North America Investor Day 2016
Re-shaping Shell, to create a world-class investment case

Royal Dutch Shell plc
November 8, 2016

“Let’s make the future”
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 coal 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 release “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 release 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 release 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”, “objective”, “outlook”, “plan”, “probable”, “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 release, 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. There can be no assurance that future dividend payments will match or exceed previous dividend payments. All forward-looking statements contained in this release 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, 2015 (available at www.shell.com/investor and www.sec.gov). These risk factors also expressly qualify all forward looking statements contained in this release and should be considered by the reader. Each forward-looking statement speaks only as of the date of this release, November 8, 2016. 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 release.

With respect to operating costs synergies indicated, such savings and efficiencies in procurement spend include economies of scale, specification standardisation and operating efficiencies across operating, capital and raw material cost areas.

We may have used certain terms, such as resources, in this release 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.
Breakout Q&A panels

**Upstream + Projects & Technology**
- Andrew Brown – Upstream Director
- Harry Brekelmans – Projects & Technology Director

**Downstream**
- John Abbott – Downstream Director
- Graham van ‘t Hoff – EVP Chemicals

**Integrated Gas**
- Maarten Wetselaar – Integrated Gas & New Energies Director
- De La Rey Venter – EVP Integrated Gas Ventures
- Steve Hill – EVP Gas and Energy Marketing & Trading

**Shell Midstream Partners - SHLX**
- John Hollowell – CEO Shell Midstream Partners
- Susan Ward – CFO Shell Midstream Partners
Key messages

**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

**MANAGING THE DOWN-CYCLE**
- Pulling levers to manage financial framework
- Re-set our costs
- Reduce debt

BG acquisition enables and accelerates change
HSSE performance

Goal Zero on safety

Injuries – TRCF/million working hours


TRCF Working hours (RHS)

2016 includes BG

Spills - operational

Volume in thousand tonnes


Energy intensity – refineries

Energy Intensity Index (EEITM)


Process safety

Number of incidents

2013 2014 2015 2016 Q3

Tier 1 incidents Tier 2 incidents

• HSSE priority
• Performance + transparency
Industry context

**Substantial + long lasting shifts in energy landscape**

- **Global population**
  - From 7 to 9 billion by 2050
  - 75% will live in cities

- **Growth in oil & gas demand**
  - Global energy demand to double between 2000 & 2050

- **Energy system in transition**
  - World needs more energy; less CO2

- **Customer choice**
  - New sources
  - New energy carriers
  - New business models

- **Continued oil price volatility**
  - OPEC, shales, shorter price cycles

- **Changing resources access**
  - Requires new value creation models
Strategy
“Let’s make the future”

**World-class investment case**
- FCF/share + ROCE growth
- Conservative financial management

**STRATEGIC**
- Focus portfolio on resilient positions
- Invest in advantaged projects
- Value chain integration

**OPERATIONAL**
- Reset cost and capital spending
- First class execution projects and operations
- Unrelenting focus on HSSE and licence to operate

**Leader: value + influence**

**Reducing our carbon intensity**

**Shared value with society**
Re-shape Shell
Driving strategy in multiple time horizons

**Cash engines: today**
- Funds dividends + balance sheet
- Competitive + resilient
- Strong free cash flow and returns

**Growth priorities: 2016+**
- Cash engines 2020+
- Affordable growth in advantaged positions
- FCF + ROACE pathway

**Future opportunities: 2020+**
- Material value + upside
- Path to profitability
- Managed exposure

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Relentless portfolio high-grading
Re-shape Shell

Capital allocation

- Reducing capital investment
- More predictable development flow

Excludes BG acquisition in 2016
Historical BG Capital investment is based on BG’s published 2014 Annual Report

<table>
<thead>
<tr>
<th>$ billion</th>
<th>2016E</th>
<th>2017-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil products</td>
<td>4</td>
<td>3-4</td>
</tr>
<tr>
<td>Conventional oil + gas</td>
<td>5</td>
<td>5-6</td>
</tr>
<tr>
<td>Integrated gas</td>
<td>5</td>
<td>4-5</td>
</tr>
<tr>
<td>Oil sands mining</td>
<td>&lt;1</td>
<td>&lt;1</td>
</tr>
<tr>
<td>Deep water</td>
<td>10</td>
<td>6-7</td>
</tr>
<tr>
<td>Chemicals</td>
<td>3</td>
<td>3-4</td>
</tr>
<tr>
<td>Shales</td>
<td>2</td>
<td>2.3</td>
</tr>
<tr>
<td>New energies</td>
<td>&lt;1</td>
<td>&lt;1</td>
</tr>
<tr>
<td>Total</td>
<td>29</td>
<td>25-30</td>
</tr>
</tbody>
</table>

Cash engines
Growth priorities
Future opportunities
Re-shape Shell

Cash engines

- **Conventional oil + gas**
  - High grade portfolio
  - Exploration to maintain running room

- **Integrated Gas**
  - Moderate capacity growth rate
  - Prioritise for cash delivery

- **Oil Products**
  - Strengthen the retained core
  - Selective marketing growth

- **Oil sands mining**
  - Improve macro resilience
  - Capture price upside
Re-shape Shell

Growth priorities

Deep water
- Growth in advantaged geology
- Brazil + GOM in focus
- Multi-billion barrels potential

Chemicals
- Advantaged feedstock + growth markets
- USA + China growth

Growth outlook driven by discovered oil & gas and established chemicals positions

Deep water production
Thousand boe per day

Chemicals capacity
Million tonnes per annum, ethylene
Growth Priority

Deep water

Brazil pre-salt

- FPSO 7 + 8 on-stream (Shell 25%)
- Each FPSO 150kboe/d capacity
- Significant ramp-up in Brazil pre-salt volumes

Gulf of Mexico Appomattox

- Host ~40% complete
- Well cost savings ~20% cost reduction since FID
- 175 kboe/d potential, Shell 79% (operator)
- ~650 million boe resources + upside

Growth outlook driven by discovered oil & gas
Growth priority
Chemicals

Under construction

- 425,000 tonnes additional Alpha Olefins capacity

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

Geismar, USA

Nanhai, China

Pennsylvania, USA

Geographic balance

Million metric tonnes Ethylene and Propylene

- North America
- Europe
- Asia Pacific & Middle East

Feedstock balance

Million metric tonnes Ethylene and Propylene

- Liquid
- Gas

- Strengthening our core
- Growing our footprint
- Crackers + derivatives

Strengthening our core
Growing our footprint
Crackers + derivatives
Re-shape Shell

Future opportunities

Shales
- ~12 billion boe discovered + prospective resources
- Mature to ‘growth priority’

New energies
- Energy transition themes
- Explore + invest for longer term

Discovered + prospective resources shown at year end 2015
Maturing a new growth option 2020+

**Americas shales**

- Material discovered + prospective resources ~12 billion boe
- 25% liquids, 75% gas
- Reducing costs + improving capital efficiency

### Resources

- ~12 billion boe
  - 2P reserves
  - Contingent resources - development pending
  - Contingent resources - other
  - Prospective resources

### Production

- Thousand boe per day
- +55%

- **Liquids**
- **Gas**

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**Western Canada**
- Liquids rich shales
- Maximize existing infrastructure
- 465k net acres
- Premier Duvernay position

**Appalachia**
- Dry gas
- Positive exploration success

**Permian**
- Liquids rich shales
- 280k net acres
- Low cost + high quality Wolfcamp position

**Haynesville**
- Dry gas
- Non-operated

**Argentina**
- Liquids rich shales
- 168k net acres
- Early stage exploration

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Discovered + prospective resources shown at year end 2015; consistent with the Society of Petroleum Engineers 2P (Proved + Probable Reserves), 2C (Contingent Resources) and 2U (Prospective Resources) definitions

Production excludes divested assets (2013-14) and includes BG Haynesville/Appalachia addition (2016)
Exploring new opportunities

New energies

- New fuels
  - Cleaner transportation
  - Biofuels + hydrogen

- Integrated energy solutions
  - NL + USA wind
  - Solar for EOR Oman

- Connected customer
  - Connected mobility
  - Connected energy

Established credentials: exploring options
Re-shape Shell

**Expectation:** end of decade

<table>
<thead>
<tr>
<th></th>
<th><strong>2013-15 ~$90</strong></th>
<th></th>
<th><strong>2019-21 ~$60</strong></th>
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</thead>
<tbody>
<tr>
<td><strong>Capital employed</strong> (bln end '15)</td>
<td><strong>Free cash flow</strong> (bln p.a.)</td>
<td><strong>ROACE (%)</strong></td>
<td><strong>Capital employed</strong> (bln)</td>
</tr>
<tr>
<td>Oil products</td>
<td>5</td>
<td>12</td>
<td>&gt;5</td>
</tr>
<tr>
<td>Conventional oil + gas</td>
<td>-1</td>
<td>13</td>
<td>~5</td>
</tr>
<tr>
<td>Integrated gas</td>
<td>4</td>
<td>13</td>
<td>&gt;5</td>
</tr>
<tr>
<td>Oil sands mining</td>
<td>0</td>
<td>1</td>
<td>~1</td>
</tr>
<tr>
<td>Cash engines</td>
<td>~65%</td>
<td>8</td>
<td>~65%</td>
</tr>
<tr>
<td>Deep water</td>
<td>-1</td>
<td>10</td>
<td>~5</td>
</tr>
<tr>
<td>Chemicals</td>
<td>1</td>
<td>15</td>
<td>~5</td>
</tr>
<tr>
<td>Growth priorities</td>
<td>~20%</td>
<td>0</td>
<td>~25%</td>
</tr>
<tr>
<td>Shales</td>
<td>-4</td>
<td>-12</td>
<td>~0</td>
</tr>
<tr>
<td>New energies</td>
<td>-</td>
<td>-</td>
<td>~0</td>
</tr>
<tr>
<td>Future opportunities</td>
<td>~5%</td>
<td>-4</td>
<td>~5%</td>
</tr>
<tr>
<td>Organic FCF</td>
<td>5</td>
<td></td>
<td>20-25</td>
</tr>
<tr>
<td>Divestments</td>
<td>7</td>
<td></td>
<td>~5</td>
</tr>
<tr>
<td><strong>Total (incl. Corporate)</strong></td>
<td><strong>223</strong></td>
<td><strong>12</strong></td>
<td><strong>270-290</strong></td>
</tr>
</tbody>
</table>

2019-21: 2016 RT $60 scenario, mid-cycle Downstream

**CASH ENGINES**
Stable portfolio + step up in financial performance

**GROWTH PRIORITIES**
Deep water delivering free cash flow; Chemicals continues to grow

**FUTURE OPPORTUNITIES**
Transitioning to growth businesses
Maarten Wetselaar
Integrated Gas & New Energies Director
Royal Dutch Shell plc
### Integrated Gas + new energies

**Cash engine**

**Integrated Gas**

**LNG**
- Oil + gas production
  - Sakhalin-1
  - Qatargas 4
  - Muscat LNG
- Liquefaction
- Marketing & trading
- Regasification

**Gas-to-Liquids**
- Operational excellence
- Building GTL product premium

**Future opportunities**

**New energies**
- Energy transition
- Leverage adjacencies
- Explore + invest

- Focus on:
  - Cash + returns
  - Create + secure new demand
  - Selective growth
  - New energies opportunities
Integrated Gas
Financial performance

**Earnings**

<table>
<thead>
<tr>
<th>Year</th>
<th>Earnings ($ billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>10</td>
</tr>
<tr>
<td>2013</td>
<td>10</td>
</tr>
<tr>
<td>2014</td>
<td>10</td>
</tr>
<tr>
<td>2015</td>
<td>10</td>
</tr>
<tr>
<td>2016 Q3 4Q rolling</td>
<td>8.8</td>
</tr>
</tbody>
</table>

**Capital employed**

$88 billion as at Q3 2016

**Cash flow + ROACE**

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash flow ($ billion)</th>
<th>ROACE (RHS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>15</td>
<td>21</td>
</tr>
<tr>
<td>2013</td>
<td>15</td>
<td>21</td>
</tr>
<tr>
<td>2014</td>
<td>15</td>
<td>21</td>
</tr>
<tr>
<td>2015</td>
<td>15</td>
<td>21</td>
</tr>
<tr>
<td>2016 Q3 4Q rolling</td>
<td>15</td>
<td>21</td>
</tr>
</tbody>
</table>

**LNG plant availability**

- In service
- Under construction

Earnings and ROACE on CCS basis, excluding identified items
LNG supply + demand

Global LNG supply + demand outlook

Million tonnes per annum

Overview of LNG FIDs

Million tonnes per annum

- 2015-20: >100 mtpa supply growth
  - Predominantly contracted volumes
  - Supply driven market until end of decade

- 2020 to 2030
  - Asian demand continues as main growth area
  - Declining European indigenous gas production providing LNG demand growth area
  - Majority of new supplies from North America and potentially East Africa

- Supply gap emerging early 2020s
LNG supply + demand

- Supply growth led by Australia
- New buyers
Global LNG footprint

- IOC leadership position
- Global footprint
- Value from optionality

LNG volumes

- Million tonnes per annum

Liquefaction capacity

- Million tonnes per annum
- QP, Shell, Petronas, Cheniere, XOM, TOT, CVX
- Existing, Under construction

- Equity capacity
- Long-term offtake agreement
- Spot offtake in 2015-16 YTD
- Deliveries in 2015-16 YTD
LNG pricing

- Continued demand for oil + gas hub linked LNG pricing
- Oil-price linkage reinforced

**Shell LNG sales + pricing linkage**

Million tonnes per annum (2015 basis, Shell +BG)

**Regional gas prices**

$ per mmbtu

- Japan landed LNG price
- Henry hub (US)
- National balancing point (UK)
- Brent
Example: LNG pricing

- LNG is often sold at a discount to a complete oil-parity of 17% x oil price
- Includes a constant for costs such as shipping
- S-curves beyond agreed oil prices (called kink points) could be set to mitigate high or low oil price risk for the counterparties
- Attractiveness Henry Hub indexed price dependent on oil price
- Risk management tools to manage cross commodity price exposure

Oil prices quoted in volumetric terms ($/bbl) and gas prices in calorific terms ($/MMBtu). A barrel of oil contains roughly 5.8 MMBtu of energy content. Illustrative only and not representative of Shell’s outlook.
Developing new gas & LNG markets

- Marketing LNG to new customers
- Infrastructure development
- Downstream LNG

Gibraltar

Growing and diversifying Asian market

Million tonnes per annum


- Japan
- Korea
- Taiwan
- India
- China
- Indonesia
- Malaysia
- Others

Existing capacity rights
Under construction
Business development
Downstream LNG
Downstream LNG

**LNG to transport**

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**Marine**

- Economic and environmental benefits
- Cleaner than diesel and heavy fuel oil
- Reduce well-to-wheel GHG emissions
- Offers a compelling case to customers
- Working across value chain to unlock demand

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**Heavy-duty road transport**

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**Long run potential**
Opportunity funnel
Selective LNG growth

- Reduce FID pace
- Focus on project cost competitiveness

Options
- Abadi
- NLNG T7
- Tanzania LNG
- Baltic LNG

FEED
- Lake Charles
- LNG Canada
- Browse
- Sakhalin T3

Under construction
- Gorgon T3
- Prelude
- Sabine Pass T3-4*
- Elba*
- Others*

LNG liquefaction volumes on stream
- 9 MTPA
- 29 MTPA (2016E)

*offtake rights
Financial framework

- Creating value for shareholders through cycle
- Pulling levers today to manage the financial framework
- Multi-year timescales and planning
- Positioning to cover dividends in down-cycle, and generate excess free cash flow in up-cycle
Integration with BG
BG portfolio is delivering

Increasing production

Thousand boe per day

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>600</td>
<td>800</td>
</tr>
<tr>
<td>Q2</td>
<td>650</td>
<td>850</td>
</tr>
<tr>
<td>Q3</td>
<td>700</td>
<td>900</td>
</tr>
<tr>
<td>Q4</td>
<td>750</td>
<td>970</td>
</tr>
</tbody>
</table>

$ billion

Synergies BG

<table>
<thead>
<tr>
<th>Year</th>
<th>Costs</th>
<th>Exploration</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>2.5</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>4.0</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>4.5</td>
<td></td>
</tr>
</tbody>
</table>

Conventional oil + gas | LNG | Deep water

Exploration | Costs
Manage down-cycle

Cash flow priorities 2016-18

Priorities for cash

1. Debt reduction
2. Dividends
3. Buybacks & capital investment
Manage down-cycle
Pulling levers to manage financial framework

<table>
<thead>
<tr>
<th>2016-18 levers</th>
<th>Divestments</th>
<th>Reduce capital investment</th>
<th>Reduce operating costs</th>
<th>Deliver new projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ billion</td>
<td>2015 baseline: Shell + BG</td>
<td>2016</td>
<td>2017-2018 potential</td>
<td></td>
</tr>
<tr>
<td>Operating costs</td>
<td>46</td>
<td>Trend to 40 (underlying)</td>
<td>Multi-billion p.a.</td>
<td></td>
</tr>
<tr>
<td>Capital investment</td>
<td>36</td>
<td>29</td>
<td>25-30</td>
<td></td>
</tr>
<tr>
<td>Divestments</td>
<td>6 + 5</td>
<td>6-8 in progress</td>
<td>30 over 2016-18</td>
<td></td>
</tr>
<tr>
<td>Projects start-up post-2014 (CFFO)</td>
<td>n/a</td>
<td>~2</td>
<td>~10 by 2018*</td>
<td></td>
</tr>
</tbody>
</table>

- Reducing our cash break-even
- Further options available
- +/- $10 Brent = ~$5 billion CFFO

2016 RT $60 oil price scenario 2018
Capital investment excludes BG acquisition
Manage down-cycle

Divestments

- $30 billion 2016-18
- Progressing $6-8 billion 2016
- 5-10 countries; ~10% of production

Divestment program

$ billion

2016-2018 completed + announced

<table>
<thead>
<tr>
<th>Divestment</th>
<th>$ billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>MLP</td>
<td>0.8</td>
</tr>
<tr>
<td>Denmark marketing</td>
<td>0.3</td>
</tr>
<tr>
<td>N.Z.: Maui pipeline</td>
<td>0.2</td>
</tr>
<tr>
<td>MGL IPO</td>
<td>0.1</td>
</tr>
<tr>
<td>Others</td>
<td>0.3</td>
</tr>
<tr>
<td><strong>Total Completed</strong></td>
<td><strong>1.7</strong></td>
</tr>
<tr>
<td>Showa Shell</td>
<td>1.4</td>
</tr>
<tr>
<td>Western Canada shales</td>
<td>1.0</td>
</tr>
<tr>
<td>Brutus/Glider</td>
<td>0.4</td>
</tr>
<tr>
<td>PSPC IPO</td>
<td>0.3</td>
</tr>
<tr>
<td>Various:</td>
<td></td>
</tr>
<tr>
<td>- Malaysia &amp; Denmark refining</td>
<td></td>
</tr>
<tr>
<td>- North Sabah EOR PSC</td>
<td>0.2</td>
</tr>
<tr>
<td>- Anasuria cluster</td>
<td></td>
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<tr>
<td><strong>Total Announced</strong></td>
<td><strong>3.3</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5.0</strong></td>
</tr>
</tbody>
</table>

In progress:
- Motiva JV end
- N.Z.: Upstream strategic review
- Thailand strategic review
- Argentina Downstream strategic review

Integrated gas split out from Upstream from 2011 onwards
All values for deals announced are approximates. Closing provisions may impact proceeds received.
Leveraging the midstream

- MLP focus:
  - Fee-based, predictable cash flows
  - Insulated from commodity price exposure
  - High growth
  - $2.2 billion sold into the MLP in 2015 - 2016
  - 10-15% of divestment target from MLP

MLP is a natural vehicle for infrastructure divestments

### EBITDA

<table>
<thead>
<tr>
<th></th>
<th>$ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>100</td>
</tr>
<tr>
<td>2015</td>
<td>200</td>
</tr>
<tr>
<td>2016 Q3 4Q rolling</td>
<td>300</td>
</tr>
</tbody>
</table>

EBITDA annualized for year 2014
Manage down-cycle

Lower & more predictable capital investment

- Planning for $25-$30 billion range
- $30 billion/year ceiling
- Confirming $29 billion for 2016
- 2017 around $25 billion
- Options to further reduce below $25 billion if warranted

Excludes BG acquisition in 2016
Manage down-cycle

Reduce operating cost

- Substantial reductions delivered
- “Lower for ever” mindset + BG synergies
- Staff, supply chain + contractors
- Divestments, growth, FX impacts

Underlying operating cost

<table>
<thead>
<tr>
<th>Year</th>
<th>$ billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>50</td>
</tr>
<tr>
<td>Q3 2015</td>
<td>40</td>
</tr>
<tr>
<td>2015</td>
<td>30</td>
</tr>
<tr>
<td>Q3 2016</td>
<td>20</td>
</tr>
<tr>
<td>2016E</td>
<td>10</td>
</tr>
</tbody>
</table>

Shell | BG

-$ 9 billion
Manage down-cycle

Deliver new projects

- Significant oil & gas + chemicals production under construction
- Capex to free cash flow
- High margin / price upside barrels

**Cash operating cost**
- <$15/boe

**Tax rate**
- ~35%

*BG organic growth from 1.1.2016; LNG volume includes offtake*
Deliver new projects

2016-17 start-ups

- Schiehallion redevelopment
  - 125 kboe/d
  - Shell 55%

- Scotford HCU debottleneck
  - 1.4 kbd
  - Shell 100%

- Geismar AO4
  - 425 ktpa alpha olefins
  - Shell 100%

- Stones
  - 50 kboe/d
  - Shell 100%

- BC-10 Ph3
  - Shell 50%

- 7th FPSO 1st oil – 'Maricá'
  - 150 kboe/d
  - Shell 25%

- 8th FPSO – ‘Saquearema’
  - 150 kboe/d
  - Shell 25%

- 9th FPSO – ‘Caraguatauba’
  - 100 kboe/d
  - Shell 30%

- 10th FPSO – Lula South'
  - 150 kboe/d
  - Shell 25%

- 11th FPSO – Lula North'
  - 150 kboe/d
  - Shell 25%

- Gorgon start-up
  - 15.6 mtpa LNG
  - Shell 25%

- Kashagan
  - 300 kboe/d
  - Shell 17%

- Malikai
  - 60 kboe/d
  - Shell 35%

- ML South start-up
  - 35 kboe/d
  - Shell 35%

- Forcados Yokri
  - 50 kboe/d
  - Shell 30%

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2016 start-ups: >250 kboe/d ; 3.9 mtpa LNG
Transformation

CREATE A WORLD CLASS INVESTMENT CASE

<table>
<thead>
<tr>
<th>Improved capital efficiency: reduced investment/FCF ratio</th>
<th>Capital efficiency: 2013 spending halved &amp; $45 billion mitigated</th>
<th>Less cost + fewer people with BG than Shell stand-alone: 12,500 fewer staff</th>
<th>Portfolio growth: 1 mboe/d adds $10 bln cash flow</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improving our metrics: FCF/share; ROCE; net debt</td>
<td>Simpler company: Exit ~10% production; 5-10 countries</td>
<td>$30bn divestments: Innovative deals like the MLP</td>
<td>Energy transition: CO2 footprint &amp; new energies strategy</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2013-2015 average</th>
<th>2019-2021 average</th>
</tr>
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<tbody>
<tr>
<td>ROACE</td>
<td>8%</td>
</tr>
<tr>
<td>Brent</td>
<td>~$90</td>
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</tbody>
</table>

2019-21: 2016 RT $60 scenario, mid-cycle Downstream
Questions & Answers
North America Investor Day 2016

Re-shaping Shell,
to create a world-class investment case

Royal Dutch Shell plc
November 8, 2016

“Let’s make the future”