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MARCH 17, 2009, 7:52 A.M. ET

# UPDATE: Shell: Co Still Under Investigation By US DOJ, SEC

## Article

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(Adds details, background about the investigation.)

LONDON (Dow Jones)--Royal Dutch Shell (RDSB.LN) said Tuesday it is currently under investigation by the United States Securities and Exchange Commission and the U.S. Department of Justice for violations of the U.S. Foreign Corrupt Practices Act, though the investigation isn't new, a company spokesman said.

Shell Tuesday disclosed the investigation into potential violations of the act under the heading "risk factors" in its annual review and summary financial statements for 2008.

Shell's 2007 annual report also previously disclosed contacts with the Justice Department over alleged violations of the act.

"Shell's U.S. subsidiary, Shell Oil, was contacted by the U.S. Department of Justice regarding Shell's use of the freight forwarding firm Panalpina, Inc. and potential violations of the U.S. Foreign Corrupt Practices Act (FCPA) as a result of such use," Shell's 2007 annual report said. "While these investigations are ongoing, Shell may face fines and additional costs."

The 2007 annual report also said Shell had started an internal investigation and was cooperating with the Justice Department and SEC.

The Department of Justice investigation into Panalpina became public in the summer of 2007.

Eleven oil and oil-service firms received a July 2, 2007, letter from the Justice Department's criminal fraud section asking them to detail their relationship with Panalpina Weltransport Holding AG (PWTN.EB), a Swiss-based shipping and logistics-management company, according to individuals familiar with the matter, who agreed to speak anonymously.

The Justice Department letter, which was read to Dow Jones at the time, cited concerns about payments that may violate the Foreign Corrupt Practices Act.

Panalpina said then that it was conducting an internal investigation and had been asked to provide documents to the Justice Department relating to services in Nigeria, Kazakhstan and Saudi Arabia for "a limited number of customers."

In March 2008, Panalpina said an internal investigation indeed found indications of wrongdoing in the past at its Nigerian oil and gas service operations, and moved to extract itself from these.

-By Leia Parker and Hans Schoemaker, Dow Jones Newswires, +44 20 7842 9260; leia.parker@dowjones.com

(Alison Birrane contributed to this article.)

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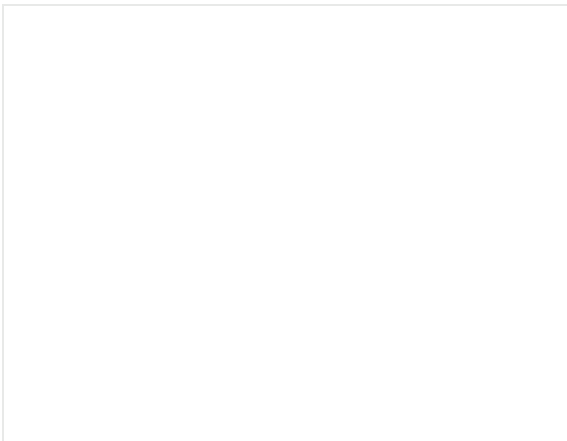
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