or similar agreements should be reported separately, if the OU participates in the operation of the properties in which the oil or gas is located or otherwise serves as the "producer" of those reserves, as opposed, for example, to being an independent purchaser, broker, dealer, or importer.

The "supply" agreement should be a consequence of the OU acting as producer. This would not be the case if, for example, others had similar agreements but did not participate in the production operations.

These net quantities, as well as the net quantities received under the agreement during the year, should be included in the end year estimate of reserve volumes for external disclosure form.

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