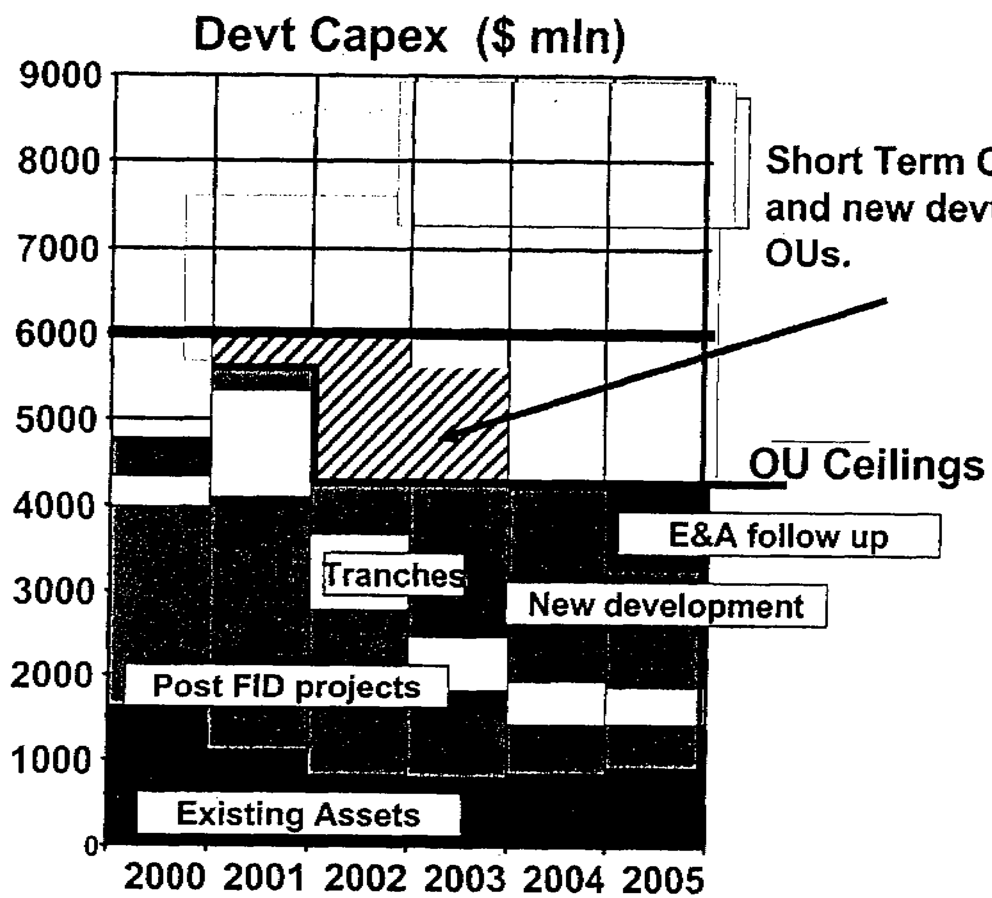
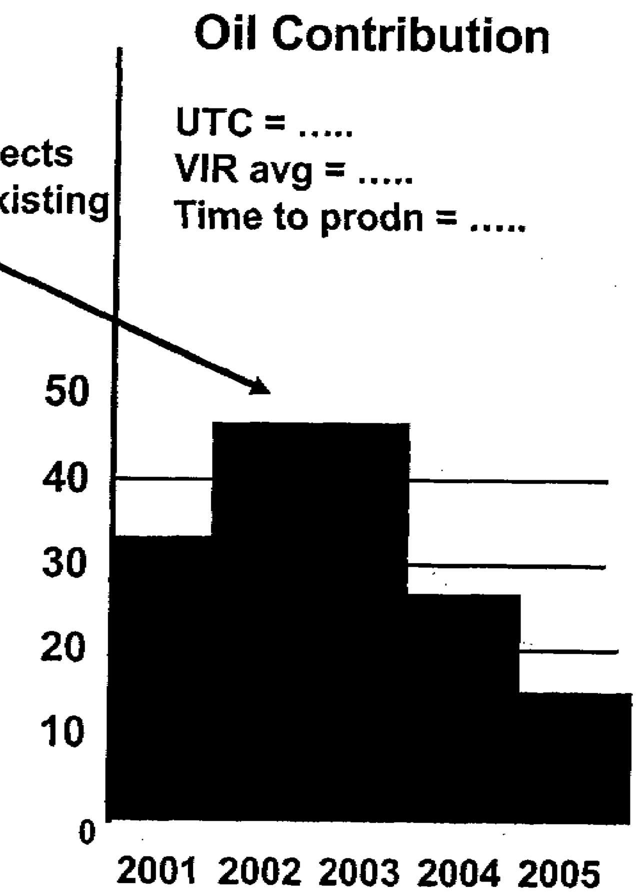
KEY ISSUES - Allowing further Funds for Existing OUs.





DB 07522

Country Summary report Regional view.ppt

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Treatment Requested

V00120358

BIG TICKET ITEMS...Planned to take FID by end 2002/early 2003

Capex Requirements $ mln (till 2005)

Nigeria -Ehra	900
Egypt - NEMED (no dilute)	2000
Brazil - BC-10+	670
Angola - Blk -18	1400
China deals	600
Venezuela LNG	7
MRH Others (Kuwait, Lybia)	600
Bangestan	740
South Pars	370
Zapolynaroye	550
Saudi Gas development	2400
Sakhalin 40 % Gas devt I	1500

Possibly requiring $11,000+ mln in plan period.

Possible People Resources Reqd

Global DW Business Staffed up	Nigeria	25+
	Egypt	25+
	Brazil	25+
	Angola	25+
	China deals	25+(?)
	Venezuela LNG	(?)
	MRH Entry Others	25+
MRH & CIS Business	Bangestan	25+
	South Pars	25+
	Zapolynaroye	50+
	Saudi Gas development	100+
	Sakhalin deal & Gas devt I	150+

Possibly 500+ Staff required ....

DB 07523

Shell Expro - Existing Assets capex

Existing Assets Capex $ mln MOD	2001	2002	2003	2004	2005
Brent Gas commitments	30	21	11	1	
Gas Contract commitments	5	0	3	3	
HSE & legal obligations	5	6	6	2	
Minority shareholder obligations	2	1	1	1	0
Prime Scope Schiehallion	2	15			
Infrastructure integrity	12	10	5	5	5
Production seismic & subsurface modelling	2	0		4	0
Economic improvement	11	3	4	2	2
Minor modifications	9	8	8	6	6
Capital overheads	5	3	3	3	3
Subject to portfolio management	61	3	2	2	1
Grand Total	144	70	42	28	17

DB 07524

BSP Capex Corporate & Existing Assets

Corporate Assets

		Mln US$ Shell Share, MOD						
		BP2001					Plan Period	Common Years
		2001	2002	2003	2004	2005		
IGPDS	BP2001	4.6	4.0	0.6	0.1	1.4	10.8	9.4
Tariffed resources	BP2001	5.9	5.5	4.4	3.7	1.4	20.8	19.5
Corporate services	BP2001	0.5	0.1	0.0	0.0	0.0	0.6	0.6
Refinery	BP2001	0.2	0.3	0.0	0.0	0.0	0.5	0.5

Product flow Existing assets

		Mln US$ Shell Share, MOD						
		BP2001					Plan Period	Common Years
		2001	2002	2003	2004	2005		
SRU LAND	BP2001	2.3	1.9	0.8	0.7	0.9	6.6	5.7
SRU EAST	BP2001	3.4	4.5	2.8	0.9	0.9	12.6	11.7
SRU WEST	BP2001	3.5	3.7	2.2	0.3	0.1	9.8	9.7

DB 07525

SRU Tariff Resources

CA Category : Corporate

Category	Description	2001 Mln US$, SS	Justification
IT/Data Mgmt.	DM H/W PURCHASE	0.10	Part of budget for annual upgrades to keep the DM Unix computing infrastructure fit for purpose; essential for continuation of subsurface modelling,data management and alignment with OM/XM systems.
IT/Data Mgmt.	CORTRAN2 IMPLEMENTATION	0.26	Contract committed (40% VOWD in 2000) to replace/upgrade current application. Budget of 0.26 mln US$ SS in 2001 is required to complete the project.
IT/Data Mgmt.	AIMS FACILITIES DATABASE PHASE 1	0.24	Project to develop database to capture integrity of assets/facilities. Provision in 2001 for populating the database using in-house resources.
IT/Data Mgmt.	FIC CENTRAL SERVICES	0.06	Replacement of servers/equipment to maintain IT infrastructure service.
IT/Data Mgmt.	EP Business Systems Strategy Implementation	0.59	Budget (project total US$ SS 8.8 mln) required to replace BSP's legacy of Group Common systems with an integrated solution based on the EP Blueprint. Most will be obsolete 2002/3 and Group/Vendor support will soon cease to exist. .
IT/Data Mgmt.	DESKTOP SERVICE	0.07	BSP have 20 servers to provide desktop services. These are planned to be replaced at the rate of five per year. The replacement of these servers is required to ensure that the quality of the service does not deteriorate.
IT/Data Mgmt.	EPIDORIS II REPLACEMENT	0.03	Ongoing IT system replacement.
IT/Data Mgmt.	DMR FREQUENCY CHANGE	0.75	Driven by international telecommunication rules as enforced by ITU/JTB (Brunei telecom departments).
IT/Data Mgmt.	TELECOM MISC PROJECTS	0.15	Project necessary to ensure continuity, reliability, availability and expension of Radio, Telephony communication Networks and Infrastructure.
IT/Data Mgmt.	DATACOMMS NETWORK	0.21	Project necessary to ensure continuity, reliability, availability and expension of Datacommunication & Telemetry Networks (LAN & WAN).
IT/Data Mgmt.	LOGOS MIGRATION TO POWERBUILDER	0.08	The budget covers the application's (logistics planning/scheduling) migration to software that is supported(i.e. internally within the organisation or externally), existing software is obsolete and no longer supported.
IT/Data Mgmt.	DM HARDWARE PURCHASE PHASE 2	0.07	Part of budget for annual upgrades to keep the DM [illegible] fit for purpose; essential for [illegible] managem[illegible]

DB 07526

SRU East

CA Category : Existing Assets

Category	Description	2001 Mln US$, SS	Justification
HSE	Magpie Vent to Flare Conversions	0.12	To meet Group venting target
HSE	CP Natural Flow Implementation phase 2	0.59	To meet Group venting target
HSE/ Production	CP Natural Flow Implementation phase 1	0.74	To meet Group venting target and oil production targets
Integrity	Field Request Plant Change (FRPC)	0.26	Minor operational projects to eliminate shutdown and improve facility operability.
Integrity	Sand Detection	0.15	To prevent sand erosion failures and optimize production capacity.
Integrity	CPFB-7 Flare Upgrade	0.29	Upgrade on the CP-7 Flare required as a result of the recent incident on CP 7
Integrity	CP7 Fire Water System	0.29	Upgrades and study work on CP-7 Fire water system which has leaks and blockages and may need pump replacements.
Integrity / Production	CP-7 Elect Systems Rationalisation	0.38	Modifications on CP-7 electrical systems - integrity and deferment related
Integrity / Production	Remote Outstations, Power and Communication	0.15	Changeout of existing RTU's which are obsolete and not maintainable. Required for reservoir management and production optimisation
Integrity/HSE	PIMS East 2000 -2002	0.36	To allow intelligent pigging on critical pipeline.
Other	Concept Design East 2000-2003	0.03	In-house manpower and consultant related cost for conceptual design study.
Production	Well Test Metering Upgrade	0.07	Enable testing of East wells for [illegible] optimisation

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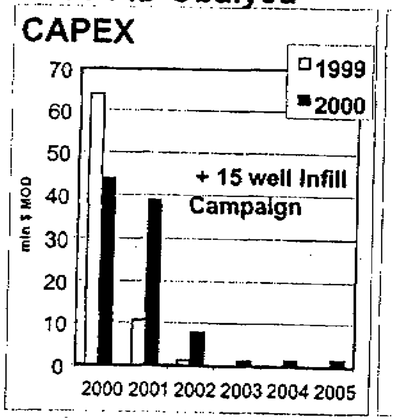
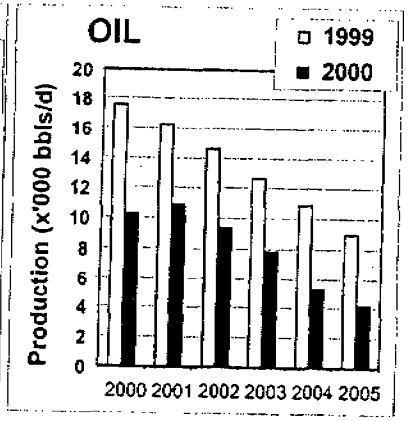
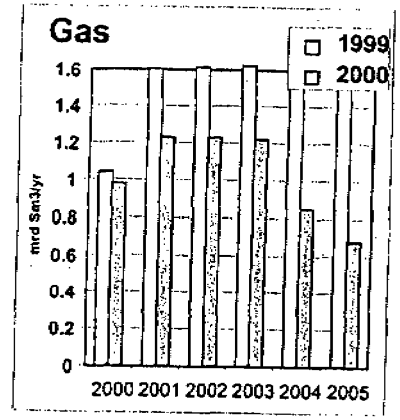
PRODUCTION PERFORMANCE FROM NEW PROJECTS IS DISAPPOINTING.........

Egypt

POST FID Obaiyed





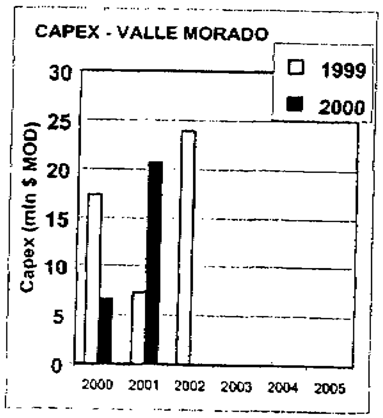


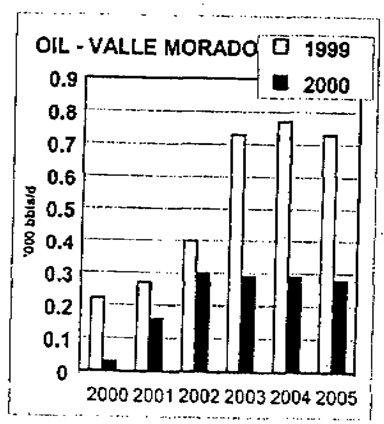
(...Rosetta same)

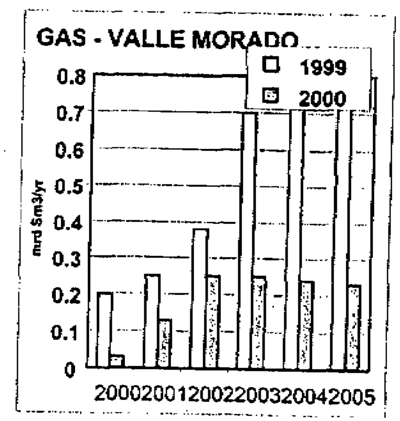
First slippage... then less hydrocarbons forecast

Argentina

VALLE MORADO







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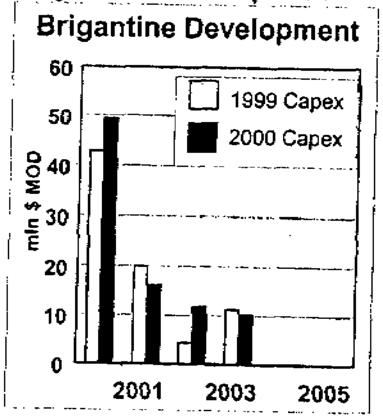
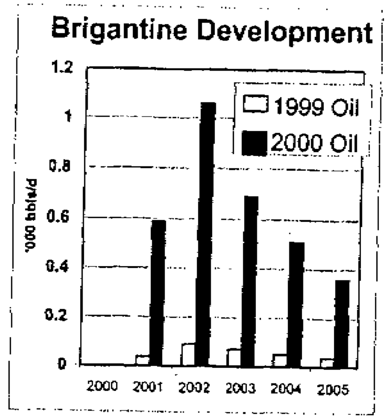
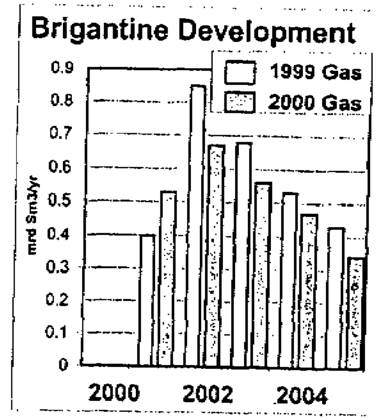
PRODUCTION PERFORMANCE FROM NEW PROJECTS IS DISAPPOINTING.........

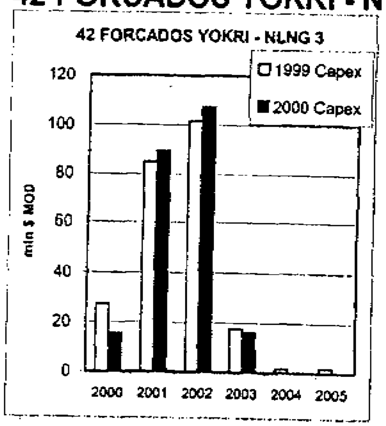
UK Brigantine Development

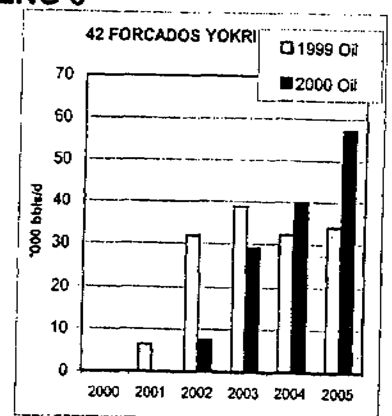


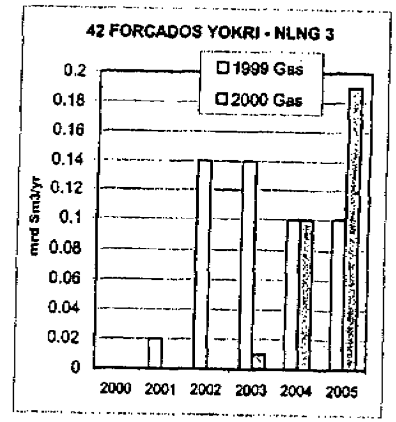




Nigeria 42 FORCADOS YOKRI - NLNG 3







DB 07529

MAJOR Post-FID PROJECTS ....CAPEX

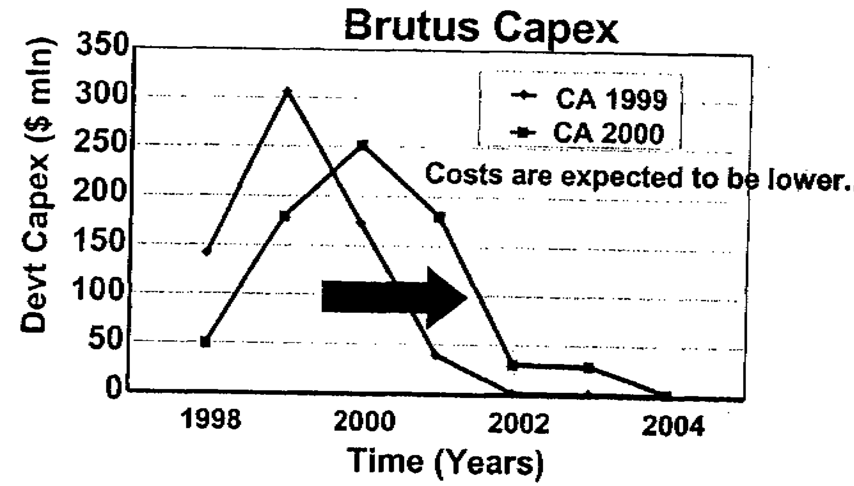
Brutus - indications of capex rephasing...
Onstream date unchanged

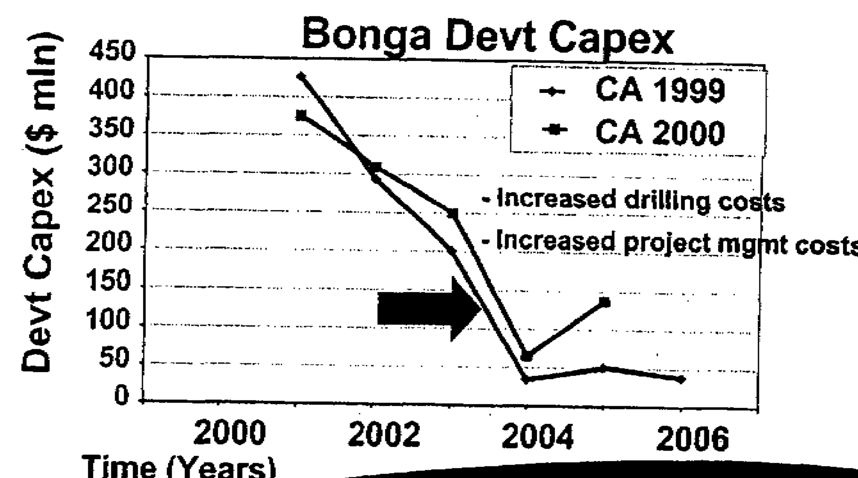
AOSP - indications that capex 2001 is larger than planned due to slippage in schedule........

Bonga - indications of capex increase......
indications of slippage......
Onstream date unchanged

Nowrooz/Sarooz -
2001 & 2002 capex slippage......
Onstream date unchanged

Shearwater - capex will be under budget & on time....



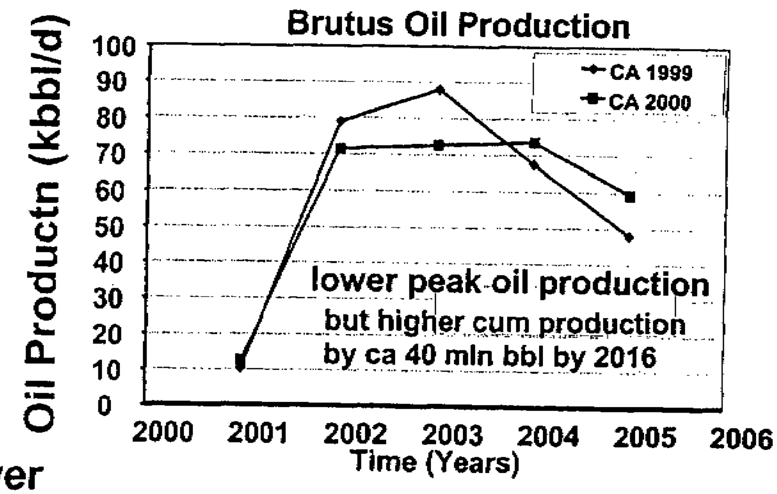


POST-FID 2000 - Underspend Likely
2001 - $400 mln additional

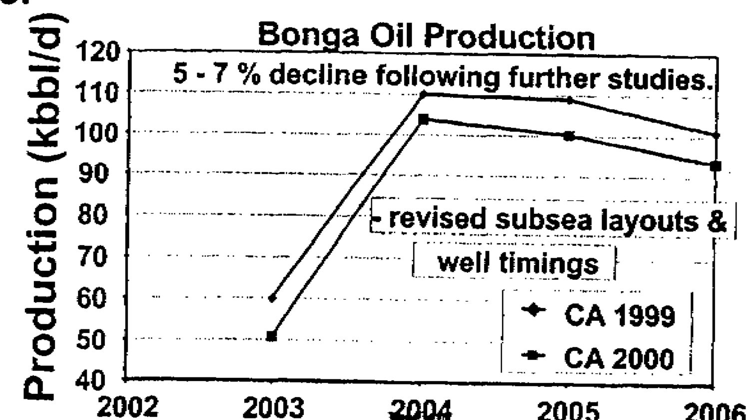
DB 07530

MAJOR Post-FID PROJECTS IN PROGRESS....PRODUCTION

Brutus - Peak production in 2002 & 2003 is now lower
Not a barrel produced yet.....
(Is this a meaningful signal ...)



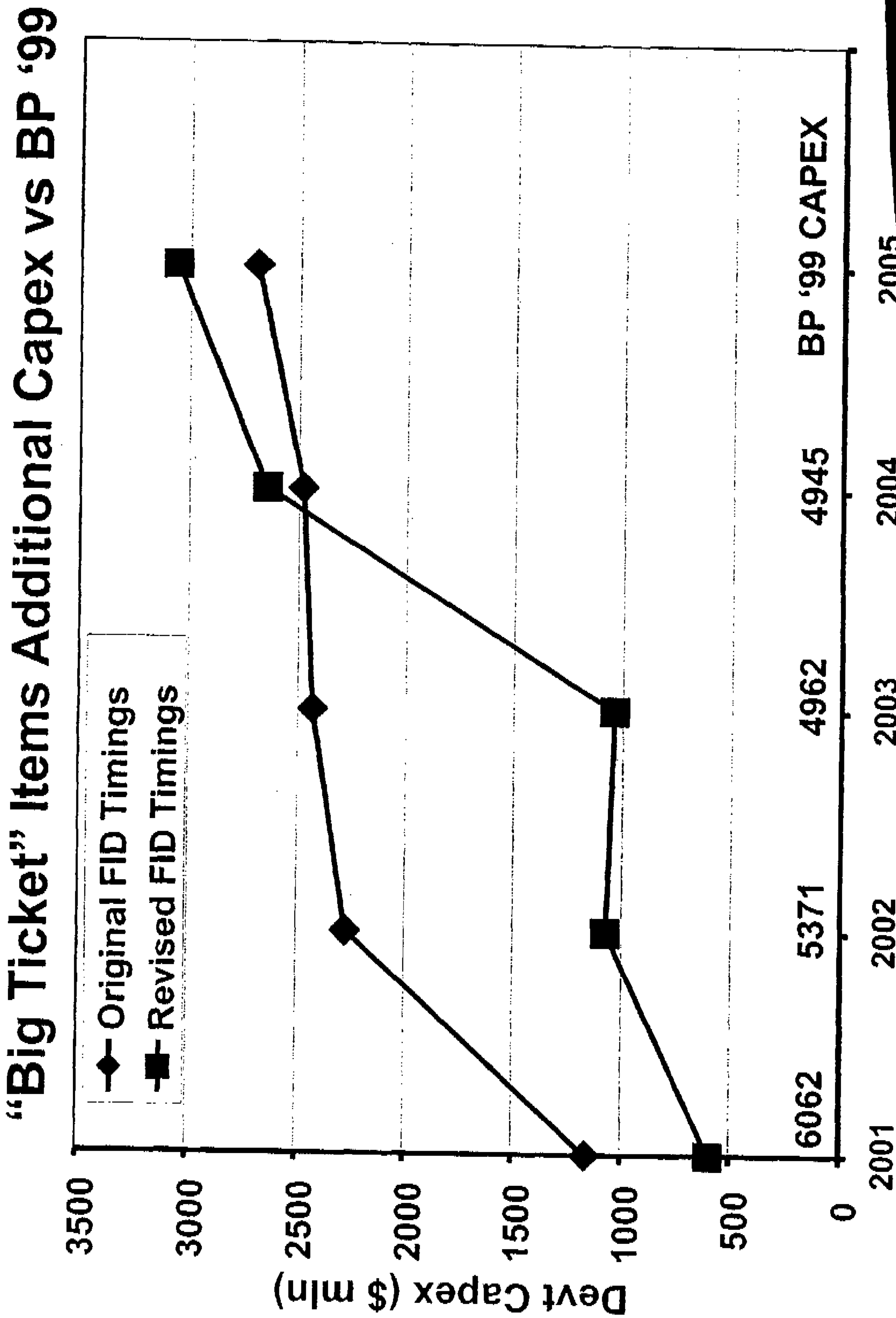
Bonga - Peak production in 2003 & 2004 is lower
(system remodelling, revised subsea
layouts & well timings)



Shearwater - Production unchanged ,
capex will be reduced vs budgets.

POST-FID Production is lower across the board
Cannot find examples of increases.....

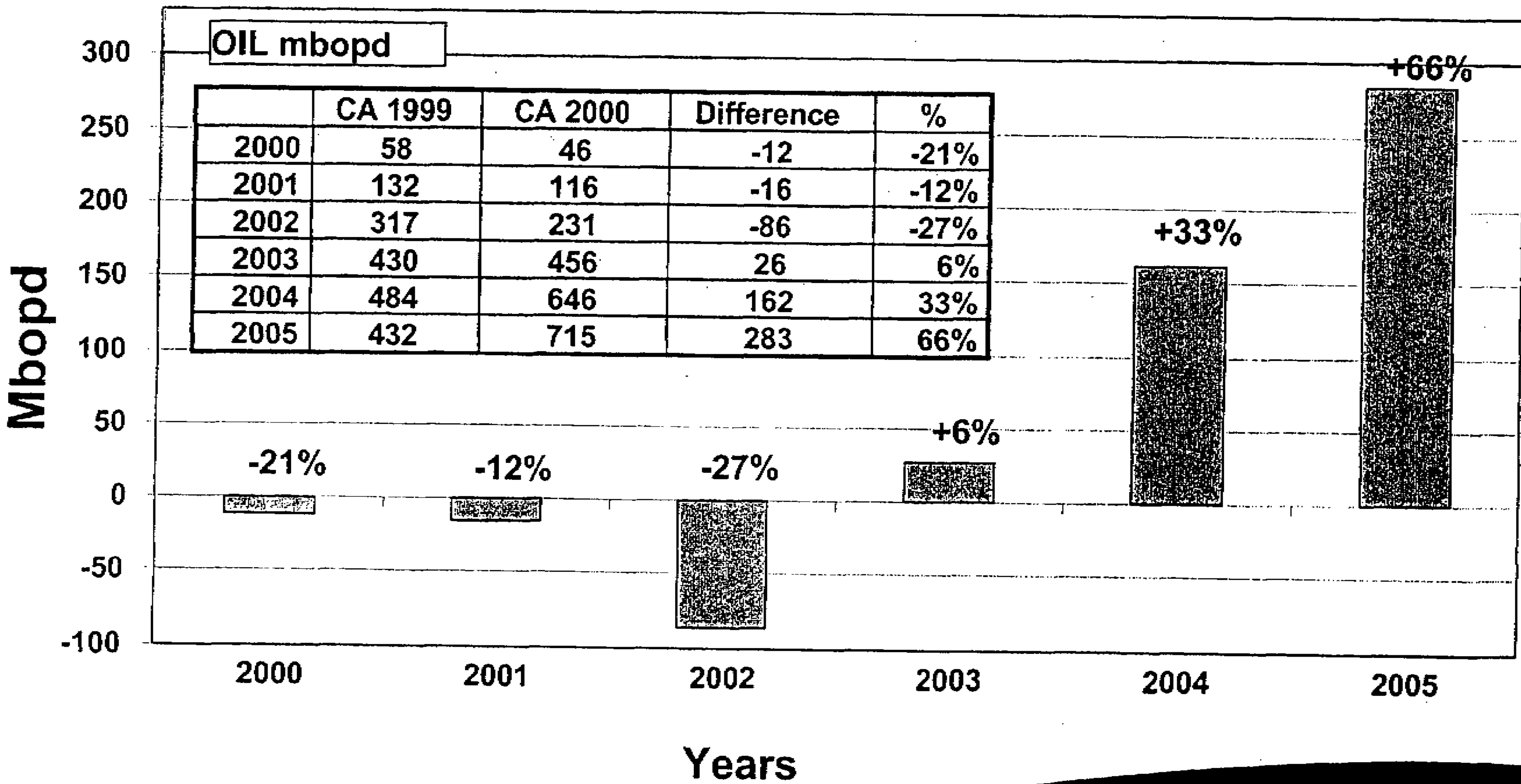
DB 07531


"Big Ticket" Items Additional Capex vs BP '99
Original FID Timings
Revised FID Timings
Devt Capex ($ mln)
3500
3000
2500
2000
1500
1000
500
0
2001
2002
2003
2004
2005
BP '99 CAPEX
6062
5371
4962
4945

DB 07532

Oil Production Difference Major Post FID Projects

1999 vs 2000 CA Raw Data Submission



	CA 1999	CA 2000	Difference	%
2000	58	46	-12	-21%
2001	132	116	-16	-12%
2002	317	231	-86	-27%
2003	430	456	26	6%
2004	484	646	162	33%
2005	432	715	283	66%

DB 07533

Unknown

From: McKay, Aidan A SIEP-EPB-P
Sent: 02 October 2001 17:02
To: Platenkamp, Roelof RJ SIEP
Subject: FW: Roelof_career_ender.ppt : 26th June 2000 Excom Presentation - State of the Portfolio

Roelof_career_ender.ppt

Roelof,

as promised, its funny in a way as at the time (if you remember) we humourously agreed to call it the career ender given the likely response you would recieve. In hindsight, it was Freudian in the extreme.

Aidan

DB 07534

V00120370

From:	Platenkamp, Roelof RJ SIEP
To:	Van De Vijver, Walter SI-MGDWV
CC:	
BCC:	
Sent Date:	2001-10-01 10:46:59.000
Received Date:	2001-10-01 10:47:26.000
Subject:	RE: Persoonlijk
Attachments:	Roelof_Finalised_Set26thJun.ppt

Walter,

dank je.

Ik heb voor je informatie de presentatie naar Excom van 26 juni vorig jaar bijgevoegd, waarin ik m.i. duidelijk aangaf dat we op de verkeerde weg waren; slides 1,3,4,5,9,10,11,20 en 21 bevatten de belangrijkste overpromise/underdelivery boodschappen. Geen verdediging--het was gewoon een pijnlijk en moeizaam proces om een boodschap die men (nog) niet wilde horen te geven-ik heb ook in alle EPLF presentaties aangegeven dat productie en project delivery achterbleven bij belofte..

Met vriendelijke groeten,
Roelof

RJ Platenkamp
SIEP-EPB
C23 room 01B33
phone (31) 70 377 7498
fax (31) 70 377 7491
mob (31) 651 130 758

-----Original Message-----
From: Van De Vijver, Walter SI-MGDWV
Sent: 01 October 2001 07:52
To: Platenkamp, Roelof RJ SIEP
Subject: RE: Persoonlijk
Sensitivity: Personal

Roelof,

Je hebt gelijk,er is nog geen beslissing genomen ,komt naar de MDC volgende maand voor discussie voor ideale profiel wat betreft de scope van de job.

We blijven zoeken.
Kwam je naam weer tegen in Oman,Marmul Haima West reserves de-booking request van het ministerie.

Groeten,
Walter

PBW0003646
CONFIDENTIAL

EXHIBIT
Platenkamp 7
11/15/06
GAIL F. SCHORR, C.S.R., C.R.R.

-----Original Message-----
From: Platenkamp, Roelof RJ SIEP
Sent: 24 September 2001 17:11
To: Van De Vijver, Walter SI-MGDWV
Subject: Persoonlijk
Sensitivity: Personal

Walter,

ik weet dat je het druk hebt maar val je toch nog even lastig.
Pieter Berkhout vertelde mij vorige week dat het profiel voor
zijn opvolger gebaseerd was op EP/GP en niet op OP..misschien
dus toch een mogelijkheid voor mij.

Uiteraard ben ik bereid om je in alles te steunen binnen EP,
begrijp me niet verkeerd!

Groeten,
Roelof

RJ Platenkamp
SIEP-EPB
C23 room 01B33
phone (31) 70 377 7498
fax (31) 70 377 7491
mob (31) 651 130 758

PBW0003647
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Informal translation of email correspondence between Mr Platenkamp and Mr Van de Vijver

1. Mail from Roelof Platenkamp to Walter van de Vijver dated 10/01/2001:

Walter,

thank you.

For your information I have attached last year's presentation dated 26 June to Excom, in which in my opinion I clearly indicated that we were on the wrong track; slides 1,3,4,5,9,10,11,20 and 21 contain the most important overpromise/underdelivery messages. No defence--it was just a painful and difficult process to deliver a message that people did not (yet) want to hear--I also indicated in all EPLF presentations that production and project delivery stayed behind promise.

Kind regards,
Roelof

2. Mail from Walter van de Vijver to Roelof Platenkamp dated 1 October 2001
   Subject: RE: Personal

You are right, no decision has been made yet, comes to the MDC next month for a discussion on the ideal profile regarding the scope of the job.

We keep looking.
Ran into your name again in Oman, Marmul Haima West reserves de-booking request from the ministry.

Regards,
Walter

3. Mail from Roelof Platenkamp to Walter van de Vijver dated 24 September 2001
   Subject: Personal

Walter,

I know you are busy but I bother you for a moment any way.
Pieter Berkhout told me last week that his successor's profile was based on EP/GP not on OP. perhaps a possibility for me after all.

Obviously I am prepared to support you in any way within EP, don't get me wrong!

Regards,
Roelof

STVASD\569770.1

Shell International Exploration and Production B.V.
Shell EP International BV

Most confidential

2000 EP Business Plan - Volume 2

2000 Business Plan
Exploration and Production Executive Committee

Reference Edition

EPB, 23 October 2000

EXHIBIT 8
Plaka Kamp
11/15/06
GAIL F. SCHORR, C.S.R., C.R.R.

EP MISSION & VISION

MISSION

To help people build a better world by providing hydrocarbons cost effectively, reliably and safely without harming the environment.

VISION

We will be a business that is recognised as delivering **superior profitability** and **value growth** from a continuously improving **portfolio**.

We will achieve and maintain an outstanding **reputation** for **sustainable development**, balancing economic, social and environmental responsibilities.

We will value **diversity** and offer our people a **challenging, and rewarding working environment**, with the opportunity for self-development; thereby capturing the business advantages of a **motivated and high-quality workforce**.

CONTENTS

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EXECUTIVE SUMMARY

Further Business Improvements during 2000....

Building on the key learnings from 1998, EP has made significant progress in tackling key thrusts of Capital Discipline, Portfolio Management and Cost Leadership.

- **Capital Discipline**, through global competition for funding via the Capital Allocation process is now fully established and supported throughout the EP community. The discipline displayed by our OUs is supported by a more efficient global business planning process.
- **Portfolio Upgrading** has been effected through both divestments and acquisitions. Underperforming assets have been divested in the US, UK, and Australia, and risks have been mitigated through selective dilution of interest in key areas. The portfolio has been further strengthened by the addition of high-potential exploration acreage in Brazil and the Caspian, and acquiring a majority interest in Sakhalin.
- **Cost Leadership** has been embraced by the EP community with the sharing of best practices soon to be facilitated by online benchmarking.

These thrusts are supported by the establishment of **Global Exploration**, a strong emphasis on **people skills and diversity**, and the business foundations of **HSE, Sustainable Development, Reputation Management** and **Technology**.

However, we are not complacent.....

Our established processes for "**making the most of what we have**" will be accelerated through our 'Realising the Limit" procurement initiatives, and accelerated technology deployment, which are already delivering substantial business benefits.

Critical to the delivery of the EP Plan is our success in "**getting new business**" by accessing the most attractive greenfield and brownfield opportunities in an increasingly competitive business environment. This is reflected in the increased emphasis which EP has placed on "Volume 0: Options Discussion with CMD" which analyses in detail the 39 high-quality opportunities which have been identified.

Success in the traditional EP business will be complemented through "**breaking new ground**" in commercialising key technologies, and exploiting the potential of eBusiness.

The **2000 EP Business Plan** comprises

- the **Foundation Plan**, which meets agreed Ground Rules of 15% ROACE and $2.4 bln Net Cash to Shareholder,
- **Strategic Options** which are summarised in Appendix A2, and included on a risked basis, and
- the **"Christian"** acquisition (excluding dilutions which may be required by the NZ Commerce Commission).

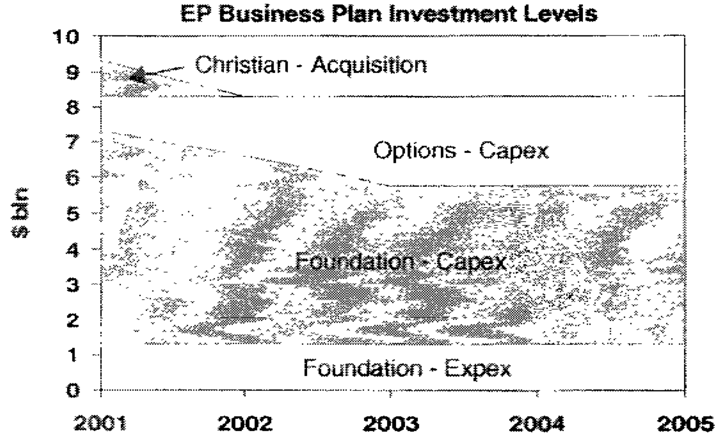
The 2000 EP Business Plan has the following key characteristics:

- Capex: $8 bln in 2001 and $7 bln thereafter.
- Expex: constant at $1.3 bln per annum throughout the Plan period.
- ROACE: 14.7% in 2001, increasing to 17.4% by 2005.
- Net Cash to Shareholder, Intrinsic Shareholder Return and gearing Ground Rules will be met under all oil price scenarios.
- Average production growth over the Plan period is 6% for oil and 8% for gas (7% growth in boe production).

Planned investment levels provide ExCom flexibility to holdback $1 bln ($0.8 bln Production Capex, $0.2 bln Expex) until Q1, 2001 results are in hand. Release of such funds will be dependent upon the impact of coded projects, and the outlook for oil prices during the remainder of 2001.

Production levels are quoted at $14/bbl. In the event of $26/bbl throughout 2001, production will be reduced by ca. 70 kb/d and 4.5 mrd Sm3/yr due to lower PSC entitlements.

EP Business Plan Investment Levels



EXECUTIVE SUMMARY (Continued)

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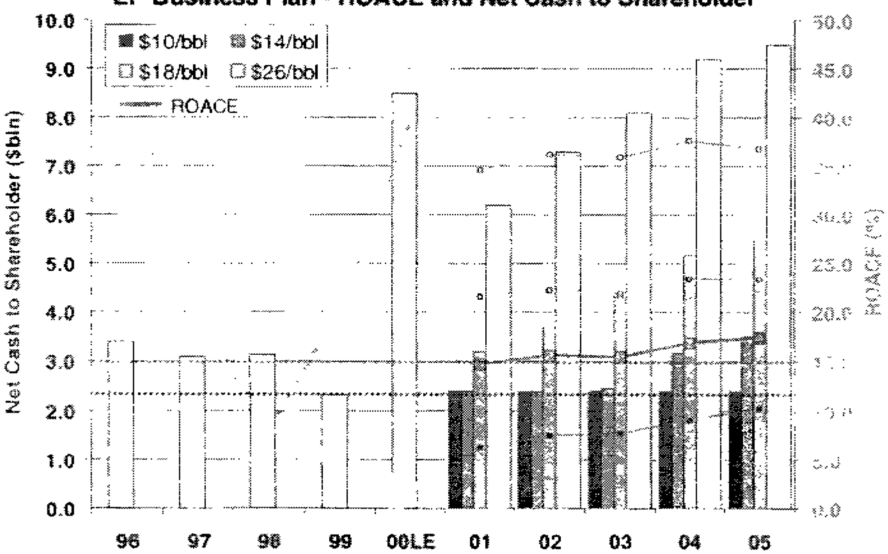
Key statistics 2000 EP Business Plan

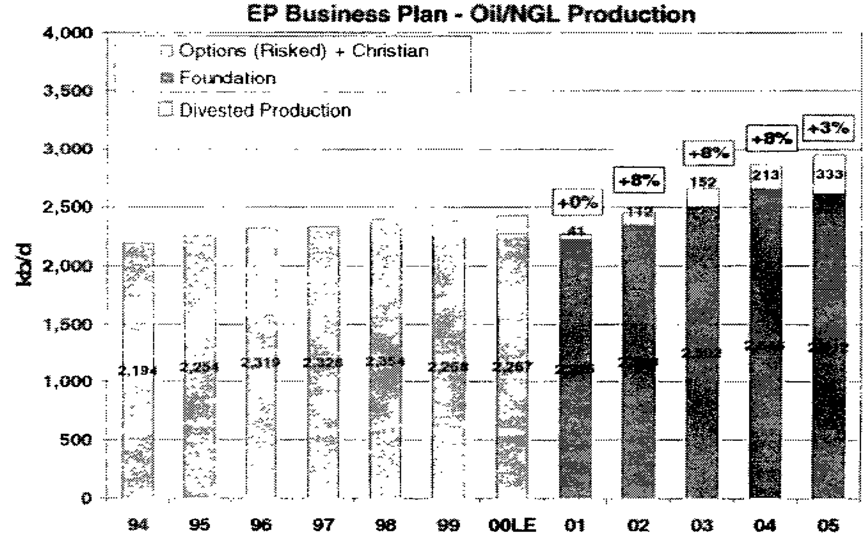
@ $14/bbl		00LE	01	02	03	04	05
Production capex	**$mln**	4,692	8,000	7,000	7,000	7,000	7,000
Expex	**$mln**	1,330	1,300	1,300	1,300	1,300	1,300
Opex (GA)	**$mln**	3,136	3,165	3,155	3,120	3,150	3,218
Oil & NGL	**kb/d**	2,267	2,266	2,450	2,654	2,859	2,945
Gas Production	**mrd sm3/yr**	86.0	96.5	103.4	110.0	117.8	120.9
Total	**kboe/d**	3,702	3,877	4,177	4,490	4,825	4,962
NIAT	**$mln**	8,856	3,368	3,950	4,170	4,973	5,519
YE Capital Employed	**$mln**	24,137	27,205	29,615	31,527	33,576	35,887
ROACE		39.0%	14.7%	15.6%	15.4%	16.9%	17.4%
Unit Opex (GA)	**$/boe**	2.3	2.2	2.1	1.9	1.8	1.8
Net cash to shareholder	**$mln**	8,500	2,400	2,400	2,464	3,183	3,519

NOTE: excludes "Christian" dilutions which my be required by NZ Commerce Commission

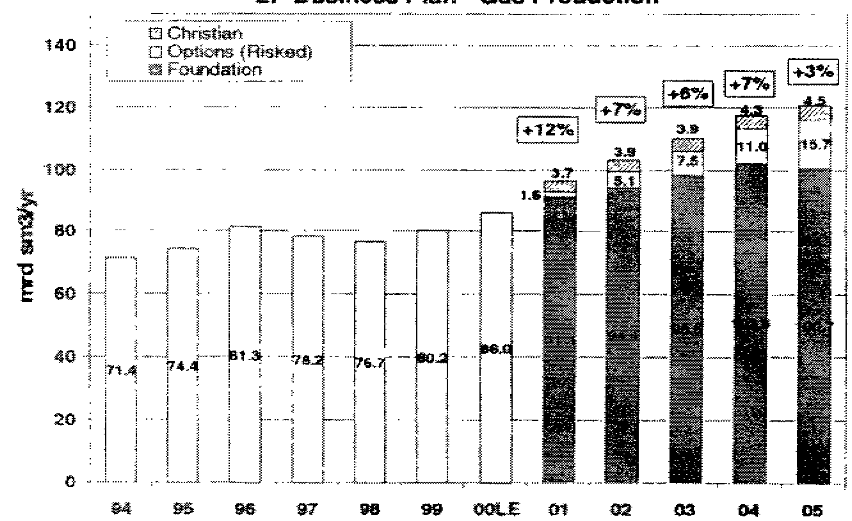
EP Business Plan - ROACE and Net Cash to Shareholder



EP Business Plan - Oil/NGL Production



EP Business Plan - Gas Production



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Treatment Requested

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1. EP BUSINESS ENVIRONMENT

Macro-Economic Outlook

Expectations of economic growth remain uncertain, notably in relation to a possible US stock market correction. Premises are consequently based on a conservative growth assumption of 3.5% for 2001-2002, increasing over 4.0% beyond 2002.

Global Oil Supply and Demand

2000 oil demand growth is expected to be 1.3% with demand suppressed due to high oil prices, and a mild winter. Beyond 2000, world demand is expected to increase 1.5-1.9 million b/d each year, a growth rate of 2%.

Higher oil prices have led to an increase in non-Opec supply which has increased by 1.2 million b/d in 2000. Over the Plan period, non-Opec production is expected to continue to grow by 750,000 b/d each year (outside the CIS), with contribution from the CIS strongly dependent upon economic stability.

Following recent Opec quota increases, a supply surplus is expected in 2001.

Oil Supply and Demand (million b/d)	Actual			2000 Plan Assumptions		
	1998	1999	LE 2000	2001	2002	2005
OPEC						
Quota at start of year incl Iraq			*25.5*	*29.0*	*28.0*	*30.5*
Crude excl Iraq	26.1	24.2	25.2	25.2	25.0	27.0
Iraq	2.1	2.5	2.8	3.2	3.5	4.0
NGLs and Cond	2.9	2.9	3.0	3.1	3.2	3.6
Total	31.1	29.6	31.0	31.6	31.7	34.6
Non-OPEC						
Total Liquids	35.9	35.7	36.7	37.5	38.2	39.7
CIS	7.3	7.4	7.6	7.8	8.0	8.5
Losses and Process Gain	1.4	1.4	1.4	1.4	1.4	1.4
Total Supply	75.7	74.1	76.7	78.3	79.3	84.2
Stock Reduction/(Build)	1.5	1.1	-0.5	-0.5	0.0	0.0
Total World Demand	**74.2**	**75.2**	**76.2**	**77.8**	**79.3**	**84.2**
Growth Rate			*1.3%*	*2.0%*	*2.0%*	*2.0%*

Oil Prices

With stocks remaining low, oil prices have rebounded sharply since March 1999, with Brent prices averaging $26.8/bbl in the first half of 2000, and over $30/bbl in September. Following high seasonal demand in Q4, 2000, a small supply surplus is expected to develop in 2001, resulting in a gradual stock increase and weakening prices. Prices may fall rapidly towards $18-$20/bbl to encourage stock building if OPEC does not adjust quotas.

In the longer term, it is expected that prices of $13-$17/bbl will allow Opec and non-Opec to retain their respective market shares by limiting growth in non-Opec production and promoting high demand growth. Higher prices will cause Opec production to stagnate or even fall, a situation which is unlikely to be tolerated.

Consequently, EP will retain a midpoint for screening of $14/bbl MOD Brent, whilst remaining vigilant to a possible fall towards $10/bbl, and identifying short-term projects which are highly profitable at $18/bbl.

Gas Prices

- Current European prices are closely linked to oil. Uncertainties are high in the EU where fundamental changes are likely to occur within the next 10 years. Demand growth can be largely met by existing long-term contracts through to 2007.
- In North America, gas prices are decoupled from oil. Current high demand and supply shortages have driven gas prices over $5/Mscf, close to the price of oil, a substitute fuel.
- The need to increase supply from more difficult and remote basins is driving prices higher. Access to well positioned new gas resources will be a key component of competitive advantage and sustained financial performance in this market.
- In Central and South Asia, uncommitted demand exists, but this region remains a buyers' market with many potential supply options competing and applying downward pressure on prices.
- In the Far East, gradual market liberalisation and a "backlog" of competing LNG projects is forcing increased price competition in Asian markets where adequate supplies of new LNG and pipeline gas are expected to be available at around $3.0/MMBtu through 2010.

2. COMPETITIVE POSITION

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Increasing Industry Competition

Shell EP competes for business opportunities with three distinct types of companies:

- Super-Majors

A clear gap exists between the three super majors ExxonMobil, Shell, BP (production > 3 mln boe/d) and the rest of the industry. For these companies, a large number of projects are required to sustain value. Shell EP will be increasingly competing with these players for prime, high-volume, growth opportunities in deepwater, MRH, CIS and Caspian.

- Aggressive "Niche" Independents

Independents such as Apache, Newfield and Anadarko, focusing on such areas as greenfield exploration, and 'end-game' production from mature assets provide strong competition for medium scale opportunities. There may also be significant opportunities for synergy with such players in e.g. placement of divestment assets.

- The New Breed

A new breed of pipeline, utility and power generation companies are increasingly moving into EP, and competing for integrated gas opportunities.

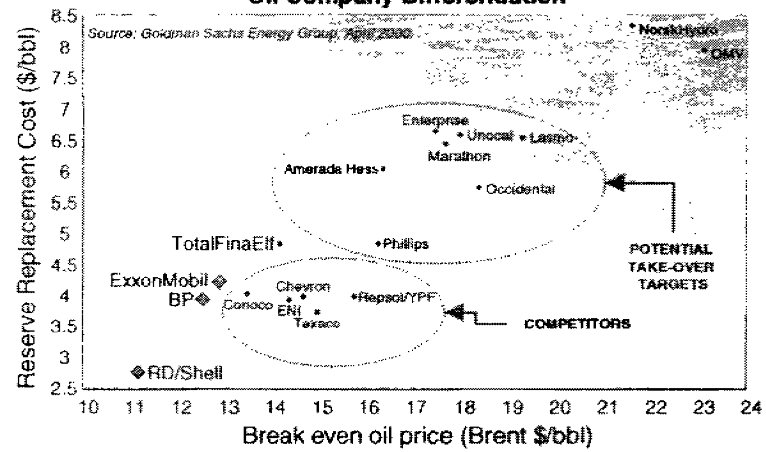
Industry Investment Levels and Growth Plans

Oil production from the 6 majors has grown in line with oil demand over the period 1993-1999. The same companies collectively promise 4-5% production growth per annum over the Plan period, against a backdrop of a 2% demand growth projection. All majors apply similar growth strategies: all claim to lead in deepwater technology and all chase the same growth opportunities in the MRH, Caspian, CIS etc. It is unlikely that the aggregate forecast production can be achieved through organic growth, and further consolidation of the industry is likely.

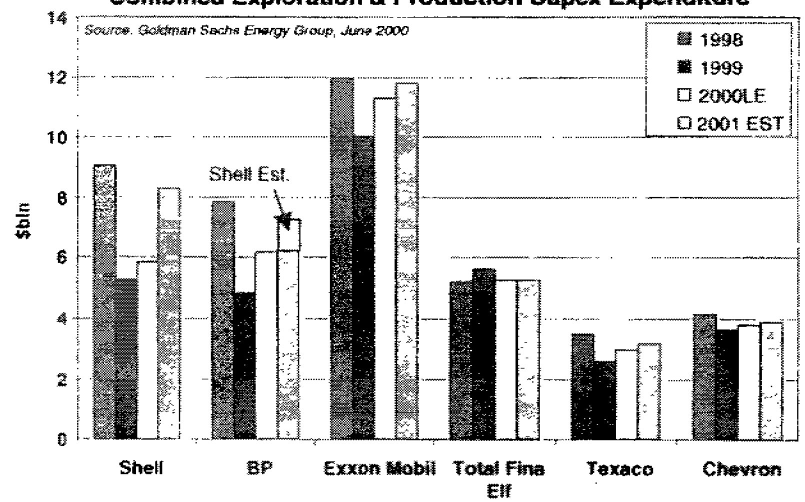
In response to the growth challenge, investment levels are broadly higher than in recent years. Our investment of $8.3 bln in 2001 is expected to be exceeded significantly by Exxon-Mobil.

As the FT has recently commented, **"the bell has rung in the fight for supremacy between the three heavyweights that now top the oil industry - ExxonMobil, Royal Dutch/Shell, and BP"**. To win this fight, Shell EP must build on the progress of 1999 and 2000 to deliver best-in-class performance in 2001 and beyond.

Oil Company Differentiation



Combined Exploration & Production Capex Expenditure



2. COMPETITIVE POSITION (continued)

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Comparative Performance

The Competitive Intelligence (CI) group in Shell EP uses the respected Prudential (formerly Schroders) benchmarking to assess Shell comparative performance. On the basis of 9 measured parameters, Shell EP has improved to third overall behind Conoco and BP. CI has selected 4 key parameters to monitor our performance over time:

- Finding and Development Costs

  Shell EP is seen as best-in-class in the industry due to the positive impact of revisions and inclusion of non-conventional hydrocarbons (as done by Exxon for years). Our success reflects our expertise in field development and masks recent concerns on exploration delivery. Shell is also more conservative when booking reserves than some competitors, notably BP.

  Change?

- Adjusted Production Costs

  Shell EP is seen as the leader in Unit Adjusted Production Costs, with the impact of SCL global discipline demonstrated in 1999 figures.

- Production Replacement

  All EP majors attempt to maintain 100% reserves replacement. Only BP replaces 100% through the drill bit (although the contribution of revisions is much smaller in their case). Shells strong position is influenced by buy-back contracts and the inclusion of mining reserves.

- Adjusted Production Income

  In 1998, Shell's production income was relatively buffered from the low oil price. At higher prices, we are outperformed by the competition. Regional and/or global fiscal terms appear not to allow the full translation of our cost improvements into income advantage.

Competitive Fitness

In an increasingly dynamic and competitive business world, the ability of a company to exploit the knowledge base of the staff in their organisation is seen as critical. An INSEAD survey of "Competitive Fitness" based on measures such as corporate culture, mission & vision, innovation, planning and competitive intelligence indicates that Shell has been dropped from the benchmarking of world-class companies. This is coupled with concerns over staff morale highlighted in the 1999 Global People Survey.

Shell EP fully recognises these concerns and actions are ongoing to ensure that our belief that people are our key asset is reflected throughout all levels of the organisation

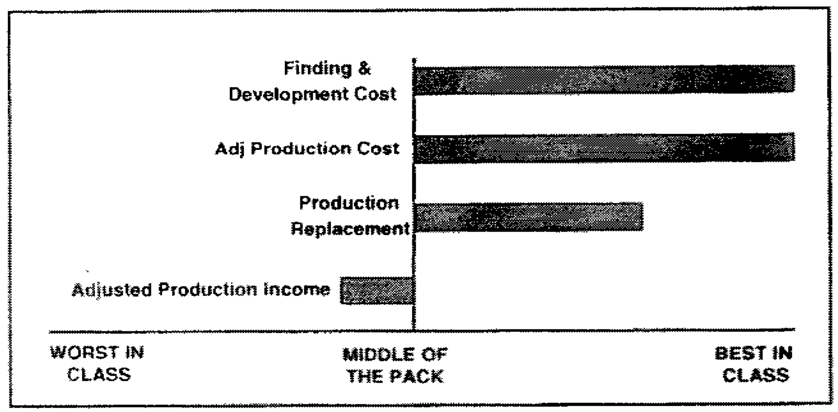
Major Oil Companies - EP Ranking 1995-1999

1995	1996	1997	1998	1999
Chevron	Chevron	BP	Conoco	Conoco
Phillips	BP	Chevron	**Shell**	BP Amoco
Conoco	Amoco	Conoco	Total	**Shell**
BP	Phillips	Total	Exxon	TotalFina
Exxon	Texaco	Amoco	Chevron	Chevron
Texaco	Exxon	**Shell**	BP Amoco	ExxonMobil
Amoco	Total	Arco	Marathon	Texaco
Mobil	Conoco	Marathon	Texaco	Amerada
Amerada	**Shell**	Texaco	Unocal	Elf
Marathon	Marathon	Exxon	Amerada	Arco
Arco	Unocal	Unocal	Arco	Marathon
Unocal	Arco	Philipps	Mobil	Phillips
KMG	Mobil	Mobil	Elf	Unocal
Elf	Amerada	Amerada	Phillips	
Shell	Elf	Elf		

Companies merged or acquired

Source: Prudential, August 2000

1999 - Shell's Relative Performance



3. OBJECTIVES, STRATEGIES & CHALLENGES

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Objective

EP basic objective is to achieve superior profitability and increase shareholder value in a sustainable manner. This requires:

- Short-term profitability:
  EP delivers Net Cash to Shareholder and ROACE in line with our Ground Rules.
- Long-term business growth
  EP has adopted Independent Financial Management (IFM) and is working towards maximising value, as measured by Intrinsic Business Return, within the short-term profitability requirements.

Strategic Overview

Our strategic direction is articulated in terms of three areas:

- **Making the most of what we have** - excellence in performance
- **Getting new business** - conventional growth / replenishment
- **Breaking new ground** - new business opportunities, new business designs

Whilst we have investigated new Business Designs, EP's strategy assumes that the predominant model for value generation will continue to be the traditional JV model, and that EP's primary design is the **Traditional operator** business design. Further details are available in Volume 0.

Making the most of what we have	Getting new business	Breaking new ground
• Capital Allocation • "Realising the limit" • e-Procurement • Active Portfolio Management • Globalisation • Fast technology deployment	• Relationships • Strategic themes (DW, MRH, Gas etc) • Leveraging technology, infrastructure and size • Cross-business (EP/GP) • Acquisitions	• Commercialising technology • Unconventional resource ops. • e-Business • Gas Innovator (SMDS, FLNG)

supported by

- Motivated talent pool with global affiliation
- Commitment to GBP & Sustainable Development
- Effective marketing of successes to stakeholder communities

Business Risk

In response to the Turnbull Report, requiring all public companies listed on the London Stock Exchange to disclose internal controls for the management of principal company risks, EP OUs have summarised their key risks in their Business Plan submissions.

The EP Risk Profile (shown below) is reviewed on a quarterly basis. Critical risks, which are defined as those which place the entire business entity at risk, are each continuously monitored and risk-reduction plans are being developed.

This formal process of risk management will be further embedded in EP throughout 2000/2001

EP Risk Profile