



2015 SRI FIELD TRIP TO CANADA

ROYAL DUTCH SHELL
September 15, 2015



DEFINITIONS AND CAUTIONARY NOTE



The *New Lens Scenarios* referred to in this presentation are part of an ongoing process used in Shell for 40 years to challenge executives' perspectives on the future business environment. We base them on plausible assumptions and quantification, and they are designed to stretch management to consider even events that may be only remotely possible. Scenarios, therefore, are not intended to be predictions of likely future events or outcomes and investors should not rely on them when making an investment decision with regard to Royal Dutch Shell plc securities.

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 2P and 2C 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.

Resources plays: our use of the term 'resources plays' refers to tight, shale and coal bed methane oil and gas acreage.

The companies in which Royal Dutch Shell plc directly and indirectly owns investments are separate 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. Companies over which Shell has joint control are generally referred to as "joint ventures" and companies over which Shell has significant influence but neither control nor joint control are referred to as "associates". In this presentation, joint ventures and associates may also be referred to as "equity-accounted investments". 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 presentation, 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. 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, 2014 (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, September 15, 2015. 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.

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CO₂ MANAGEMENT

Angus Gillespie
Vice President CO₂



SHELL AND CLIMATE CHANGE



- Long recognised importance of climate challenge and role of energy in enabling quality of life.
- The challenge is to provide “more energy and less CO₂”.
- Energy transition underway:
 - Renewables will become a significant part of the global energy system;
 - To address shortcomings in availability, intermittency, storage and energy density, renewables will need a combination with cleaner hydrocarbons.
- Society will struggle to achieve its climate goals without a meaningful carbon price and, longer term, without CCS.
- Shell can play a role to bring more energy and less CO₂, especially in areas where we have the skills such as natural gas, biofuels and CCS.



LOW CARBON R&D AND INVESTMENT STRATEGIES



Gas



Energy Efficiency



Biofuels



Carbon Capture & Storage



CLIMATE CHANGE PUBLIC POLICY POSITION

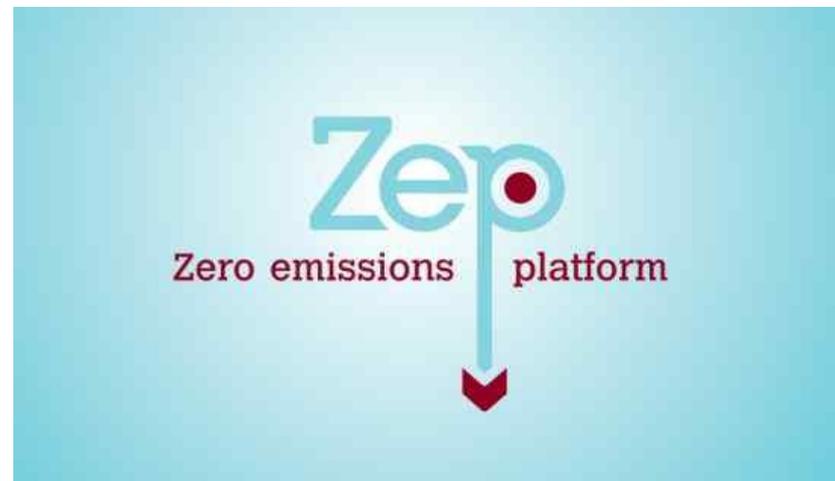


Pro-active advocacy

- A robust price on carbon through government imposed carbon pricing mechanisms
- Government support for early stage low carbon technologies
- Explore plausible futures in Shell scenarios
- Work with governments on energy transitions

Member of / supported:

- World Bank Carbon Pricing statement (2014)
- World Bank Zero routine flaring initiative
- International Emissions Trading Association
- Zero Emissions Platform
- WEF Oil & Gas Climate Initiative



SHELL ENERGY SCENARIOS



Energy demand by source

Exajoules

1.000

750

500

250

0

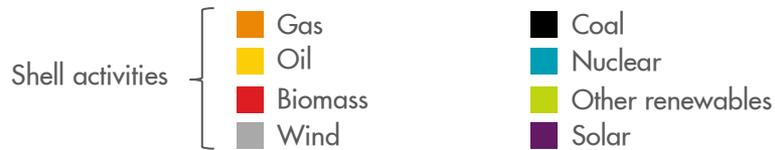
Mountains

Oceans

2000

2030

2060



- 40 years of scenarios
- Designed to stretch management thinking
- Testing business models
- Contrasting plausible views of the future
- Are not a forecast of likely events

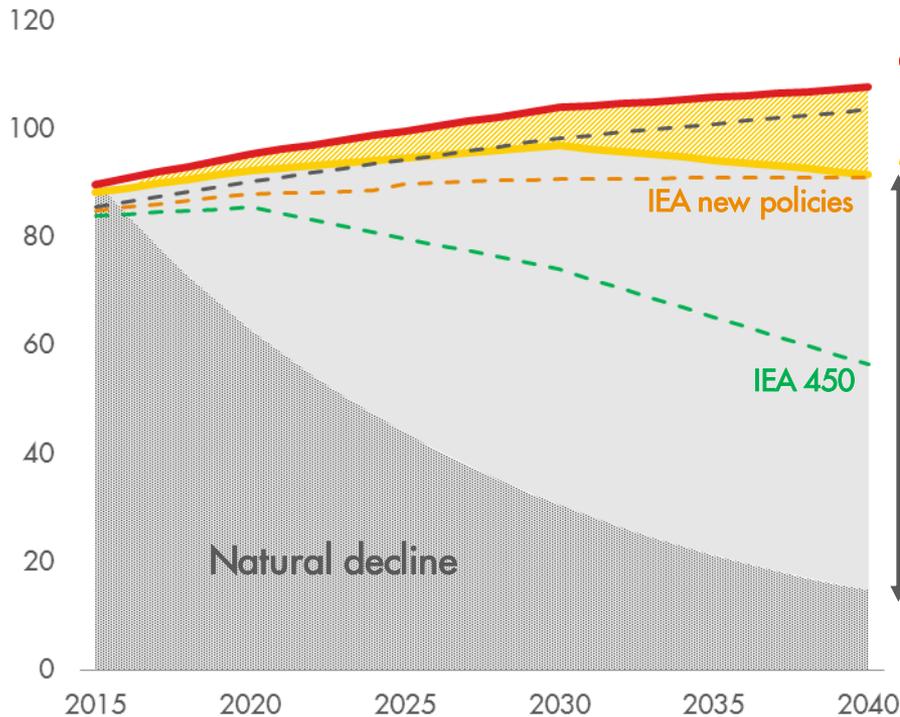
Source: Shell New Lens Scenarios. Please refer to definitions and cautionary note.

OIL SUPPLY & DEMAND



Oil supply & demand

million barrels of oil per day



■ Transport underpins oil demand, despite electric vehicle growth

Oceans

IEA current policies

Mountains

- Substantial supply gap
- 70 million barrels per day
 - 80% replacement of today's production
 - Equivalent to ~6 x Saudi Arabia or ~80 x UKCS
 - ~\$15 trillion investment

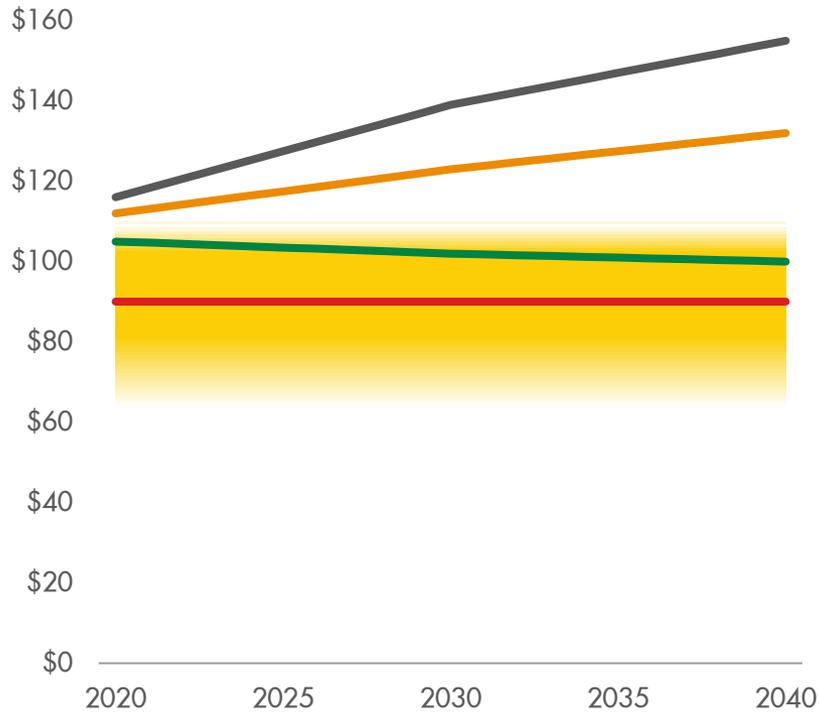
Stranded assets/carbon bubble thesis ignores supply/demand realities

SHELL AND IEA PRICE AND COST ASSUMPTIONS



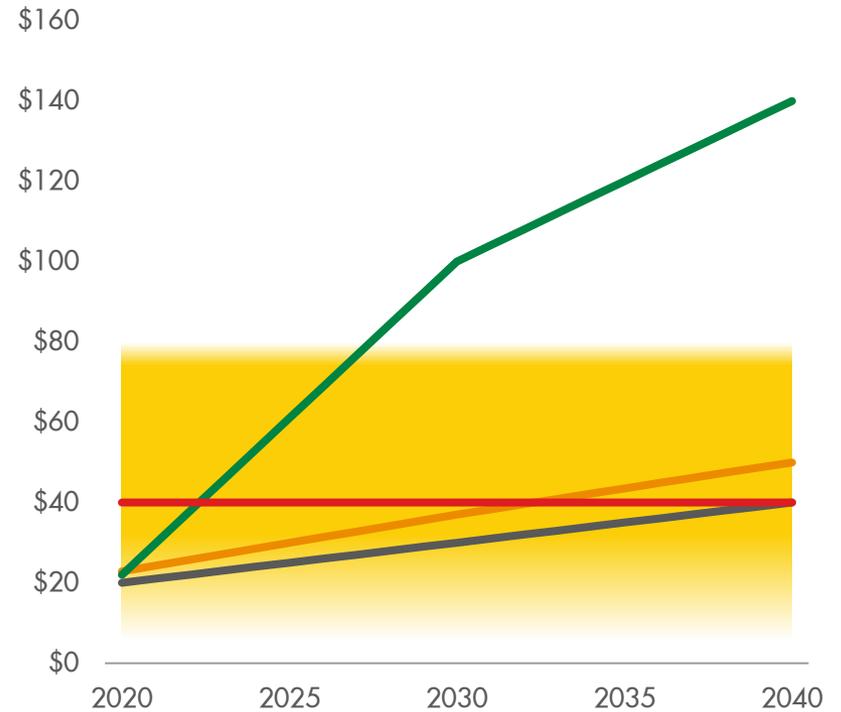
Oil price

\$/barrel



Europe CO₂ cost

\$/tonne



- IEA "Current Policies"
 Shell project screening value
 Shell planning range of screening values
- IEA "New Policies"
 IEA "450"

PROJECT SCREENING VALUE



Intent is to:

- Quantify long-term explicit and implicit cost signals from governments.
- Prompt a deeper discussion on risk with most exposed projects.
- Drive design choices to develop a resilient portfolio.

What it is

To ensure portfolio is resilient

Mandatory in base case project economics

Tool to assess risk of our assets' operations

What it is not

A price forecast

An optional sensitivity case

Tool to assess risks from our products

RISK AND IMPACT ASSESSMENTS



Regulatory risk



- Asset level financial impact
- Based on CO₂ emissions of assets in portfolio

Market risk



- Impact of declining demand
- Regulation or consumer pressure
- Decreased demand for fuels or miles travelled of consumers

Physical risk



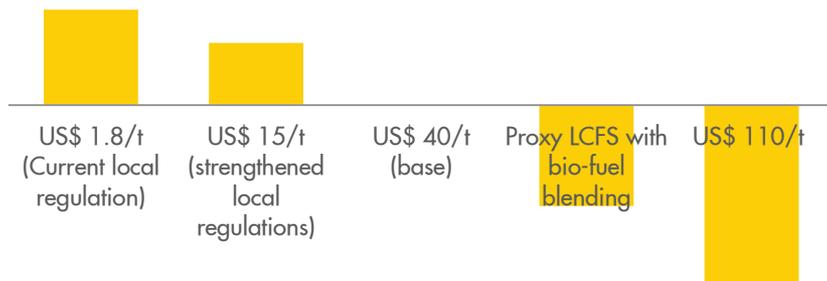
- Impact of physical impacts of climate change
- Reflected in decreased efficiency or increased downtime or damage

CARBON CRITICAL PROJECTS



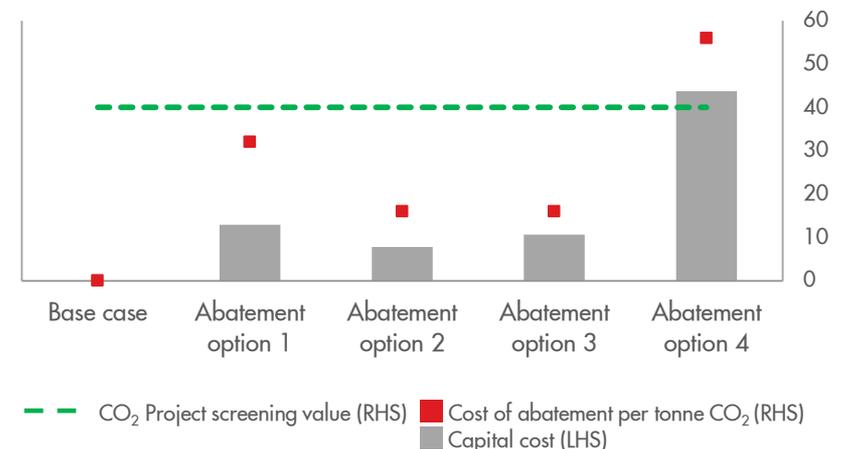
- Identified on annual emissions threshold
- Specific additional steps as part of project planning process
 - Greenhouse gas (GHG) and energy management plan
 - Rigorous sensitivity analysis using a range of CO₂ project screening values
 - Analysis of cost of abatement of CO₂ reducing options
 - Functional support required for CO₂ risk assessment and management plan

Example of NPV carbon price sensitivity analysis



Example of CO₂ emissions abatement assessment

Additional Capex (\$m) Estimated CO₂ cost per tonne





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