First quarter 2017 results
Re-shaping Shell, to create a world-class investment case

Royal Dutch Shell plc
May 4, 2017

#makethefuture
**Definitions & cautionary note**

Reserves: Our use of the term “reserves” in this presentation means SEC proved oil and gas reserves.

Resources: Our use of the term “resources” in this presentation includes quantities of oil and gas not yet classified as SEC proved oil and gas reserves. Resources are consistent with the Society of Petroleum Engineers (SPE) 2P + 2C definitions.

Discovered and prospective resources: Our use of the term “discovered and prospective resources” are consistent with SPE 2P + 2C + 2U definitions.

Organic: Our use of the term Organic includes SEC proved oil and gas reserves excluding changes resulting from acquisitions, divestments and year-average pricing impact.

Shales: Our use of the term ‘shales’ refers to tight, shale and cool bed methane oil and gas acreage.

Underlying operating cost is defined as operating cost less identified items. A reconciliation can be found in the quarterly results announcement.

The companies in which Royal Dutch Shell plc directly and indirectly owns investments are separate legal entities. In this presentation “Shell”, “Shell group” and “Royal Dutch Shell” are sometimes used for convenience where references are made to Royal Dutch Shell plc and its subsidiaries in general. Likewise, the words “we”, “us” and “our” are also used to refer to subsidiaries in general or to those who work for them. These expressions are also used where no useful purpose is served by identifying the particular company or companies. “Subsidiaries”, “Shell subsidiaries” and “Shell companies” as used in this presentation refer to companies over which Royal Dutch Shell plc either directly or indirectly has control. Entities and unincorporated arrangements over which Shell has joint control are generally referred to as “joint ventures” and “joint operations” respectively. Entities over which Shell has significant influence but neither control nor joint control are referred to as “associates”. The term “Shell interest” is used for convenience to indicate the direct and/or indirect ownership interest held by Shell in a venture, partnership or company, after exclusion of all third-party interest.

This presentation contains forward-looking statements concerning the financial condition, results of operations and businesses of Royal Dutch Shell. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management’s current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements include, among other things, statements concerning the potential exposure of Royal Dutch Shell to market risks and statements expressing management’s expectations, beliefs, estimates, forecasts, projections and assumptions. These forward-looking statements are identified by their use of terms and phrases such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “goals”, “intend”, “may”, “objectives”, “outlook”, “plan”, “probably”, “project”, “risks”, “schedule”, “seek”, “should”, “target”, “will” and similar terms and phrases. There are a number of factors that could affect the future operations of Royal Dutch Shell and could cause those results to differ materially from those expressed in the forward-looking statements included in this report, including (without limitation): (a) price fluctuations in crude oil and natural gas; (b) changes in demand for Shell’s products; (c) currency fluctuations; (d) drilling and production results; (e) reserves estimates; (f) loss of market share and industry competition; (g) environmental and physical risks; (h) risks associated with the identification of suitable potential acquisition properties and targets, and successful negotiation and completion of such transactions; (i) the risk of doing business in developing countries and countries subject to international sanctions; (j) legislative, fiscal and regulatory developments including regulatory measures addressing climate change; (k) economic and financial market conditions in various countries and regions; (l) political risks, including the risks of expropriation and renegotiation of the terms of contracts with governmental entities, delays or advancements in the approval of projects and delays in the reimbursement for shared costs; and (m) changes in trading conditions. No assurance is provided that future dividend payments will match or exceed previous dividend payments. All forward-looking statements contained in this presentation are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Readers should not place undue reliance on forward-looking statements. Additional risk factors that may affect future results are contained in Royal Dutch Shell’s 20-F for the year ended December 31, 2016 (available at www.shell.com/investor and www.sec.gov). These risk factors also expressly qualify all forward looking statements contained in this presentation and should be considered by the reader. Each forward-looking statement speaks only as of the date of this presentation, May 4, 2017. Neither Royal Dutch Shell plc nor any of its subsidiaries undertake any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information. In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this presentation. This presentation may contain references to Shell’s website. These references are for the readers’ convenience only. Shell is not incorporating by reference any information posted on www.shell.com. We may have used certain terms, such as resources, in this presentation that United States Securities and Exchange Commission (SEC) strictly prohibits us from including in our filings with the SEC. U.S. Investors are urged to consider closely the disclosure in our Form 20-F, File No 1-32575, available on the SEC website www.sec.gov.
Key messages – Momentum of delivery

**RE-SHAPING SHELL**
- Create a world-class investment case
- Grow free cash flow per share, higher ROCE
- More resilient and more focused company

**PORTFOLIO PRIORITIES**
- Cash engines
  - today’s free cash flow
- Growth priorities
  - deep water and chemicals
- Future opportunities
  - 2020+ shales and new energies

**IMPROVING RESILIENCE**
- Pulling levers to manage financial framework
- Re-set our costs
- Reduce debt

Transforming the company
Summary

Cash momentum continued from 2016
- Underlying CCS earnings $3.8 billion
- CFFO $9.5 billion
- Q117 dividend $0.47 per share

Actively re-shaping Shell
- Divestment momentum
- Post completion AOSP divestment: 7 strategic themes
- Balance sheet strengthening
## Q1 2017 Financial highlights

<table>
<thead>
<tr>
<th></th>
<th>Q1 2016</th>
<th>Q1 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upstream</td>
<td>-1.4</td>
<td>0.5</td>
</tr>
<tr>
<td>Integrated Gas</td>
<td>1.0</td>
<td>1.2</td>
</tr>
<tr>
<td>Downstream (CCS)</td>
<td>2.0</td>
<td>2.5</td>
</tr>
<tr>
<td>Corporate &amp; non-controlling interest</td>
<td>0.0</td>
<td>-0.5</td>
</tr>
<tr>
<td>CCS net earnings</td>
<td>1.6</td>
<td>3.8</td>
</tr>
<tr>
<td>CCS earnings, $ per share</td>
<td>0.22</td>
<td>0.46</td>
</tr>
<tr>
<td>Cash flow from operations</td>
<td>0.7</td>
<td>9.5</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>-16.3</td>
<td>5.2</td>
</tr>
<tr>
<td>Dividend</td>
<td>3.7</td>
<td>3.9</td>
</tr>
<tr>
<td>ROACE (%)</td>
<td>3.8</td>
<td>3.3</td>
</tr>
</tbody>
</table>

Earnings and ROACE on CCS basis, excluding identified items.
Strong cash flow momentum continued from 2016 into 2017

Earnings and cash flow momentum

Q1 2017

Earnings on CCS basis, excluding identified items
Q1 2017

Upstream results – cash flow momentum

Earnings Q1 2016 to Q1 2017

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Cash momentum</th>
<th>Oil &amp; gas prices</th>
<th>Upstream vol &amp; mix</th>
<th>DP&amp;A</th>
<th>Exploration</th>
<th>Cost</th>
<th>Other</th>
<th>Q1 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>(1.4)</td>
<td>0.3</td>
<td></td>
<td></td>
<td>~0.0</td>
<td></td>
<td></td>
<td>0.5</td>
</tr>
<tr>
<td>2017</td>
<td>~1.6</td>
<td>0.2</td>
<td></td>
<td></td>
<td>~0.1</td>
<td></td>
<td></td>
<td>(0.2)</td>
</tr>
</tbody>
</table>

Cash flow momentum

Earnings on CCS basis, excluding identified items

- Cash momentum
- Volume driven by new fields and ramp-up
Cash flow priorities 2016-18

Priorities for cash

1. Debt reduction
2. Dividends
3. Buy-backs & capital investment

- Gearing end Q117: ~27%
- Divestment momentum
- Powerful levers to underpin financial framework

Divestments
Reduce capital investment
Reduce operating costs
Deliver new projects
Cash performance + payout

Priorities for cash:
- Debt reduction
- Dividends
- Buy-backs + capital investment

Dividend + gearing

Sources and uses of cash – Q1 2017

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash flow (CFO)</th>
<th>Gearing (RHS)</th>
<th>Free cash flow (FCF)</th>
<th>Cash dividend</th>
<th>Debt &amp; other financing</th>
<th>Increase in cash equiv.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>9.5</td>
<td></td>
<td></td>
<td></td>
<td>0.5</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>5.2</td>
<td></td>
<td></td>
<td></td>
<td>(2.1)</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>(4.3)</td>
<td></td>
<td></td>
<td></td>
<td>(2.7)</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>0.5</td>
<td></td>
<td></td>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>2017Q1</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td>5</td>
<td></td>
</tr>
</tbody>
</table>

Dividend and gearing in billions of dollars.
Divestments progress

Gaining momentum – from 8 towards 7 themes

**UK North Sea assets**
- Sale of package of UK North Sea assets to Chrysaor
- $3 billion + up to ~$0.8 billion
- Completion expected in H2-17

**Motiva JV exit**
- Integrate retained assets with Shell
- Balancing payment ~$2.2 billion
- Completed May 1, 2017

**Oil sands mining**
- Sale of 50% interest in AOSP and other oil sands assets in Canada
- Net consideration of $7.25 billion
- Completion expected mid-17

- $30 billion 2016-18
- Completed: ~$5 billion
- Announced: ~$15 billion
- Advanced progress: >$5 billion
## Divestments

### 2016-2018 completed + announced

<table>
<thead>
<tr>
<th>Description</th>
<th>$ billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total completed – 2016</td>
<td>~5.0</td>
</tr>
<tr>
<td><strong>Announced</strong></td>
<td></td>
</tr>
<tr>
<td>- AOSP &amp; other oil sands assets in Canada</td>
<td>~7.25</td>
</tr>
<tr>
<td>- UK North Sea</td>
<td>~3.00</td>
</tr>
<tr>
<td>- Motiva JV split</td>
<td>~2.20</td>
</tr>
<tr>
<td>- Thailand - Bongkot</td>
<td>~0.90</td>
</tr>
<tr>
<td>- Gabon onshore</td>
<td>~0.90</td>
</tr>
<tr>
<td>- SADAF</td>
<td>~0.80</td>
</tr>
<tr>
<td>- Australia aviation</td>
<td>~0.25</td>
</tr>
<tr>
<td>- Vivo Energy – Africa</td>
<td>~0.25</td>
</tr>
<tr>
<td>- Hong Kong LPG</td>
<td>~0.15</td>
</tr>
<tr>
<td><strong>Total announced</strong></td>
<td>~15.7</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>~20.7</td>
</tr>
</tbody>
</table>

- Completed in Q2 2017 as of May 4, 2017

- $30 billion 2016-18
- Completed: ~$5 billion
- Announced: ~$15 billion
- Advanced progress: >$5 billion

Royal Dutch Shell | May 4, 2017
Cash momentum – Divestments and project start-ups 2014+

Divestments program

<table>
<thead>
<tr>
<th>Year</th>
<th>2010-12</th>
<th>2013-15</th>
<th>2016-17Q1 Actual</th>
<th>2016-18 Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ billion</td>
<td>0</td>
<td>10</td>
<td>20</td>
<td>30</td>
</tr>
</tbody>
</table>

- Integrated gas
- Upstream
- Downstream/Corporate
- Refocus portfolio
- Infrastructure + mature positions
- High grading ‘tail’
- Announced deals yet to be completed

Project delivery 2018+

- ~$10 billion CFFO
- > 1 million boe/day

Divestments 2016-18:

- $30 billion

Integrated gas split out from Upstream from 2011 onwards

Shell projects start-ups 2014+

- Thousand boe per day / mtpa
- $ billion

- Production
- LNG volume
- 2016 CFFO (RHS)
- 2018E CFFO (RHS)

- BG organic growth from 1.1.2016; LNG volume includes offtake; 2016 RT $60 oil price scenario 2018
**Q2 2017 Outlook**

**Q2 – Q2 OUTLOOK: Year-ago baseline reflects Shell’s earnings seasonality**

- **Integrated gas**
  - Volumes expected to be impacted by reduction of ~25 kboe/d

- **Upstream**
  - Divestment impact: reduction of ~45 kboe/d
  - Production in the Netherlands (NAM): reduction of ~50 kboe/d
  - Maintenance: positive impact of ~55 kboe/d

- **Downstream**
  - Refinery availability increase
  - Chemicals availability increase
  - Divestment impact oil products sales volumes: decrease of ~200 kboe/d

- **Identified items**
  - Downstream: non-cash tax charge of up to $0.6 billion
  - Corporate: non-cash charge of ~$0.5 - 0.6 billion

**2017 OUTLOOK:**

- **Corporate segment:** net charge, excluding the impact of currency exchange rate effects and interest rate movements, of $350 – 450 million in Q2; $1.4 - 1.6 billion in 2017

- **Shell + BG earnings sensitivity:**
  - **Brent:** $10/bbl Brent +/- ~$5 billion earnings per annum, of which:
    - Upstream +/- ~$3 billion; Integrated Gas +/- ~$2 billion (4-6 month LNG price lag versus Brent)
  - **Henry Hub:** $1/mmbtu +/- ~$250 million earnings per annum
Growth priority
Chemicals

Earnings + ROACE

$ billion

2

% 0 5 10 15 20

0 1 2

2013 2014 2015 2016 17Q1

4Q rolling

Earnings ROACE (RHS)

Under construction

- 425,000 tonnes additional Alpha Olefins capacity

- New liquids cracker and derivatives units
  - Capacity: ~1.2 million tonnes ethylene per annum
  - 50/50 JV CNOOC

- Greenfield FID 2016
  - Capacity: ~1.5 million tonnes ethylene per annum and polyethylene derivatives

2006 Nanhai 2010 USGC go-light strategy 2010 Singapore 2016+ China + USA

Earnings and ROACE on CCS basis, excluding identified items

Royal Dutch Shell May 4, 2017
Operational excellence

Upstream

Brazil Operated: BC-10 & BJSA
- Availability from 83% to 96%
- Disciplined focus to deliver production optimisation and cost reduction

Southern North Sea: ONEgas
- Availability from 74% to 92% through improved reliability
- 35% opex reduction since 2014
- Unbundling integrated service contract: $50 million per annum saving; ~130 FTEs reduction

Gulf of Mexico: Oil foamer
- Technology for opening a closed-in well
- Enabled ~1,000 boe/d production
- Rapid replication: 20 wells identified already

Operational excellence
Cost competitiveness
Profitable growth
Impressive delivery track record continues

- 9 FPSOs on-line in pre-salt
- Q1 2017 production: ~325 kboe/d
- Significant production growth still to come

- 3 FPSOs started in 2016
- 10th FPSO P-66 expected to start in Q2 2017
- 11th FPSO P-67 expected to start in Q4 2017
- Libra EWT FPSO expected in 2017

**Deep water Brazil**

**Production**

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual</th>
<th>Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>500</td>
<td></td>
</tr>
<tr>
<td>2020E</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Learning curve improvements**

<table>
<thead>
<tr>
<th>Year</th>
<th>Average # days to drill + complete</th>
<th>Average # months first oil to plateau</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>300</td>
<td>20</td>
</tr>
<tr>
<td>2013</td>
<td>250</td>
<td>15</td>
</tr>
<tr>
<td>2016</td>
<td>200</td>
<td>10</td>
</tr>
</tbody>
</table>

- FPSO P-66 expected to start in Q2 2017
- FPSO P-67 expected to start in Q4 2017

Q1 2017 production: ~325 kboe/d

FPSO 2-6 FPSO 7
Summary

Cash momentum continued from 2016
- Underlying CCS earnings $3.8 billion
- CFFO $9.5 billion
- Q117 dividend $0.47 per share

Actively re-shaping Shell
- Divestment momentum
- Post completion AOSP divestment: 7 strategic themes
- Balance sheet strengthening
Questions & Answers

Jessica Uhl
Chief Financial Officer
First quarter 2017 results
Re-shaping Shell, to create a world-class investment case

Royal Dutch Shell plc
May 4, 2017

#makethefuture