



Management Day

Delivering a world-class investment case

Royal Dutch Shell plc

November 28-29, 2017

#makethefuture



Ben van Beurden
Chief Executive Officer
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Royal Dutch Shell

| November 28-29, 2017

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.

Operating costs as defined as underlying operating expenses, which are operating expenses less identified items. Organic free cash flow is defined as free cash flow excluding inorganic capital investment and divestment proceeds. Clean CCS ROACE (Return on Average Capital Employed) is defined as defined as the sum of CCS earnings attributable to shareholders excluding identified items for the current and previous three quarters, as a percentage of the average capital employed for the same period. Capital employed consists of total equity, current debt and non-current debt. Capital investment comprises capital expenditure, exploration expense excluding well write-offs, new investments in joint ventures and associates, new finance leases and investments in Integrated Gas, Upstream and Downstream securities, all of which on an accruals basis. In 2016, the capital investment was impacted by the acquisition of BG Group plc. Divestments comprises proceeds from sale of property, plant and equipment and businesses, joint ventures and associates, and other Integrated Gas, Upstream and Downstream investments, reported in "Cash flow from investing activities", adjusted onto an accruals basis and for any share consideration received or contingent consideration recognised upon divestment, as well as proceeds from the sale of interests in entities while retaining control (for example, proceeds from sale of interest in Shell Midstream Partners, L.P.), which are included in "Change in non-controlling interest" within "Cash flow from financing activities". This presentation contains the following forward-looking Non-GAAP measures: Organic Free Cash Flow, Free Cash Flow, Capital Investment, CCS Earnings, CCS Earnings less identified items, Gearing, Underlying Operating Expenses, ROACE, Capital Employed and Divestments. We are unable to provide a reconciliation of the above forward-looking Non-GAAP measures to the most comparable GAAP financial measures because certain information needed to reconcile the above Non-GAAP measure to the most comparable GAAP financial measure is dependent on future events some which are outside the control of the company, such as oil and gas prices, interest rates and exchange rates. Moreover, estimating such GAAP measures consistent with the company accounting policies and the required precision necessary to provide a meaningful reconciliation is extremely difficult and could not be accomplished without unreasonable effort. Non-GAAP measures in respect of future periods which cannot be reconciled to the most comparable GAAP financial measure are calculated in a manner which is consistent with the accounting policies applied in Royal Dutch Shell plc's financial statements. The financial measures provided by strategic themes represent a notional allocation of ROACE, capital employed, capital investment, free cash flow, organic free cash flow and underlying operating expenses of Shell's strategic themes for the purpose of Management Day presentations. Shell's segment reporting under IFRS 8 remains Integrated Gas, Upstream, Downstream and Corporate.

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 "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 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. 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 dates of this presentation, November 28-29, 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.



Agenda

PLENARY I

- Ben van Beurden – company update
- Jessica Uhl – financial framework

PLENARY II

- Maarten Wetselaar – Integrated Gas
- Andy Brown – Upstream
- John Abbott – Downstream
- Maarten Wetselaar – New Energies

Q&A

BREAK-OUT PANELS

Upstream

- Andy Brown – Upstream Director

Shell's carbon footprint ambition

- Harry Brekelmans – Projects & Technology Director

Downstream

- John Abbott – Downstream Director

Integrated Gas & New Energies

- Maarten Wetselaar – Integrated Gas & New Energies Director



Summary



Key messages

- Cancel scrip dividend programme from Q4 2017 dividend
- Confirming the plans for share buybacks*
- Organic free cash flow by 2020**: \$25-30 billion per year
- Grow free cash flow per share from 2020 to 2025
- Resilient and relevant portfolio positioned long term
- Reduce the net carbon footprint of our energy products

*subject to progress with debt reduction and recovery in oil prices; **2019-21: 2016 RT \$60 per barrel, mid-cycle Downstream



**Significant
changes
delivered since
early '16**

BG Acquisition

Completed and fully integrated

11

Major project start-ups

and **>500**

kboe/d avg. production
increase from start-ups

~\$27 billion

Free cash flow* at
\$51 per barrel

13,000

Fewer staff

~\$9 billion

Free cash flow* and

~17% ROACE in

Downstream

~\$23 billion

Divestments completed

*4-quarters rolling Q3 2017; ROACE on CCS basis, excluding identified items; Shell share at peak production. Divestments: headline



World-class investment case

Transformation

- Clarity of purpose

- Differentiated strategy

- Portfolio re-shape

- Strategy is working
- Implementation is on-track

| | 2013-15 average | 17Q3 4Q rolling | 2019-21 average |
|-------------------------------|----------------------------------|-----------------|--|
| ROACE | 8% | 4.6% | ~10% |
| Organic free cash flow | \$5 billion p.a. | ~\$17 billion | \$25-30 billion p.a. |
| Gearing | 14% | 25.4% | <20% end '20 |
| Buybacks | \$8.7 billion cumulative '13-'15 | - | at least \$25 billion* in period 2017-2020 |
| Brent | ~\$90 | ~\$51 | ~\$60** |

ROACE on CCS basis, excluding identified items; *subject to progress with debt reduction and recovery in oil prices **2019-21: 2016 RT \$60 per barrel, mid-cycle Downstream



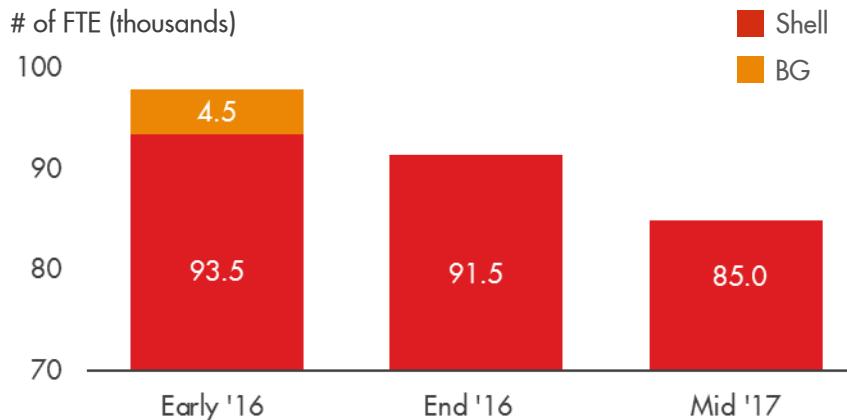
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World-class investment case

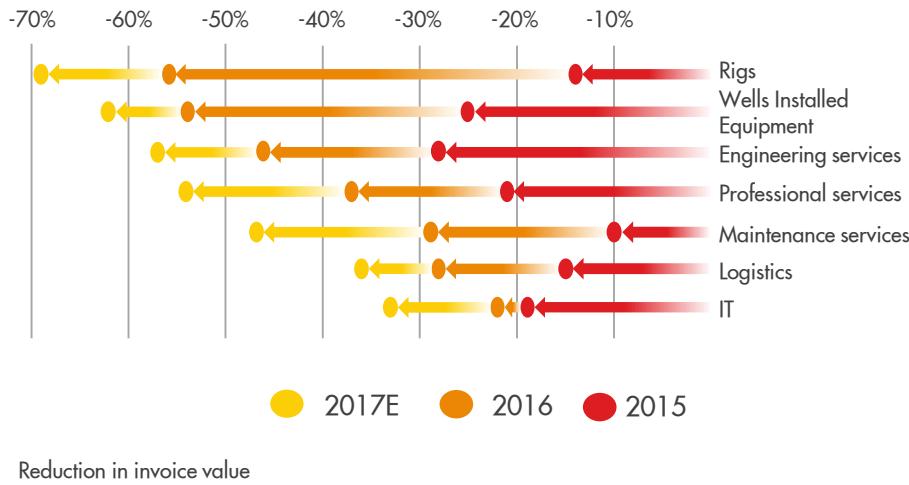
Transformation: ways of working

FTE reductions



Category spend reductions

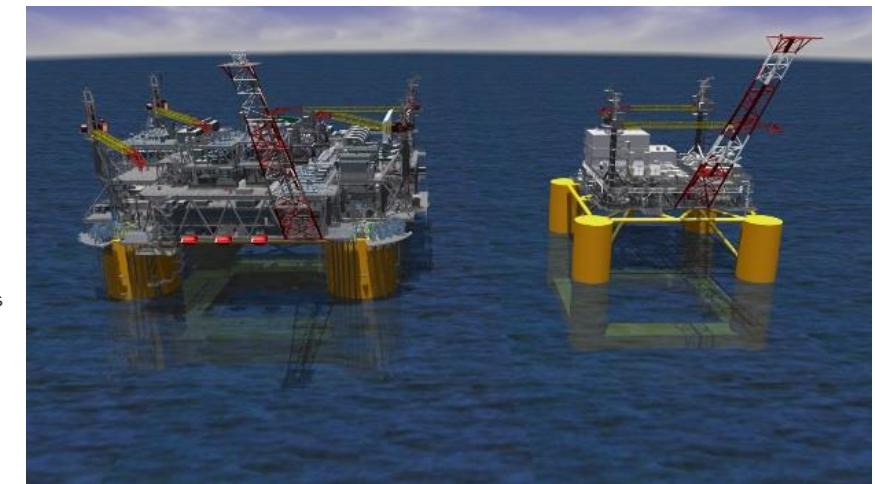
Index base year 2014



Culture change

- Performance unit management
 - Credible, competitive and affordable
 - Accountable leadership
- 'Fit for the future'
- Digitalisation – benefiting cost and availability
- Shell employee survey results confirm change

Competitive scoping - Vito



Four powerful levers

| | \$ billion | 2017E | 2018-20 expectation |
|--|---|------------------------|---|
|  | Operating costs | <38 (underlying) | Further reduction potential |
|  | Capital investment | 25 | 25 – 30 |
|  | Divestments | 30 over 2016 – 2018 | >5 p.a. 2019 – 2020 |
|  | Projects start-up post- 2014 (CFFO) | ~5 2017 | ~10 incremental* over 2018 – 2020 |

Relentless portfolio high-grading

*2016 RT \$60 per barrel, mid-cycle Downstream



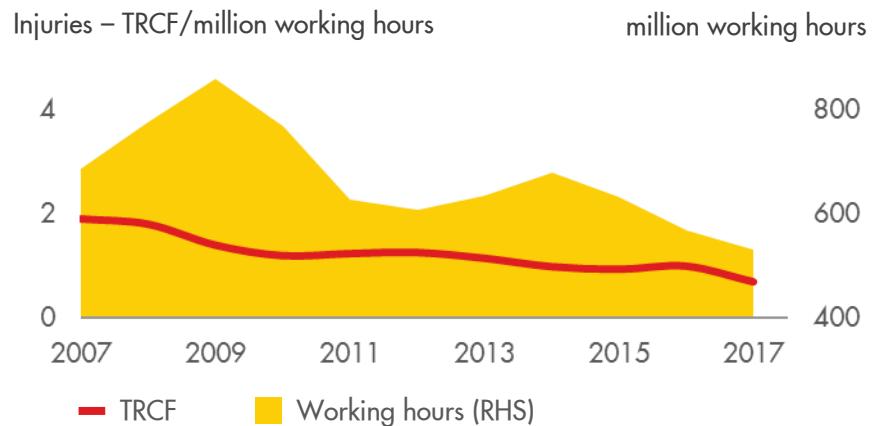
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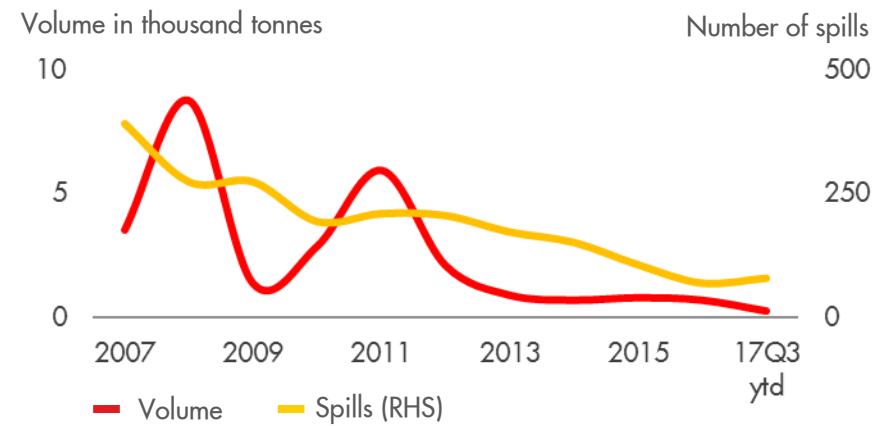
HSSE performance

- HSSE priority
- Performance + transparency

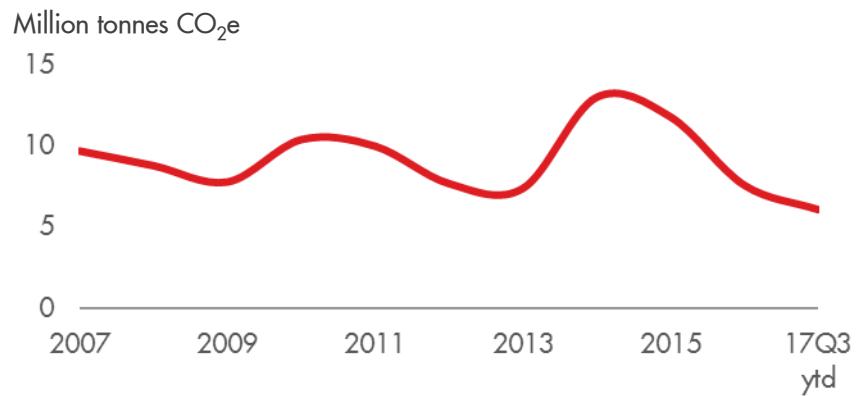
Goal zero on safety



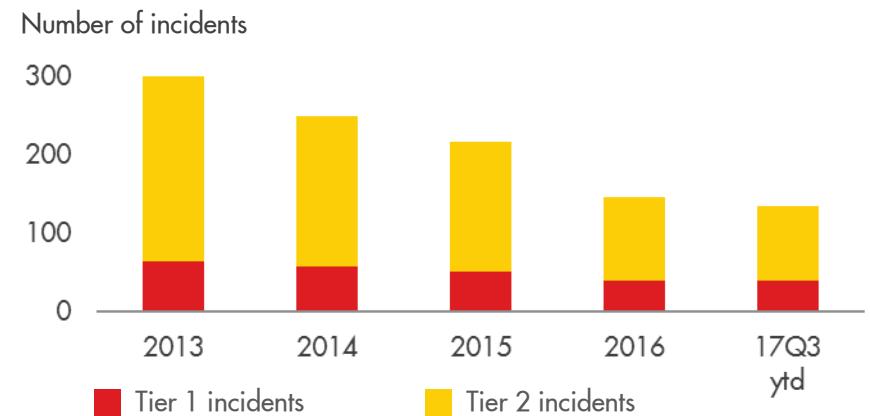
Spills – operational



Upstream flaring



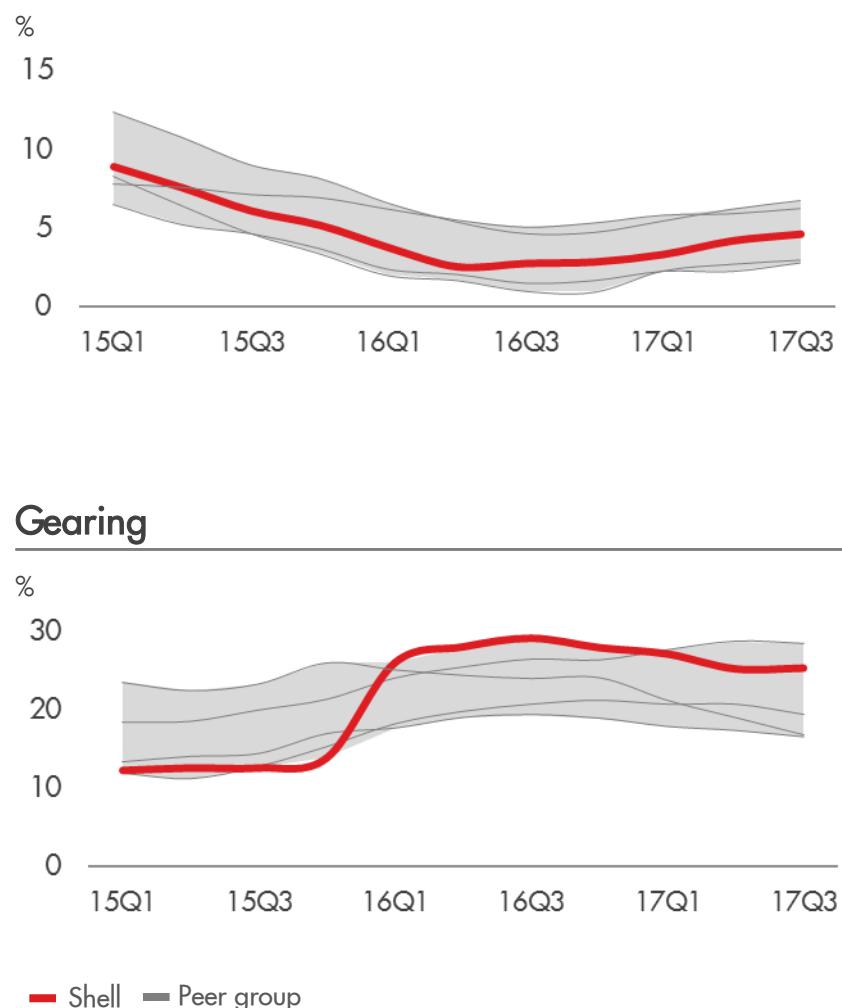
Process safety



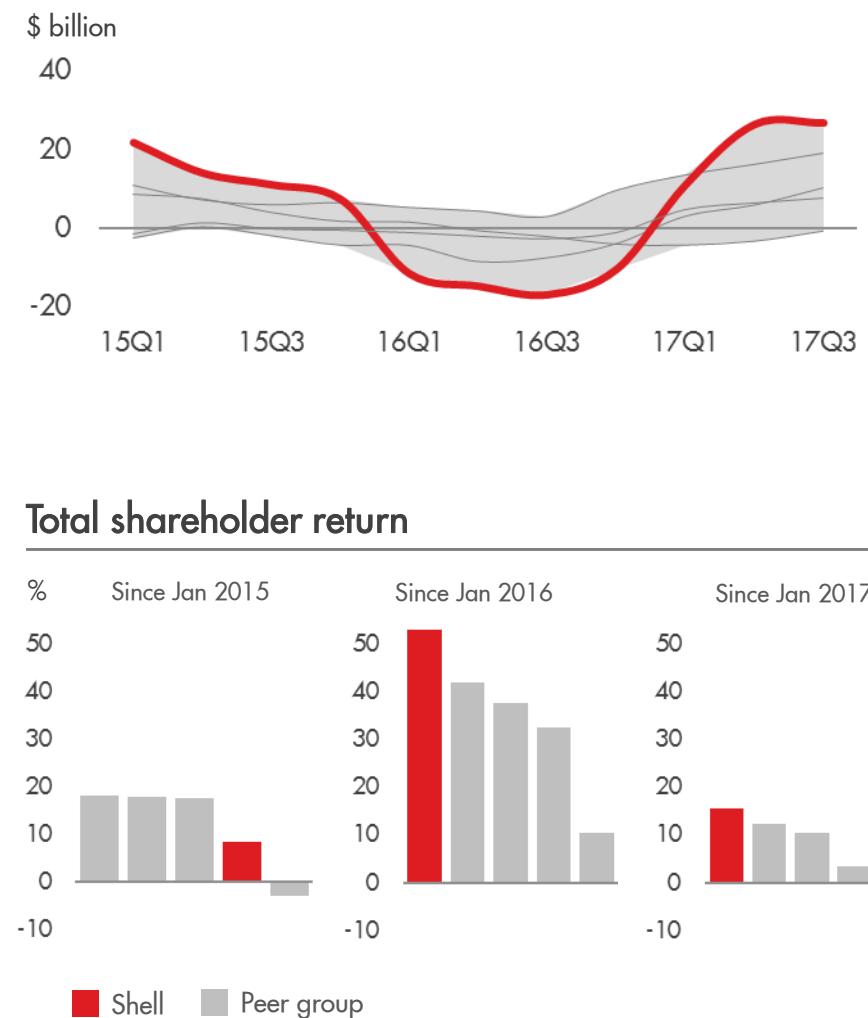
Competitive performance
**World class
 investment case**

- Thrive in the energy transition
- World-class investment case
- Strong license to operate

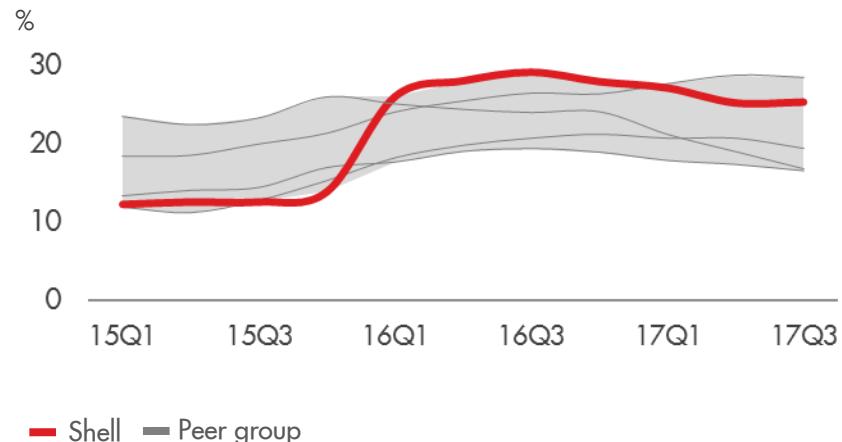
ROACE



Free cash flow – 4 quarters rolling



Gearing

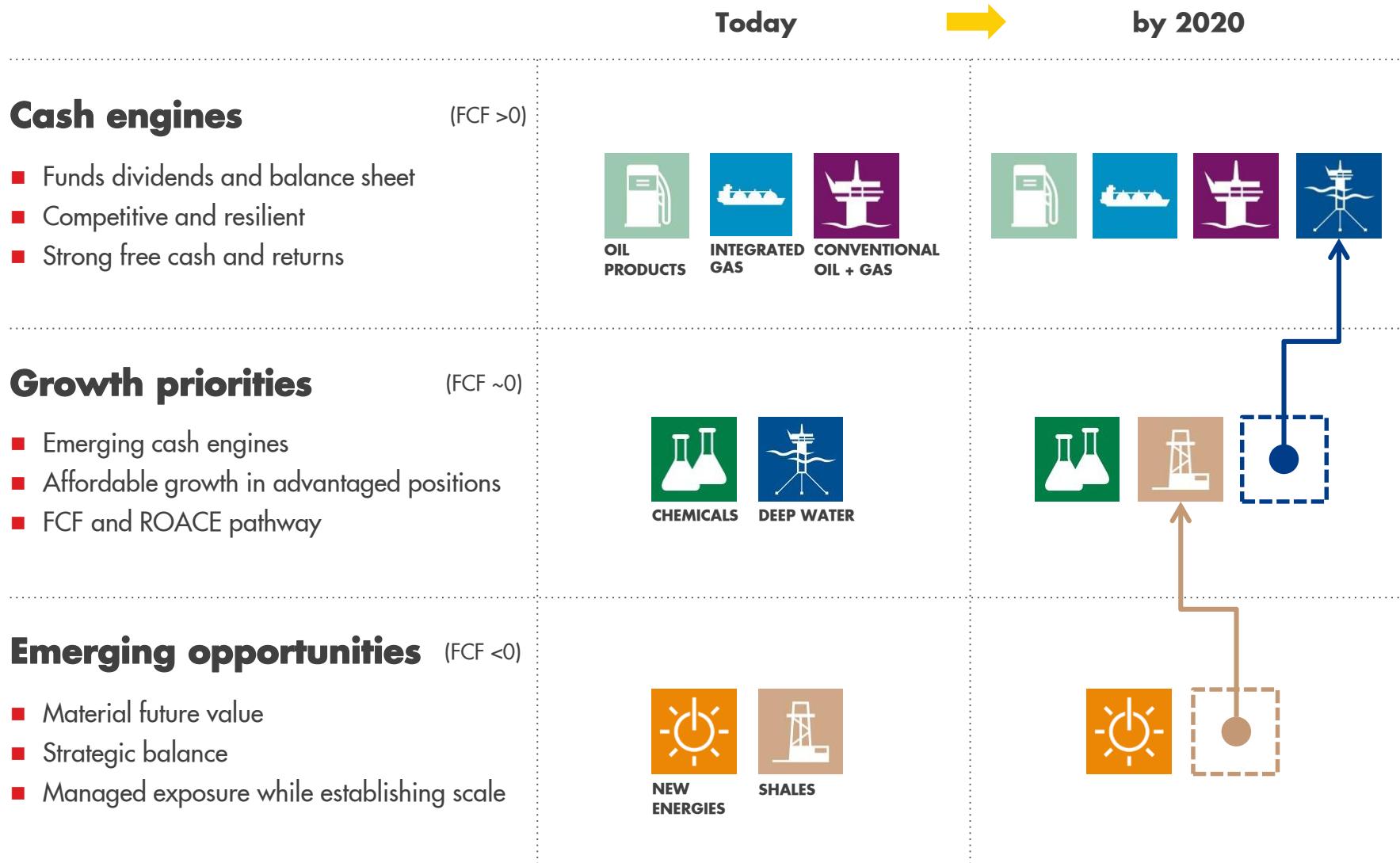


Competitive financial data as published. Free cash flow: cash flow from operations less cash used in investing activities. \$/ADR for European companies.

ROACE underlying: European companies: CCS basis excluding identified items. US companies: reported earnings excluding special non-operating items. Capital employed on gross debt basis. TSR: in USD, 90-day averages until Nov 17, 2017.



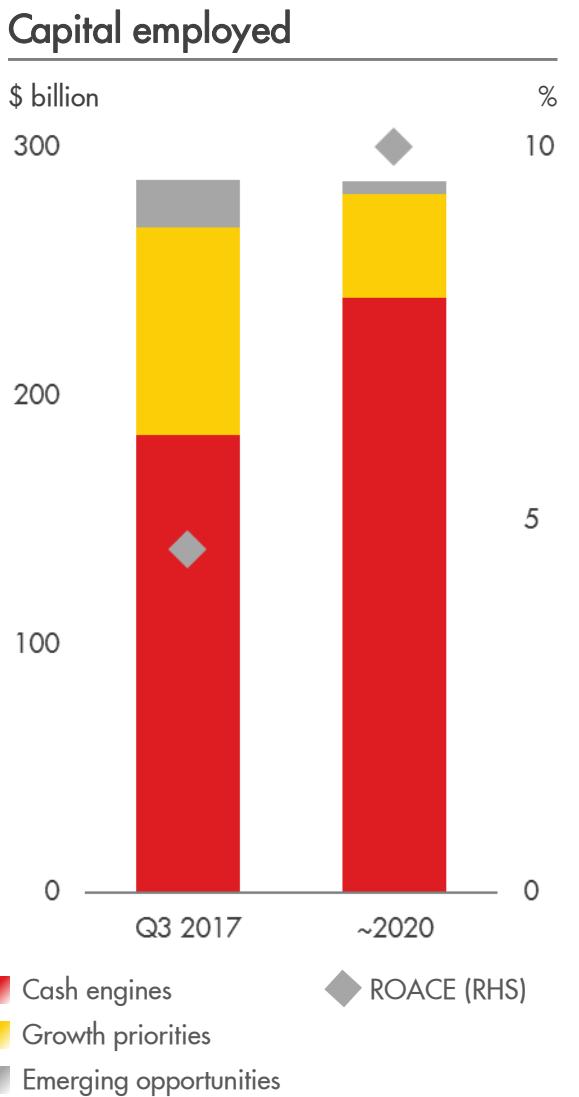
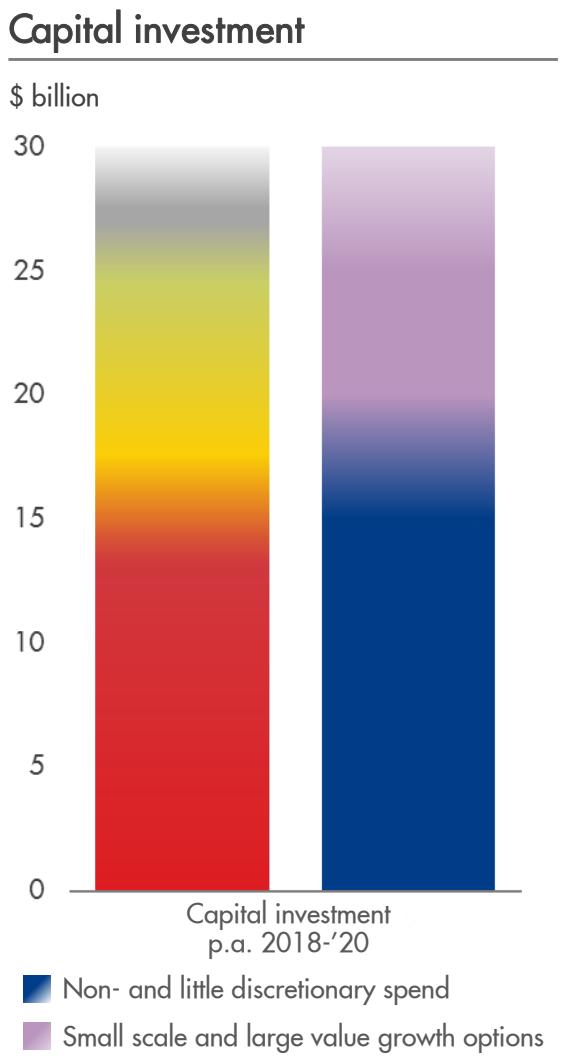
Investment priorities & strategic intent



Capital discipline, supporting growth

- More predictable
- Economic resilience of projects

| Capital investment | |
|------------------------|--------------|
| \$ billion (p.a.) | 2018 – 2020 |
| Oil products | 4-5 |
| Conventional oil + gas | 4-5 |
| Integrated gas | 4-5 |
| Deep water | 5-6 |
| Chemicals | 3-4 |
| Shales | 2-3 |
| New energies | 1-2 |
| Total | 25-30 |



ROACE on CCS basis, excluding identified items



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2016 – 2019+

Delivering cash flow growth

Fox Creek (2016-19+)

Scotford HCU debottleneck (2016)

Permian (2016-19+)

Mexico retail entry (2017)

Geismar AO4 (2018)

Appomattox (2019+)

Coulomb (2018)

Stones (2016)

Kaikias Ph 1 (2019+)

Schiehallion redevelopment (2017)
Clair Ph2 (2018)

Pennsylvania Chemicals (2019+)

Tempa Rossa (2018)

Pernis – Solvent deasphalting (2018)

Kashagan (2016)

Nanhai China Chemicals (2019+)

Malikai (2016)

ML South start-up (2016)
Baronia / Tukau Timur (2018)

Gorgon T3 (2017)
Prelude FLNG (2018)

Rahab Harweel Integrated Project (2019+)

Gbaran Ubie Ph2 (2017)
Forcados Yokri Integrated Projects (FYIP) (2018)
Southern Swamp AG (2019+)

Brazil Deepwater (2016-19+)

2016+ start-ups:
>500kboe/d ; 9.5 mtpa LNG

Shell share at peak production



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14

Financial performance: On-track

Price sensitivity:
+/- \$10 Brent =
+/- ~\$6 billion CFFO

| | Previous | | Update** | | | | | |
|----------------------------|--|-----------|-------------------------------------|-----------------------------|-----------|---------------------------|------------------------------|-----------|
| | 2019-21 ~\$60 June 2016 CMD | | 17Q3 - 4Q rolling ~\$51 | | | 2019-21 ~\$60 | | |
| | Free cash flow* (\$ bln p.a) | ROACE (%) | Capital employed (\$ bln end '17Q3) | Free cash flow (\$ bln p.a) | ROACE (%) | Capital employed (\$ bln) | Free cash flow* (\$ bln p.a) | ROACE (%) |
| Cash engines | 15-20 | ~10 | ~60% | ~15 | ~8 | ~70% | 25-30 | >10 |
| Growth priorities | ~5 | ~10 | ~25% | ~1 | ~3 | ~20% | 1-2 | ~5 |
| Emerging opportunities | ~0 | <5 | ~5% | ~-1 | ~-4 | ~5% | (2) - (1) | ~5 |
| Organic FCF | 20-25 | | | ~17 | | | 25-30 | |
| Divestments & acquisitions | ~5 | | | ~10 | | | >5 | |
| Total (incl. Corporate) | 20-30 | ~10 | 287 | ~27 | ~5 | ~290 | 30-35 | ~10 |

*2019-21: 2016 RT \$60 per barrel, mid-cycle Downstream. **Includes Deep water in cash engines and Shales in growth priorities by 2020



Thrive in the energy transition

Societal challenge

2015

7 billion

Increasing population



2070

>10 billion

570 Exajoules

Increasing energy demand



1000 Exajoules

- Challenge for more and cleaner energy
- Reduction required in the carbon intensity of every unit of energy consumed

Need to reduce CO₂ emissions

32 gt CO₂e



2040
43 gt CO₂e
current policies

Net Zero Emissions



Sources: Population – UN World Population projections; Energy consumption: 2015 – IEA World Energy Outlook ("WEO") 2017; 2070 outlook – Shell scenarios analysis from A Better Life with a Healthy Planet
CO₂ emissions: 2015 – IEA WEO 2017; 2040 – IEA WEO 2017 Current policies scenario; 2070 – Shell scenarios analysis from A better life with a healthy planet.



Thrive in the energy transition

Driving to resilience

Driving to resilience:

Short-term operational targets

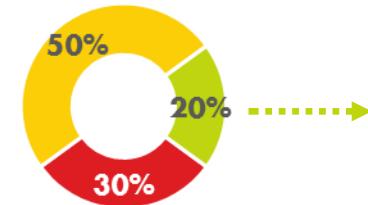
- GHG metrics 10% of annual bonus scorecard
(Scope 1 and 2)
- Emissions management focussed on areas we can take operational action
- 2018: cover ~90% of the operated portfolio
(was 60% in 2017)

Transparency on resilience + flexibility of our portfolio

- Supporting Task Force on Climate-related Financial Disclosure (TCFD)
- Preparing first TCFD-style disclosure by Q1 2018

- Short-term operational focus
- Medium-term demonstration of resilience

Annual bonus scorecard



■ Cash flow from operating activities ■ Operational excellence ■ Sustainable development



Transparency



Thrive in the energy transition

Ambition – Net Carbon Footprint

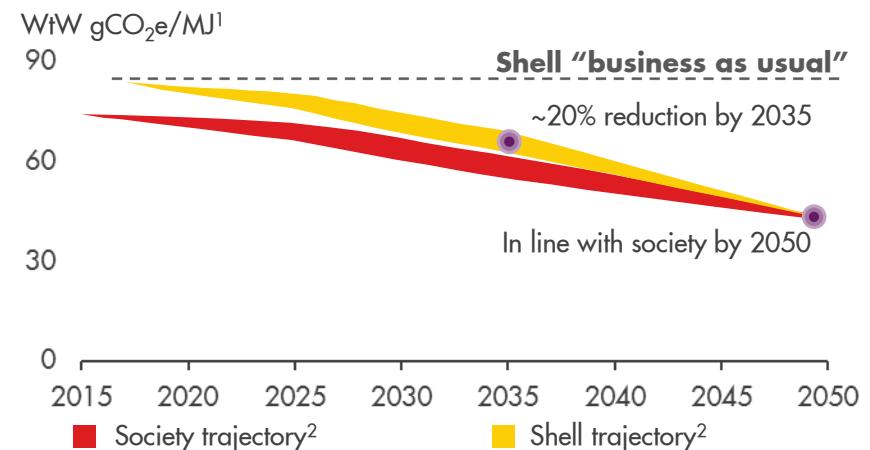
Ambitions:

- Reduce Net Carbon Footprint¹ of our energy products by ~20% by 2035
- Be in line with society Net Carbon Footprint by 2050

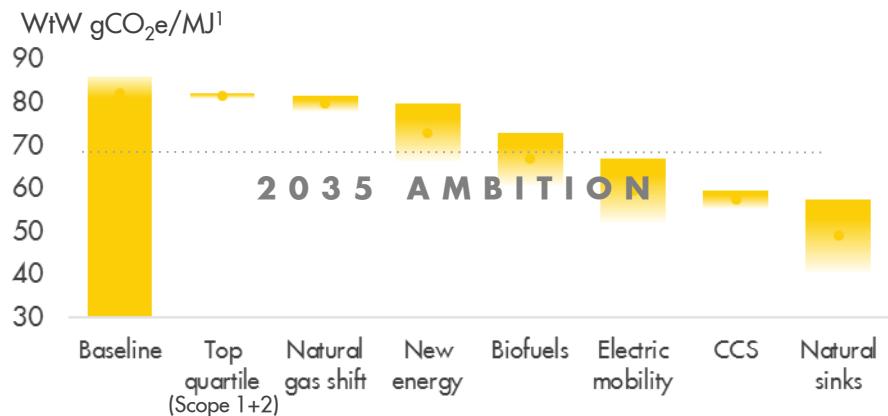
Ambition to reduce Net Carbon Footprint¹ of our energy products by around 20% by 2035

- Covers full range of emissions from energy products
 - Emissions in the supply chain (Scope 1 + 2; ~15%)
 - Emissions from consumption of our energy products (Scope 3; ~85%)
- Aim to reduce overall intensity including production, supply chain, and customers
- Government policy, technology, and consumer choice will drive actual energy transition pace and outcomes
- Drive strategy over time in step with society
- 5-year reviews to ensure in line with societal progress
- Flexibility and mix of options to achieve ambition
 - Allows for oil and gas production growth offset by evolving product mix

Ambition for Net Carbon Footprint¹



Potential tools to achieve our 2035 ambition



1: Net Carbon Footprint measured on an aggregate "well to wheel" or "well to wire" basis, from production through to consumption, on grams of CO₂ equivalent per megajoule of energy products consumed; chemicals + lubricants products are excluded. Carbon Footprint of the energy system is modelled using Shell methodology aggregating lifecycle emissions of energy products on a fossil-equivalence basis. The methodology will be further reviewed and validated in collaboration with external experts.

2: Potential society trajectory includes analysis from Shell scenarios estimate of Net Zero Emissions by 2070 and IEA Energy Technology Perspectives 2017; Potential illustrative Shell trajectory



Summary

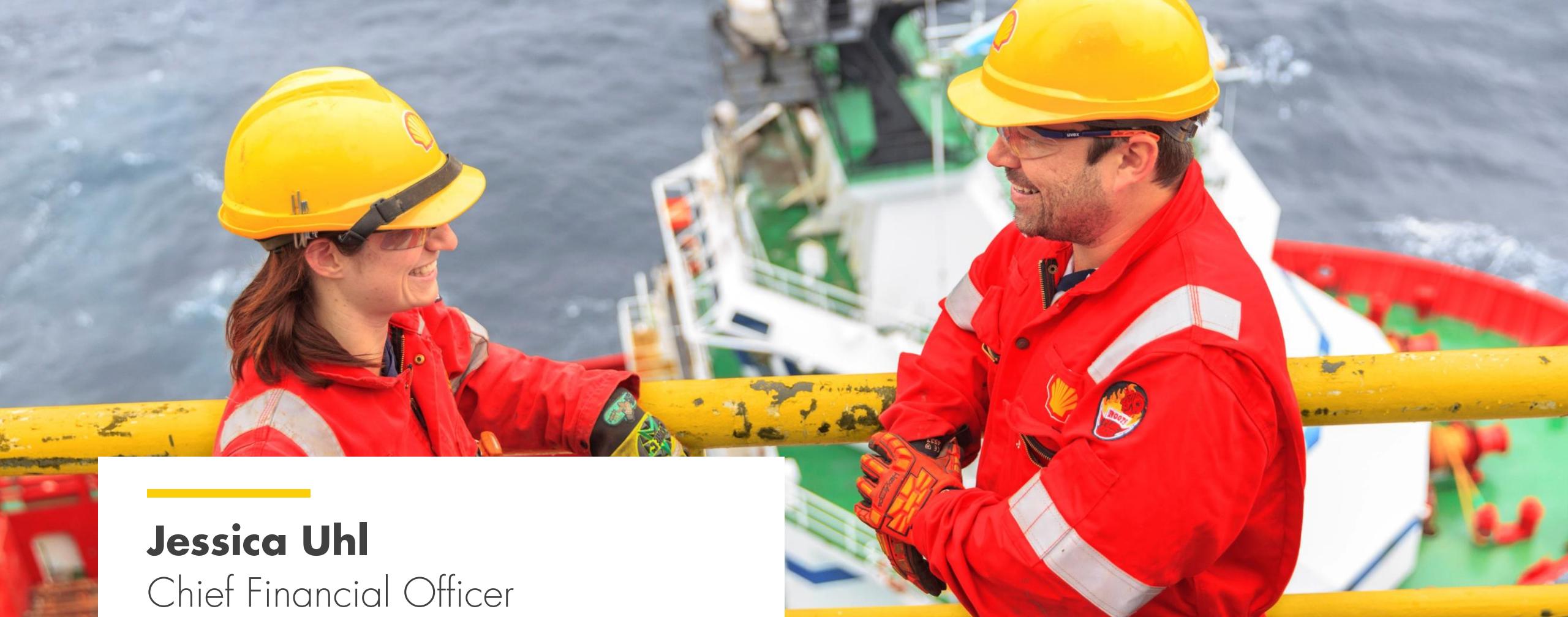


Key messages

- Cancel scrip dividend programme from Q4 2017 dividend
- Confirming the plans for share buybacks*
- Organic free cash flow by 2020**: \$25-30 billion per year
- Grow free cash flow per share from 2020 to 2025
- Resilient and relevant portfolio positioned long term
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*subject to progress with debt reduction and recovery in oil prices; **2019-21: 2016 RT \$60 per barrel, mid-cycle Downstream





Jessica Uhl
Chief Financial Officer

Royal Dutch Shell



Financial framework

Foundation of the world-class investment case

- Conservative financial management
- FCF/share & ROACE growth
- Focus on shareholder distributions



Key features

- Maximising value for shareholders through cycle
- Multi-year timescales
- Surplus free cash flow in up-cycle and dividends fully covered in down-cycle
- Gearing 0-30%; AA credit metrics



Financial framework

BG acquisition and shareholder distributions

Delivering on the BG post-offer intention statements

BG post-offer intention statements
at the time of the acquisition

- Pay at least dividends of \$1.88 per Shell share for 2016

Subject to progress with debt reduction and recovery in oil prices:

- Withdraw the scrip dividend programme in 2017
- Share buyback programme of at least \$25 billion over the period 2017-2020

Growing shareholder distributions

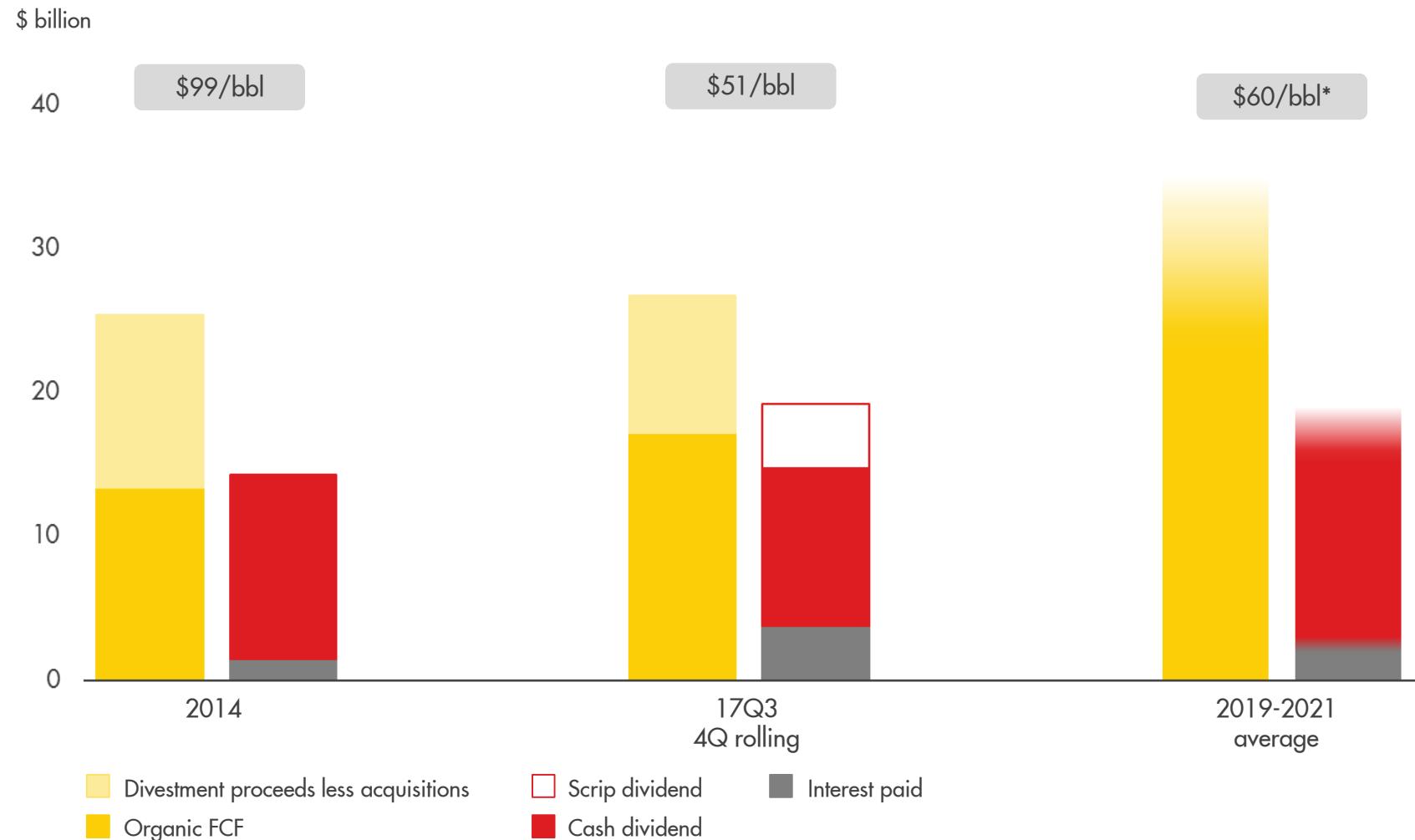


- Buybacks
- Capital investment \$25-30 billion
- Dividend
- Interest
- Debt reduction to 20% gearing



Free cash flow performance and payout

Distributions from free cash flow



- Financial transformation 2014-2017
- 2019-2021 average: FCF \$30-35 billion

* 2016 RT \$60 per barrel, mid-cycle Downstream

2014 cash dividend includes \$3.3bln share buy backs, more than offsetting scrip issuance of \$2.4bln.



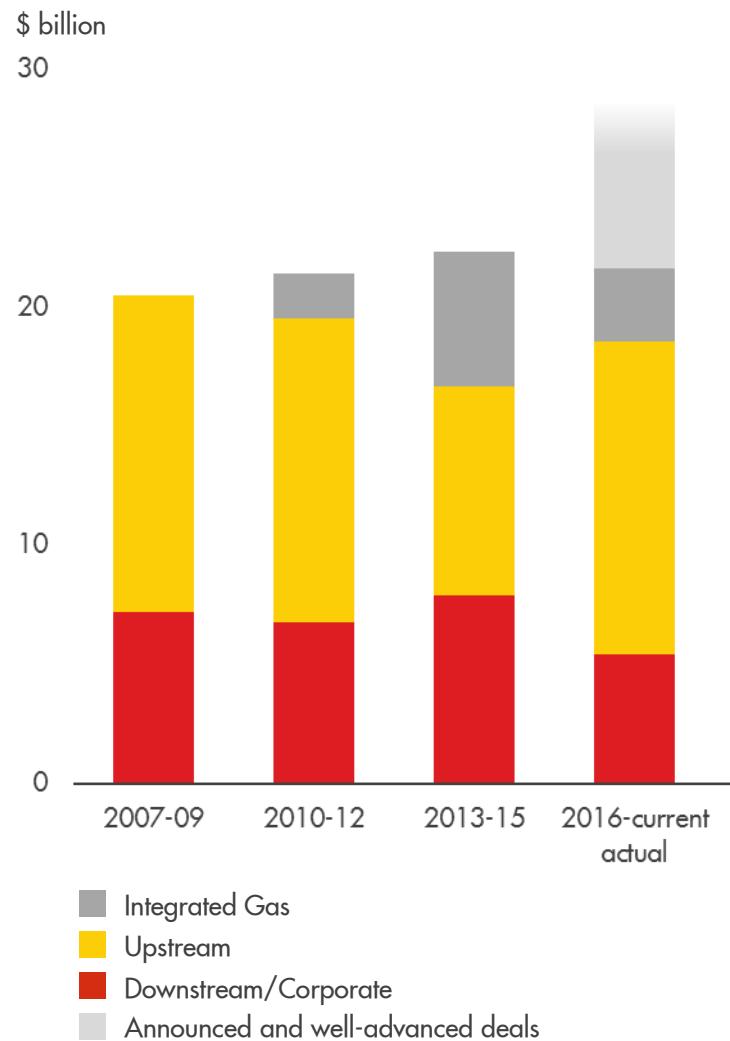
Achieving divestment and debt reduction objectives

Visibility on lower gearing through progress on divestments

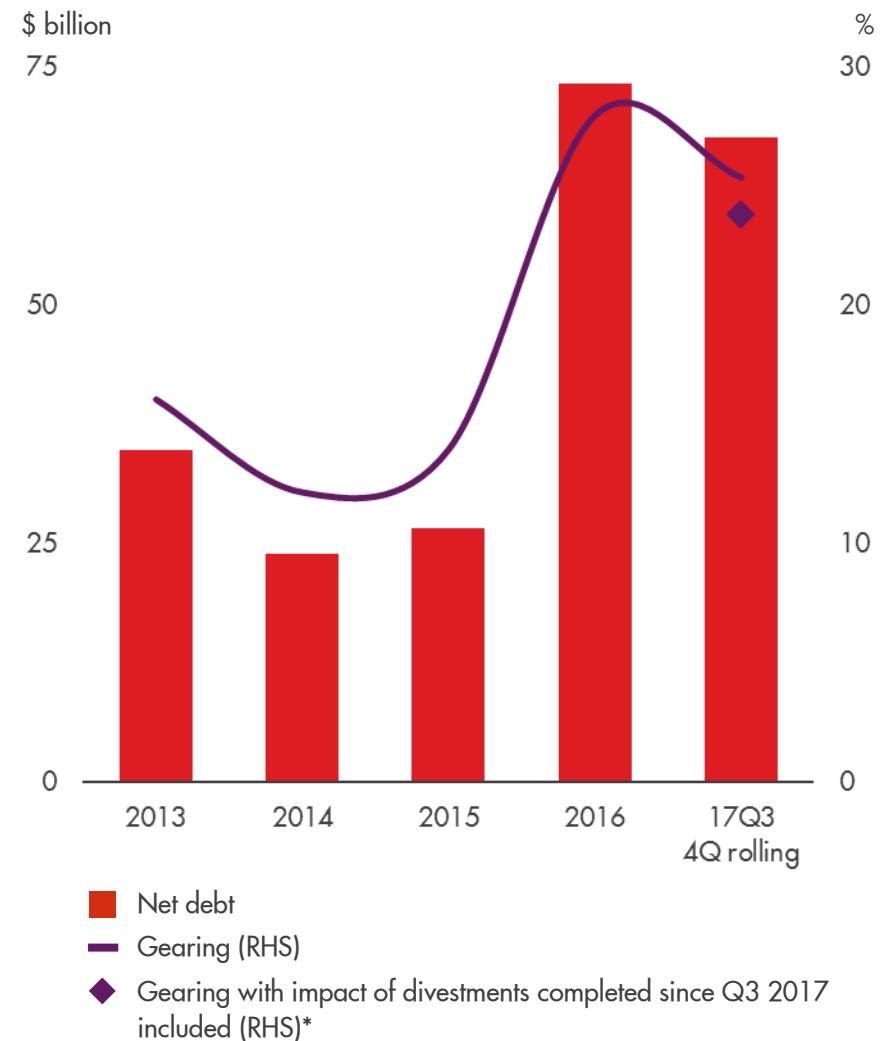
Integrated Gas split out from Upstream from 2011 onwards

* Includes Gabon, UK North Sea and Woodside divestments

Divestment proceeds



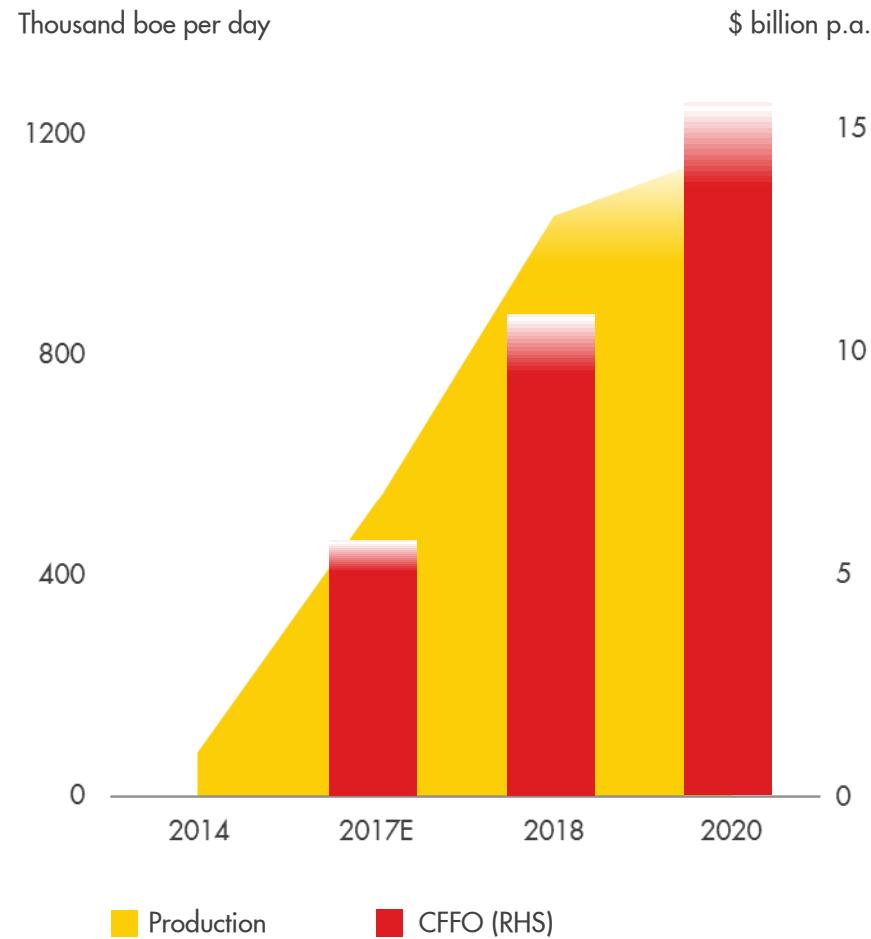
Net debt & gearing



Deliver new projects: CFFO growth 2014 – 2020

- ~\$10 billion CFFO by 2018
- Incremental ~\$5 billion 2019-2020 period
- Delivery de-risked
- On-stream projects ramping up

Shell project start-ups 2014 through 2020



Pricing assumes, 2017E:\$50, 2018:\$60, 2020:2016 RT \$60 per barrel,

Selected key projects



- Appomattox
- Brazil FPSO 7-10
- Brazil FPSO 11-14
- Stones



- Gorgon
- Prelude



- Kashagan
- Schiehallion redevelopment
- Clair Ph2



- Permian & Fox Creek



- Nanhai China Chemicals
- Geismar AO4



- Pernis SDA
- Scotford

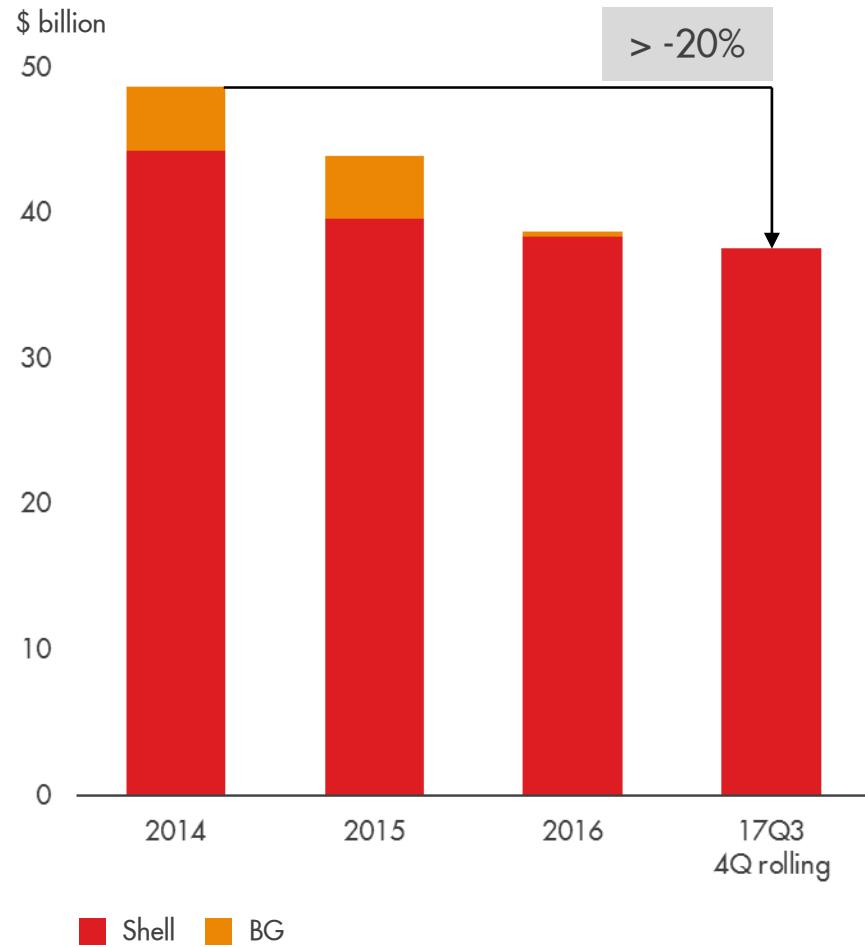
Started Under construction



Reduce operating costs: “lower forever”

- Simplification
- Data and process standardisation
- Digitalisation

Underlying operating expenses



“Underlying operating expenses” refers to Shell’s total operating expenses excluding identified items

Cost management framework



Ambition

Ambitious goals based on full potential



Transparency

Common view of fully loaded cost and value drivers



Competitiveness

Apply competitive lens to drive competitive performance



Performance management

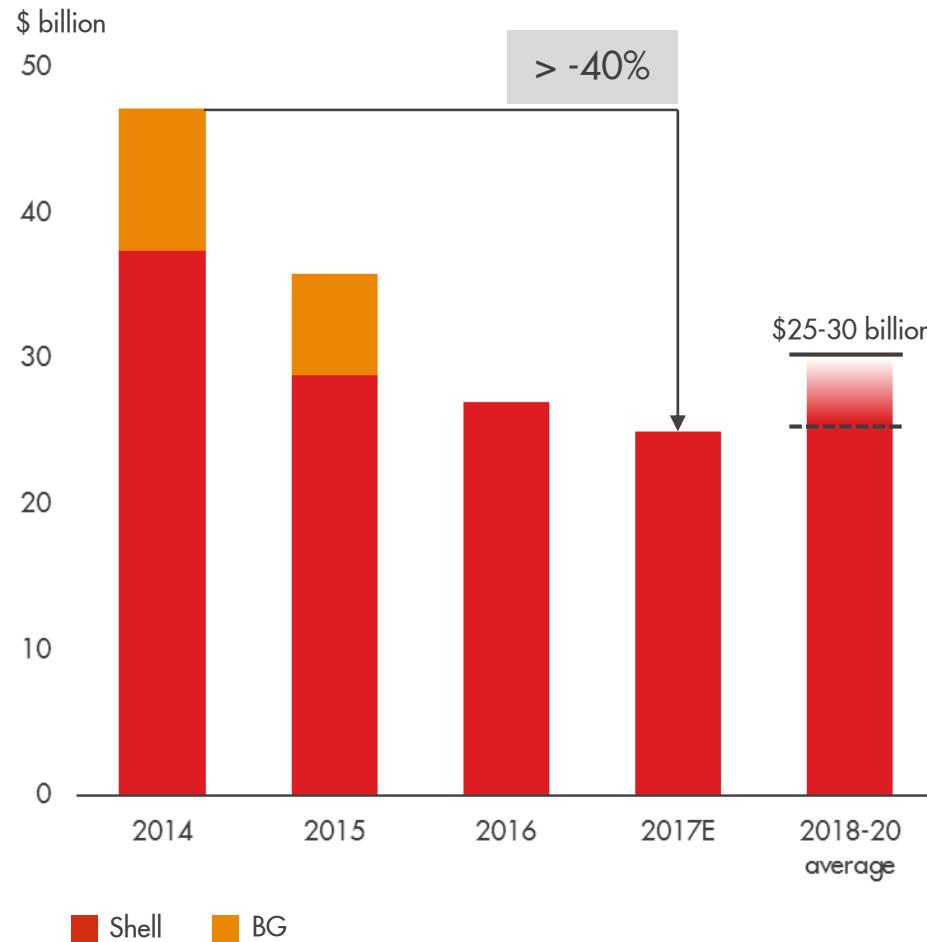
Cost management as a key part of how we run our business and integral to performance management



Higher capital efficiency and more consistent capital investment

- Capital discipline
- Resilient projects
- Flexibility

Capital investment



Capital investment excludes BG acquisition in 2016.



- Increased capital efficiency
- Resilient projects
- \$30 billion per year ceiling
- Options to reduce capital investment below \$25 billion if warranted
- Sustain current cash flow at a capital investment level of \$17- 20 billion

World-class investment case

Cash flow priorities





Maarten Wetselaar

Integrated Gas & New Energies Director

Royal Dutch Shell



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Integrated Gas



Cash engine

Creating & securing demand



- LNG
- Gas and power
- Gas-to-liquids premium products

Optimisation



- Marketing and trading
- Shipping and transport
- Regasification

Managing supply



- Gas and liquids production
- Liquefaction
- Gas-to-liquids

- World leader
- Growing markets
- Differentiated portfolio
- Cash delivery

As of Q3 2017; capital employed includes new energies; average capital investment per annum in period 2018-20



Royal Dutch Shell

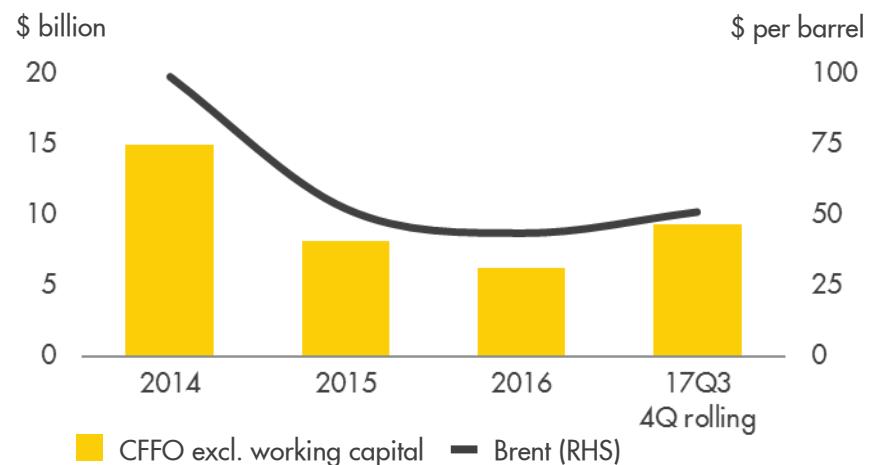
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Integrated Gas Financial performance

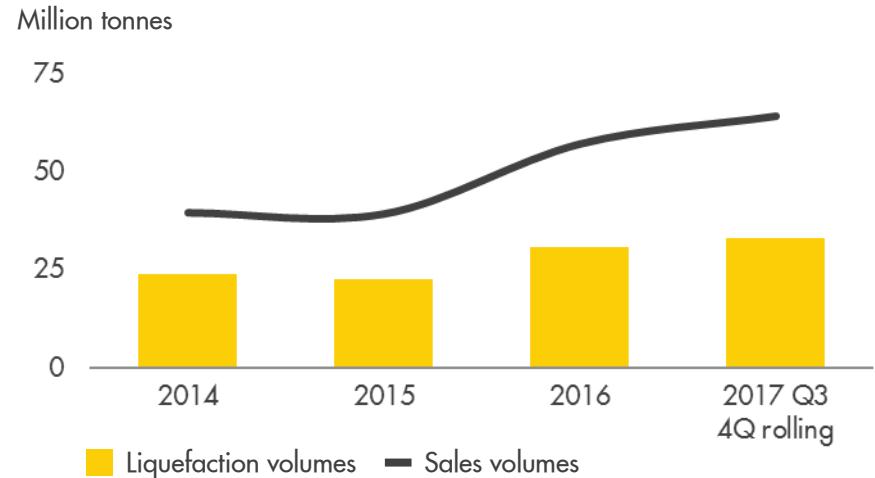


- Resilience
- Cash delivery and growth
- \$8 – 10 billion organic FCF by 2020
- ~10% ROACE by 2020

Cash flow from operations

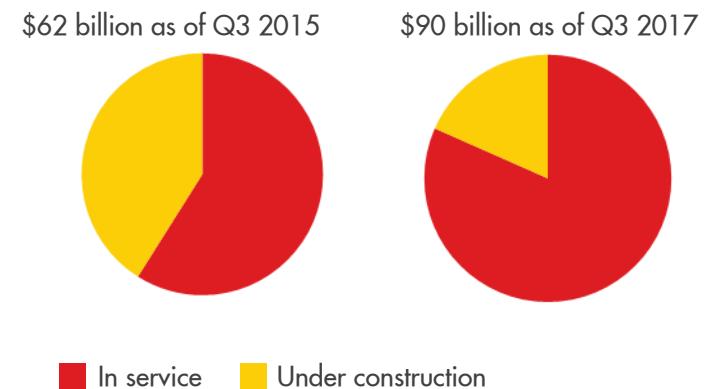


LNG liquefaction and sales volumes

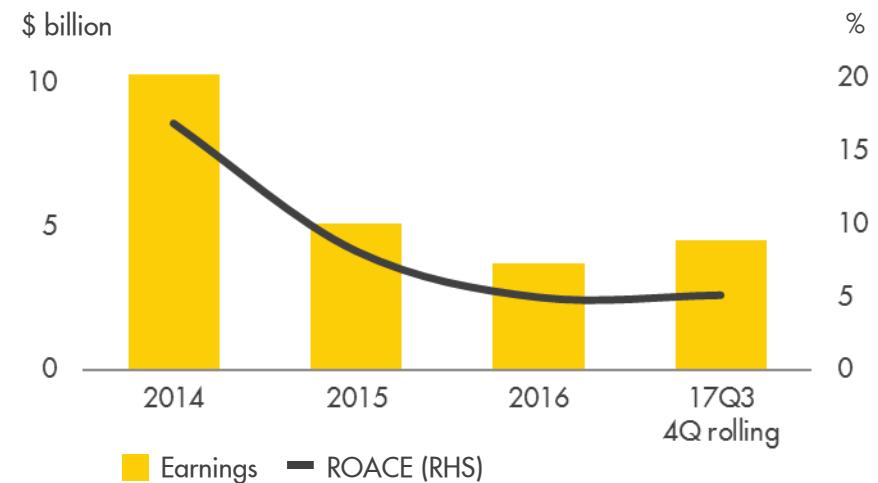


Earnings and ROACE on CCS basis, excluding identified items. Capital employed under construction: assets under construction plus exploration and evaluation assets.

Capital employed



Earnings and ROACE



Integrated Gas **Gas-to-liquids** value chain



- Integrated value chain
- Differentiated products
- Premium vs Brent

Record-breaking offshore performance



North Field

Continuous innovation



Pearl - the world's largest gas-to-liquids plant



Pearl GTL Plant

Marketing integration

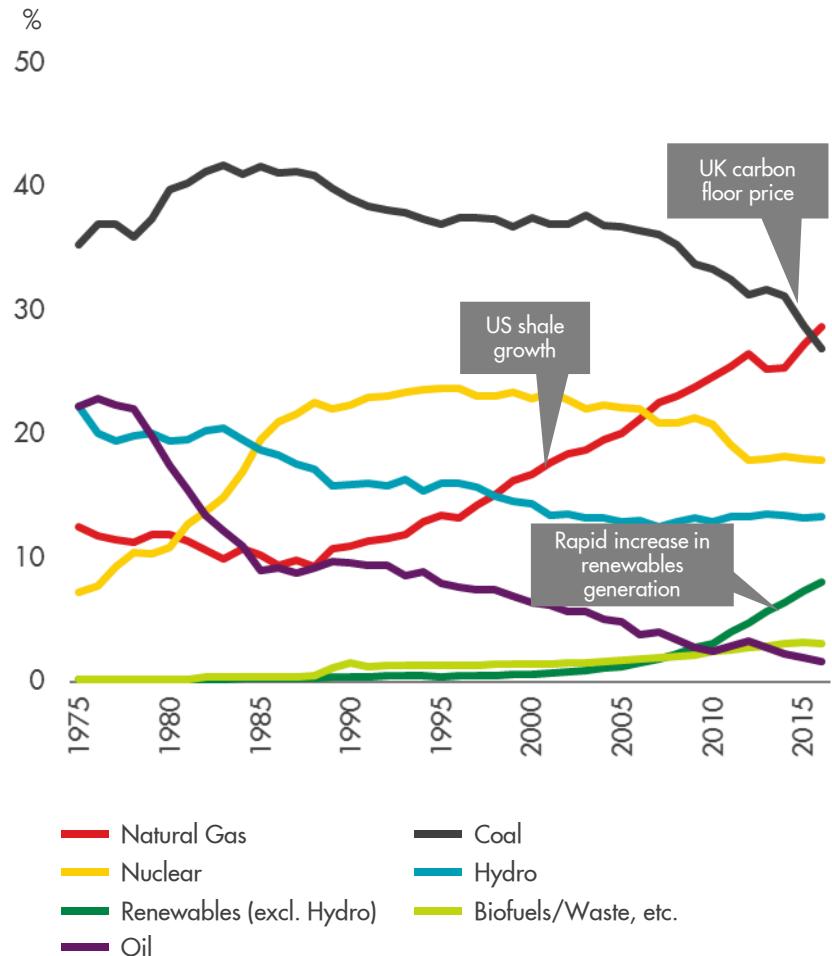


Integrated Gas Policy and economics driving gas growth



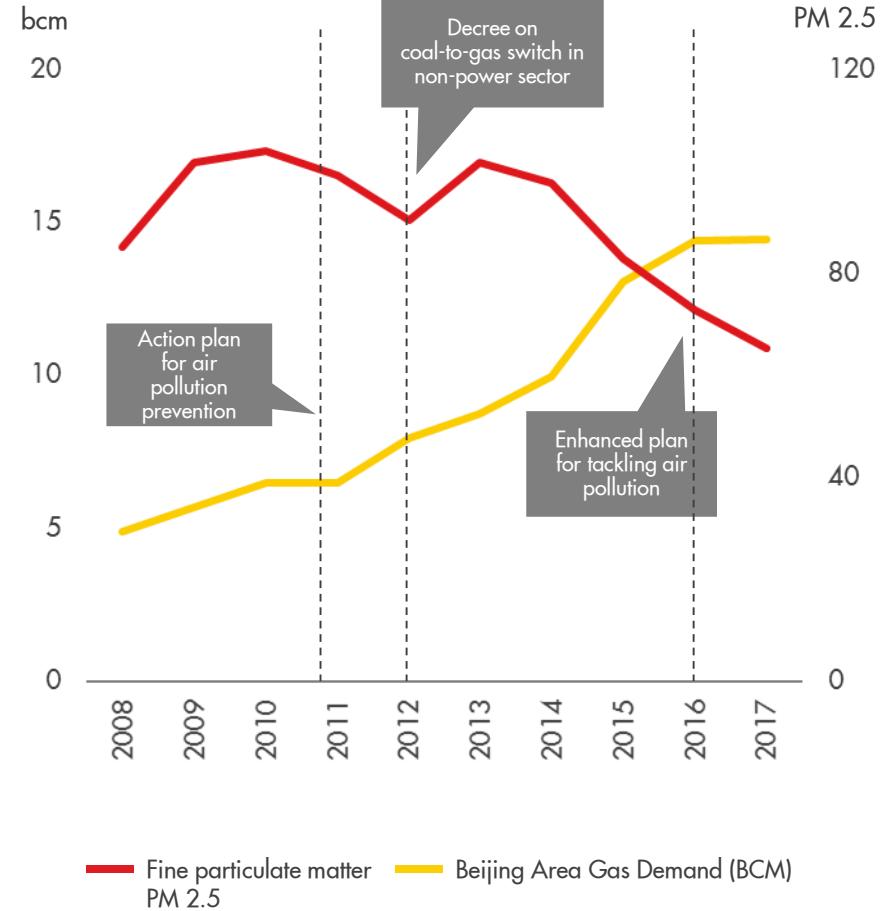
- Structural shift to gas
- Cleaner and affordable energy solution

OECD - Electricity output by source



Source: IEA World Energy Statistics

Beijing gas demand



Source: Embassy of the USA – Beijing, China; National Bureau of Statistics of China, Beijing Gas Group Co. Ltd.

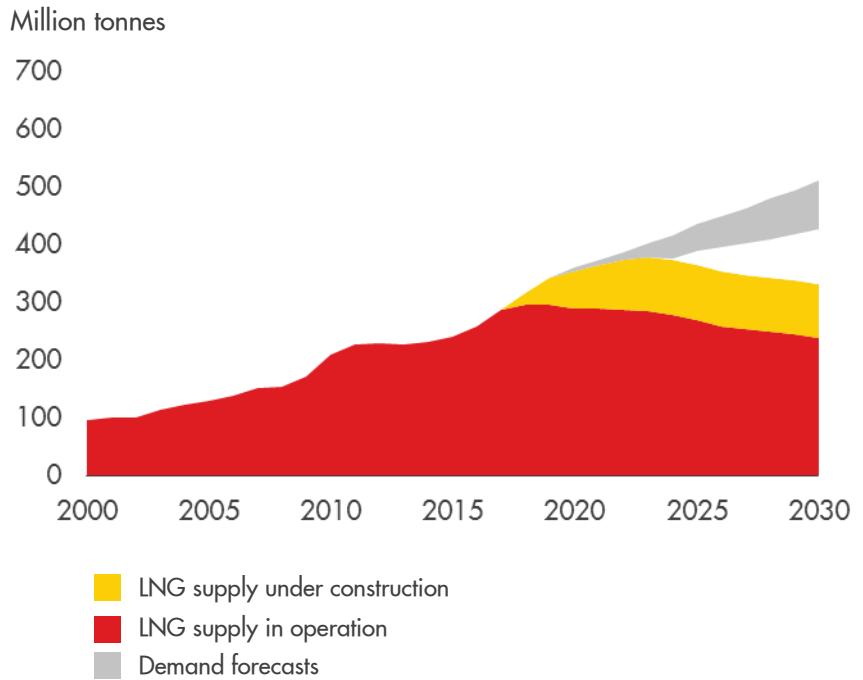


Integrated Gas **LNG supply and demand**

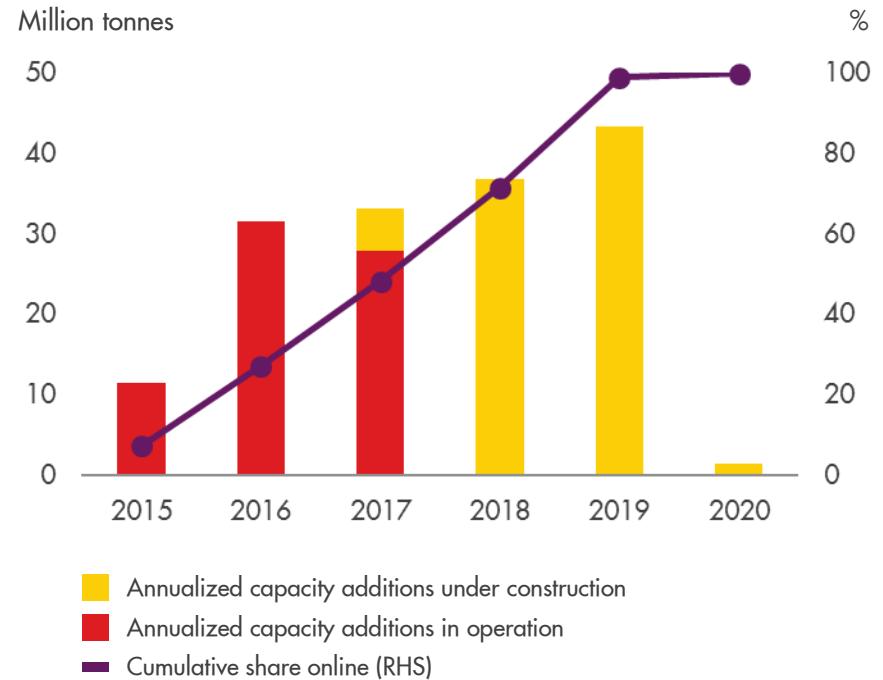


Supply growth driven by
Australia & USA projects

LNG supply/demand gap



Capacity additions – 2015 to 2020



- 2015-20: 50% supply capacity growth
- 50% of new supply capacity already in operation
- 2017: supply growth matched by solid demand
- Supply/demand gap emerging early 2020's
- New FIDs challenged

Source: Shell interpretation of Wood Mackenzie- LNG Tool Q3 2017, IHS Markit, Poten, BNEF, FGE.

Source: IHS Markit Liquefaction Projects Database Oct 2017



Royal Dutch Shell

| November 28-29, 2017

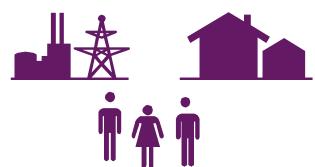
34

Integrated Gas

LNG – Global integrated value chain

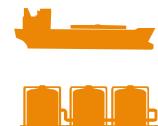


CREATING AND SECURING DEMAND



OPTIMISATION

Leverage portfolio flexibility and arbitrage opportunities



MANAGING SUPPLY



- Largest LNG marketer
- Largest supplier to China & JKT
- Leader in LNG for transport
- Gas advocacy

- Deliveries to 25+ countries
- 2 LNG cargoes loaded every day
- Regas capacity in 10 terminals
- 90 LNG carriers

- Production: 1 million boe/d
- 13 LNG plants – all supply basins
- LNG supply from 17 countries

Market-driven value chain

JKT: Japan, Korea, Taiwan



Royal Dutch Shell

| November 28-29, 2017

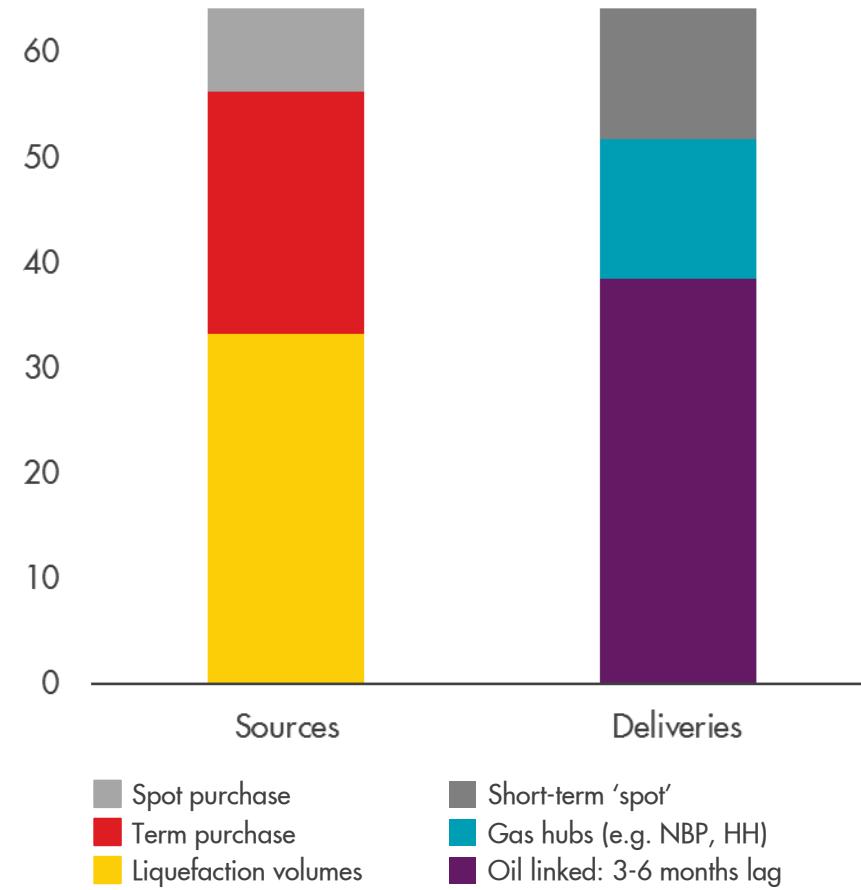
Integrated Gas **LNG portfolio**



Balanced and resilient
portfolio

LNG sales – sources and deliveries

Million tonnes
70



LNG sales: Q3 2017, four quarters-rolling

■ Balanced portfolio:

- Liquefaction mostly matched by third-party purchases
- Spot deliveries mostly matched by spot purchases

■ Deliveries:

- 80% term contracts
- 60% oil-linked



Royal Dutch Shell

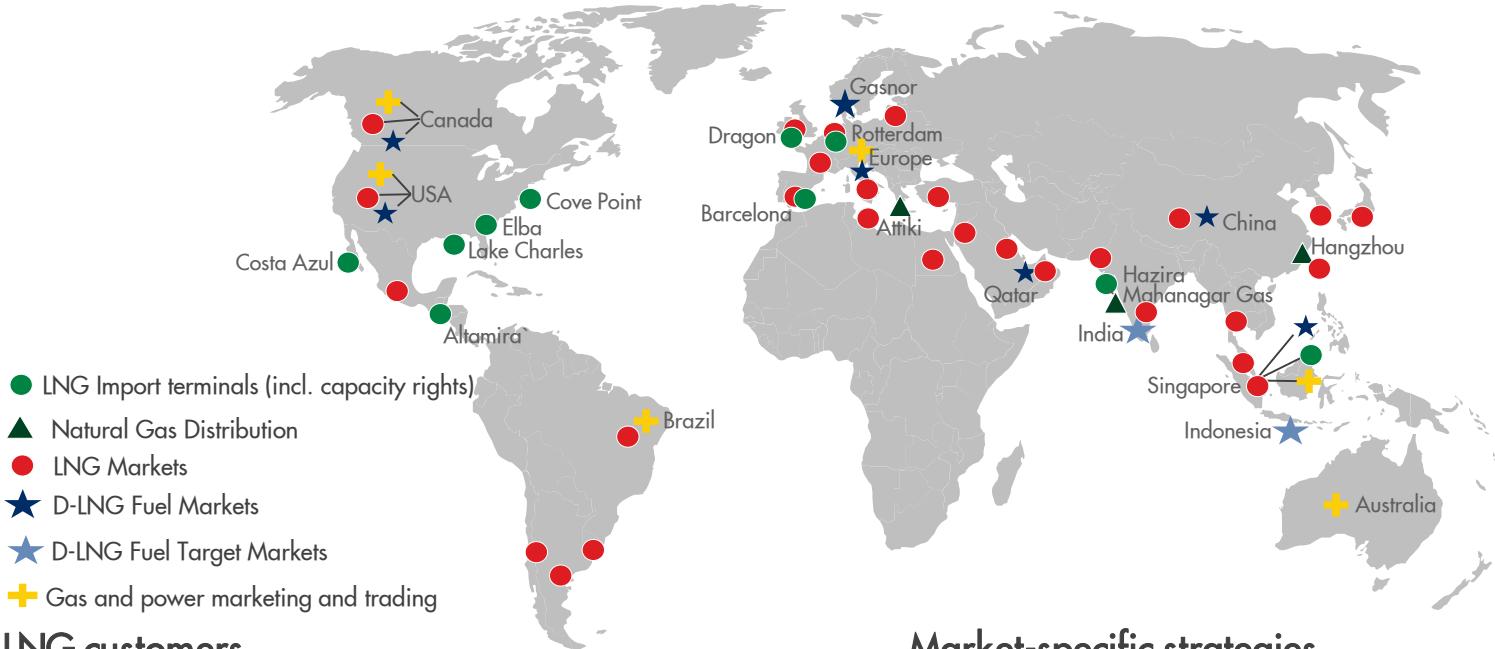
| November 28-29, 2017

Integrated Gas

Create and secure demand

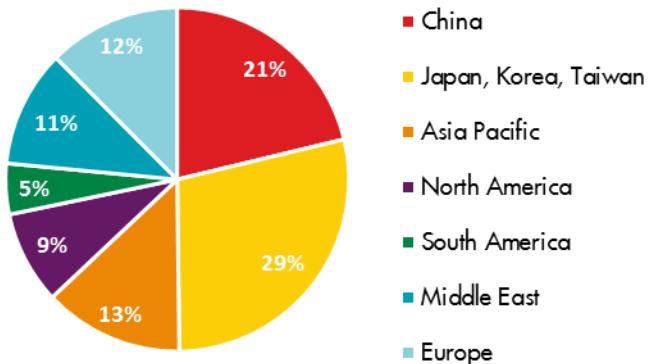


Globally balanced and diversified customers portfolio



LNG customers

% total sales – geographic split



2017 - Shell and JV marketed volumes

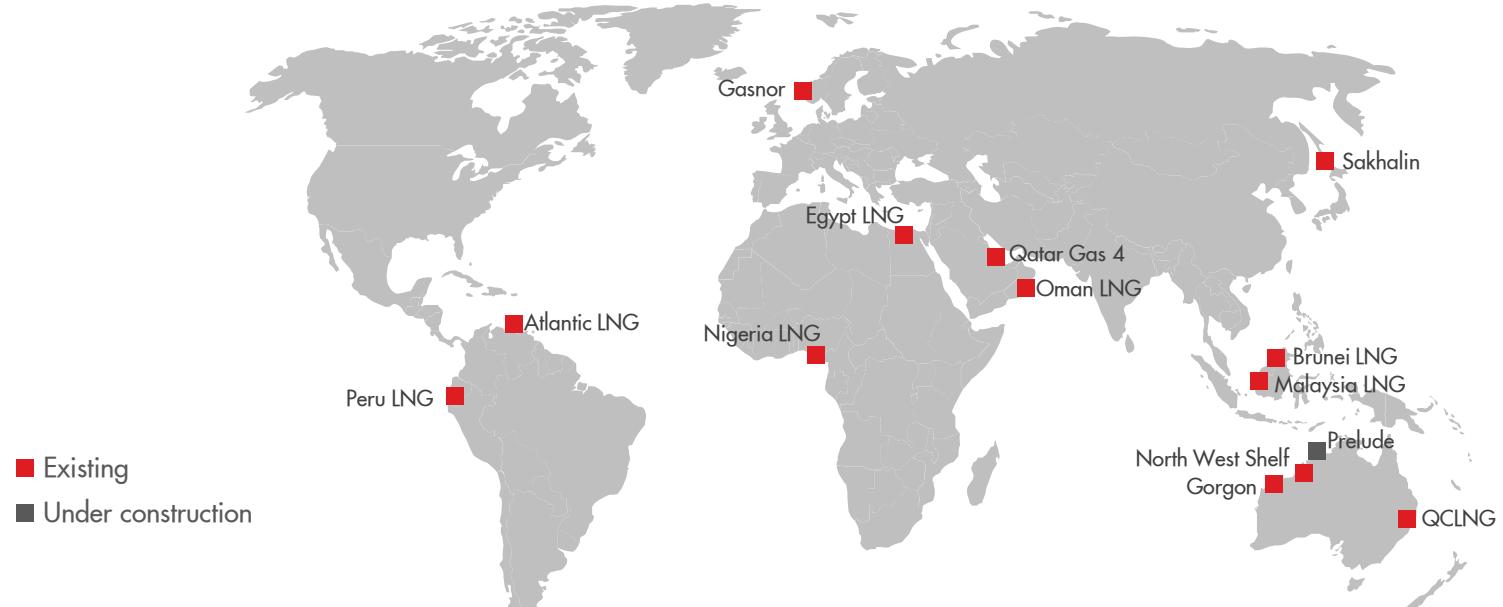
Market-specific strategies

- Evolving business model in mature markets
- Securing positions in priority growth markets
- Trading portfolio optimization
- Grow Downstream-LNG fuel markets
- Gas advocacy

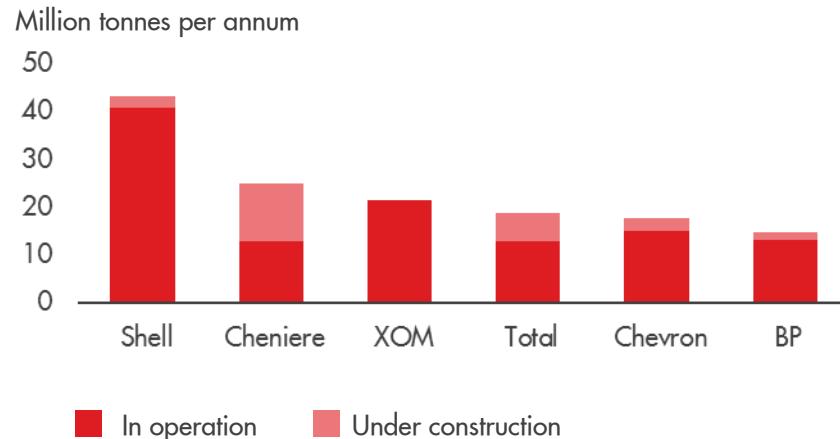


Integrated Gas

World-class LNG supply portfolio



Liquefaction capacity by independent company



- All supply basins
- Operational excellence

Leading portfolio

- 13 liquefaction plants
- 41 million tonnes per annum capacity
- 95% reliability
- Utilisation upside – feedgas availability
- Focus on unit cost reduction

Source: Shell Financial Statement, IHS Markit for 3rd parties' capacity – October 2017 - Total excl. recently announced Engie acquisition



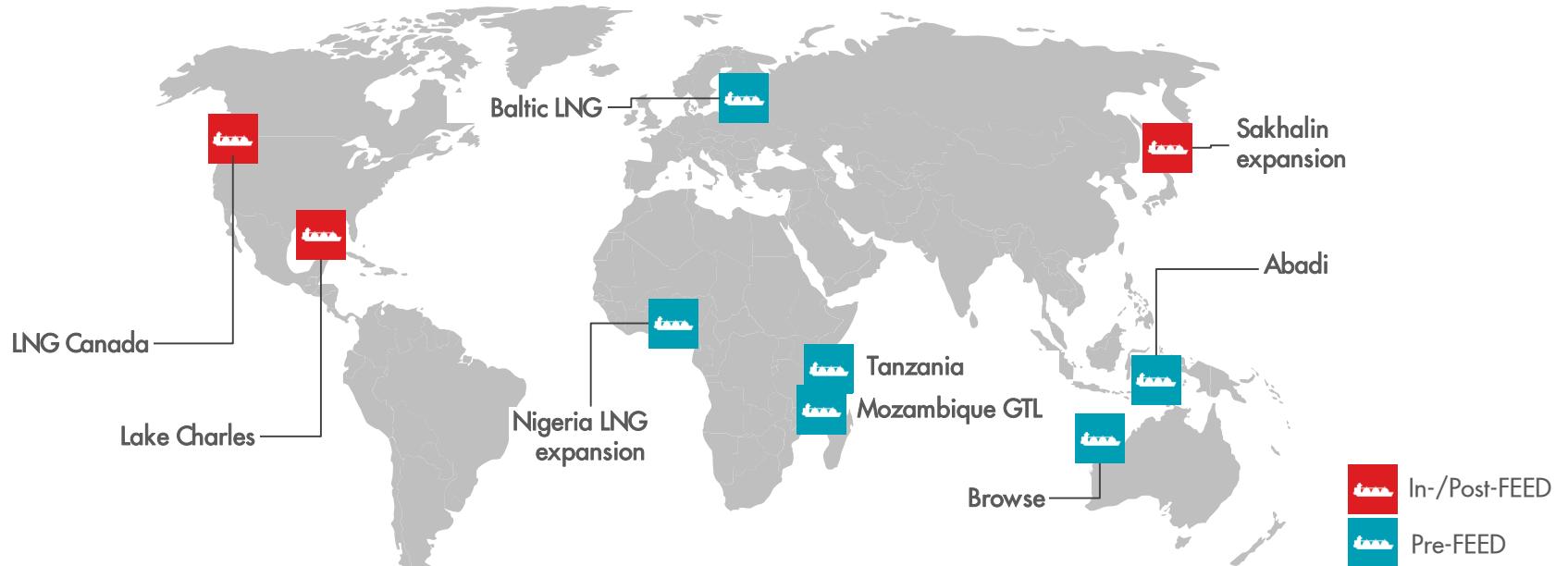
Royal Dutch Shell

| November 28-29, 2017

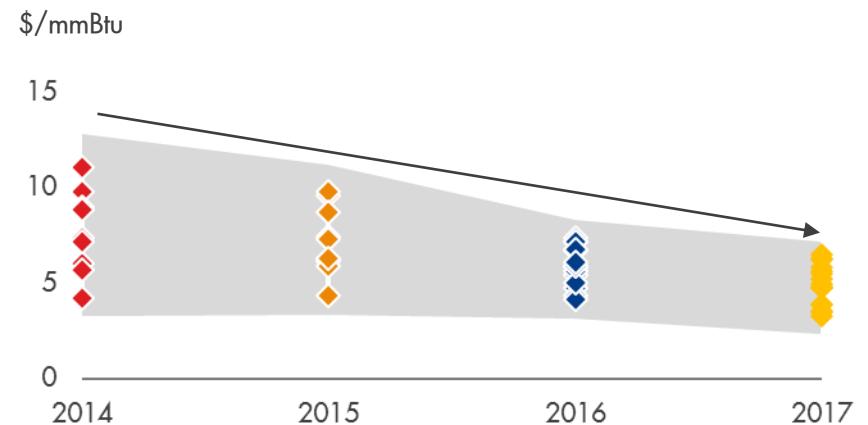
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Integrated Gas

Selective growth: pre-FID portfolio



LNG pre-FID unit cost of supply



Competitive pre-FID
opportunities in all supply
basins

Cost of supply includes shipping costs, excludes finding costs and fiscal take

Cost of supply is key

- North American projects set new market benchmark
- “Build” as well as “Buy” opportunities
- Advantaged positions
- Capital efficiency – technical & commercial innovation
- Differentiated portfolio and financial strength



Integrated Gas



Cash engine

Creating & securing demand



- LNG
- Gas and power
- Gas-to-liquids premium products

Optimisation



- Marketing and trading
- Shipping and transport
- Regasification

Managing supply



- Gas and liquids production
- Liquefaction
- Gas-to-liquids

- World leader
- Growing markets
- Differentiated portfolio
- Cash delivery

As of Q3 2017; capital employed includes new energies; average capital investment per annum in period 2018-20



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Andrew Brown

Upstream Director

Royal Dutch Shell

Appomattox hull arrival in Ingleside Texas – USA



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Upstream

Delivering profitable growth

Cash engines

Conventional oil & gas



Gbaran Ubie - Nigeria

- High-grading position
- Operational excellence focus
- Driving continuous improvement

Capital employed: **\$39 billion**

Production: **1.6 mboe/d**

Capital Investment: **\$4-5 billion**

Growth priorities

Deep water



Perdido – USA Gulf of Mexico

- Advantaged portfolio
- Delivery track record
- Continuing to lower costs

Capital employed: **\$63 billion**

Production: **0.7 mboe/d**

Capital Investment: **\$5-6 billion**

Emerging opportunities

Shales



Permian - USA

- Enhance position
- Improved competitiveness
- Accelerating selective growth

Capital employed: **\$18 billion**

Production: **0.3 mboe/d**

Capital Investment: **\$2-3 billion**

Capital employed and production based on Q3 2017; capital investment in period 2018-20; data excludes oil sands

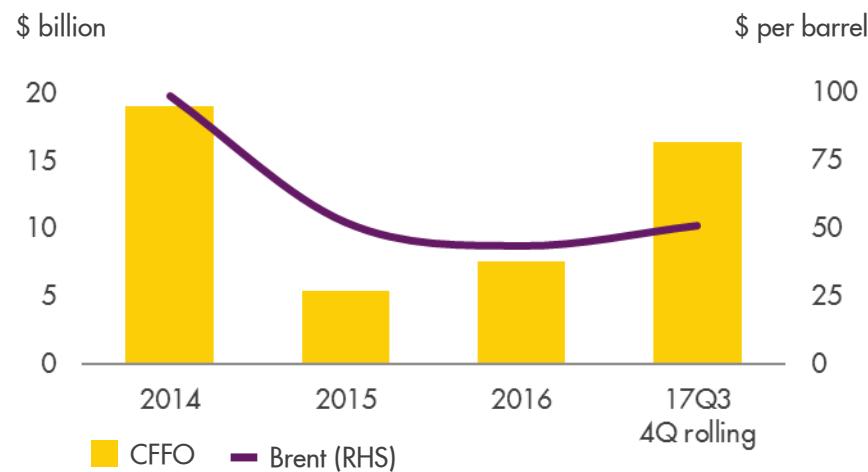


Upstream financial performance

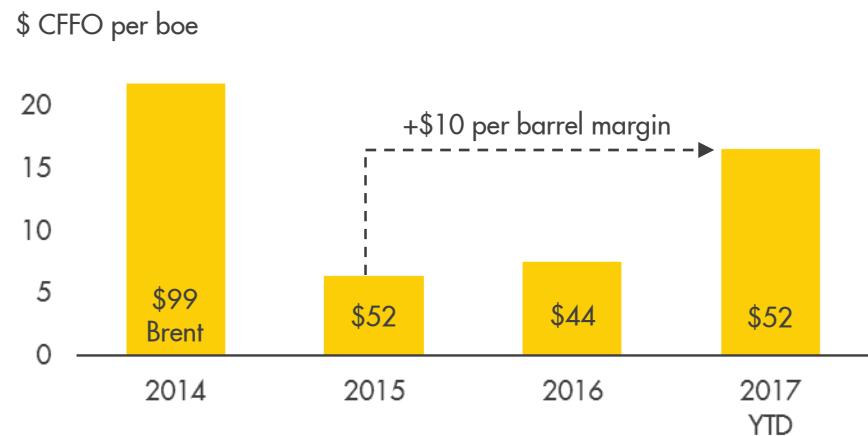


- Drive stability & sustain cash delivery
- Portfolio delivering higher cash margins

Cash flow from operations

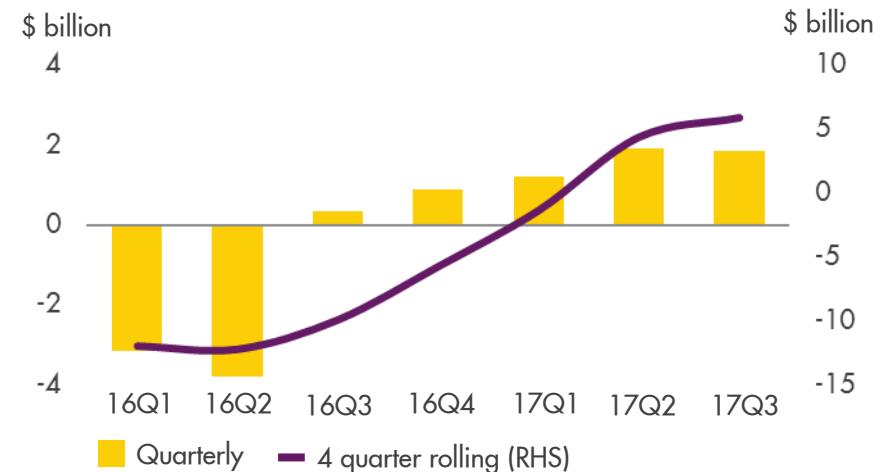


Unit cash flow

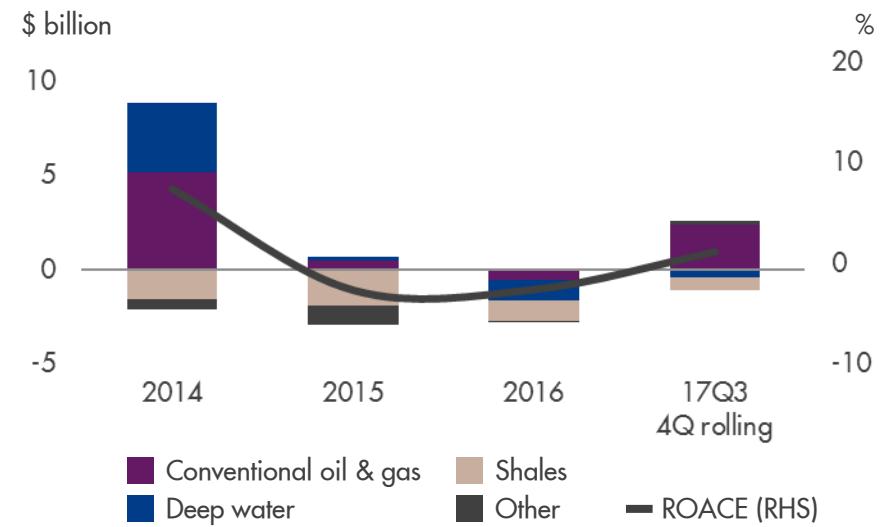


Cash flow from operations includes working capital; earnings excludes identified items; data includes oil sands

Organic free cash flow



Earnings by strategic theme & ROACE

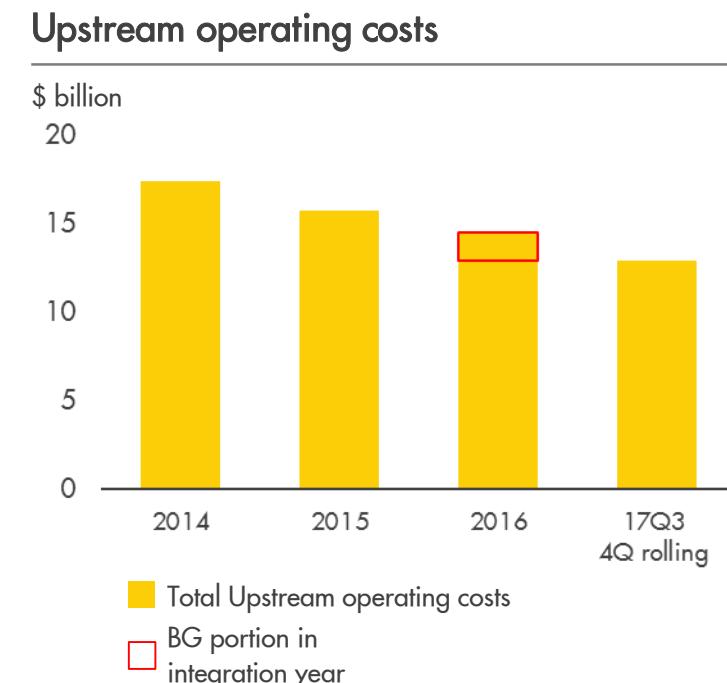
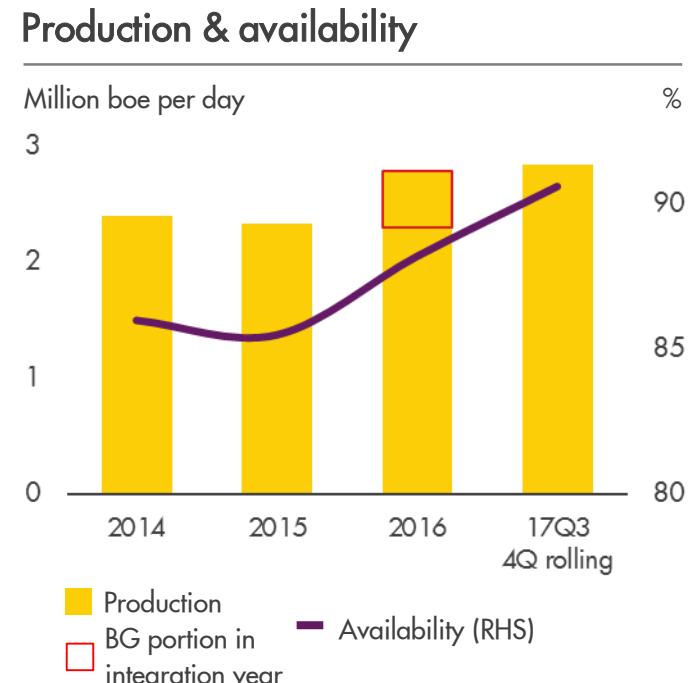


"Fit for the future"

Improving results



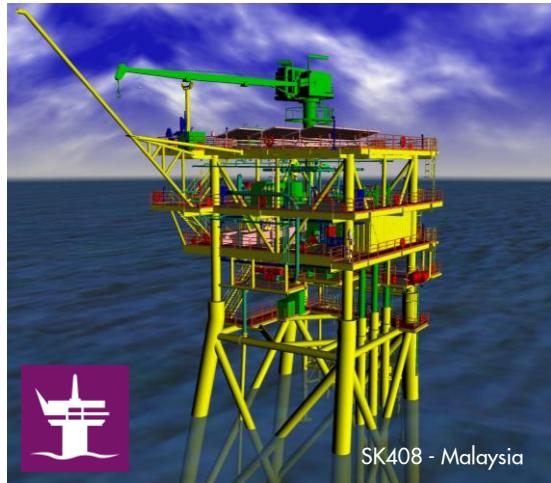
- Gap to potential
- Granular improvement plans
- Rigorous cadence



Scoping & executing for resilience

Focus on capital efficient and profitable growth

Replication & standardisation



SK408 - Malaysia

- 3 platform tiebacks with a standard design in Malaysia
- 30% below best in class in the industry development costs
- 72 kboe/day + ~250 million boe resources
- Shell share 30%

Competitive scoping



Vito – USA Gulf of Mexico

- Vito project re-scoped to reduce costs 70% versus initial estimates
- <\$40 per barrel break-even
- 100 kboe/day + ~300 million boe resources
- Shell share ~63%

Project execution



Fox Creek Kaybob plant - Canada

- New processing plant in Fox Creek
- Full modular construction
- 30% lower cost than competitor plants
- 5 months ahead of schedule + 35% under budget

Comparisons based Shell analysis of public information; production and resources (2P + 2C development pending) are Shell estimates of total gross values; production is an estimate of total gross peak rate



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Project delivery 2016+

Key Upstream start-ups & under construction

- Started >400 kboe/d since 2016
- >600 kboe/d still to start through into the early 2020's

- Stones**
 ▪ 50 kboe/d
 ▪ Shell 100%
- Kaikias Ph1**
 ▪ 40 kboe/d
 ▪ Shell 80%

- Permian & Fox Creek**
 ▪ 200 kboe/d
 incremental Shell share by 2020

- Coulomb Ph2**
 ▪ 10 kboe/d
 ▪ Shell 100%
- Appomattox**
 ▪ 175 kboe/d
 ▪ Shell 79%

- FPSO 7+8+10**
 ▪ 450 kboe/d
 ▪ Shell 25%
- FPSO 9**
 ▪ 100 kboe/d
 ▪ Shell 30%

- Libra EWT FPSO**
 ▪ 50 kboe/d
 ▪ Shell 20%
- FPSO 11+12+13+14+15**
 ▪ 750 kboe/d
 ▪ Shell 25%¹

- Clair Ph2**
 ▪ 100 kboe/d
 ▪ Shell 28%

- Schiehallion redevelopment**
 ▪ 125 kboe/d
 ▪ Shell 45%

- Tempa Rossa**
 ▪ 50 kboe/d
 ▪ Shell 25%



- Kashagan**
 ▪ 370 kboe/d
 ▪ Shell 17%

- Malikai**
 ▪ 60 kboe/d
 ▪ Shell 35%

- ML South**
 ▪ 40 kboe/d
 ▪ Shell 35%

- Baronia/Tukau Timur**
 ▪ 65 kboe/d
 ▪ Shell 40%

- Gbaran Ubie Ph2**
 ▪ 150 kboe/d
 ▪ Shell 30%

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

- Southern Swamp AG**
 ▪ 30 kboe/d
 ▪ Shell 30%

On-stream



¹ Berbigão, Sururu and Atapú West (3 FPSOs) are subject to unitisation agreements

Individual project volumes are total gross peak production with the exception of the Brazil FPSOs which is oil capacity as per operator; sum is estimate of Shell share production at peak

Conventional oil & gas

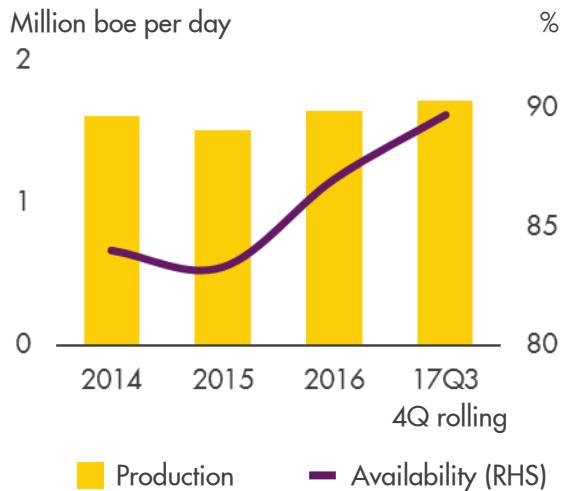
Portfolio & priorities



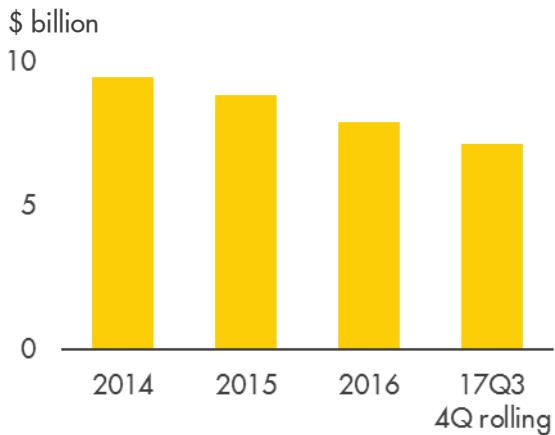
- Divesting the non-core assets
- Improving existing operations – fit for the future
- Negotiating to more resilient positions
- Selective growth to offset decline



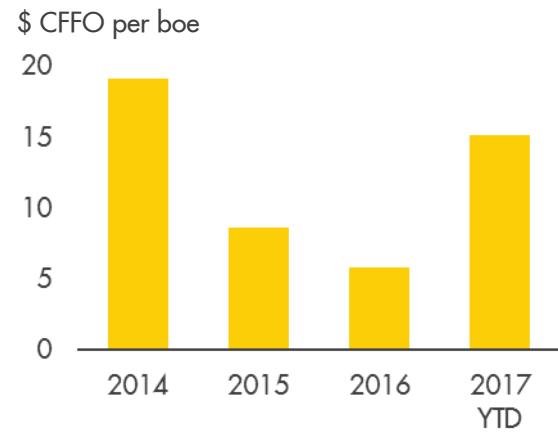
Production & availability



Operating costs



Unit cash flow



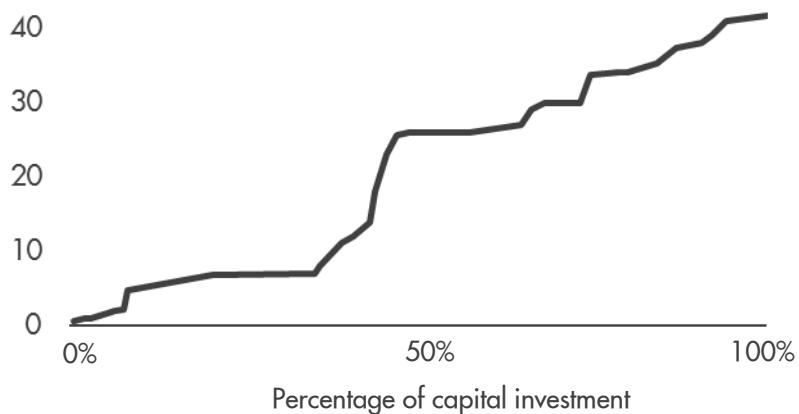
Conventional oil & gas

Sustaining the engine



Project break-even prices

Pre-FID funnel break-even price \$ per barrel



- Robust project funnel
- Sustaining the engine with disciplined investment
- Large portfolio of low break-even price projects

Production

Million boe per day

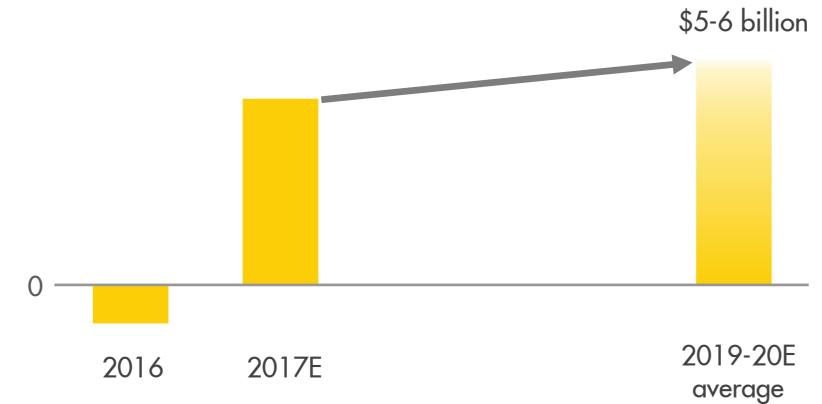


2019-21: 2016 RT \$60 per barrel

■ On-stream ■ Under construction ■ Pre-FID & Exploration (risked)

Organic free cash flow

\$ billion



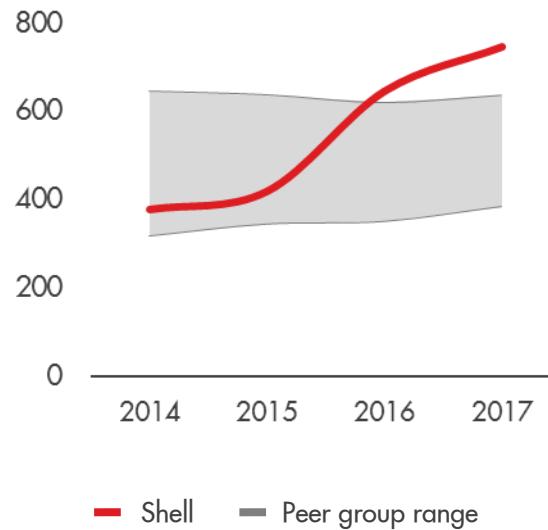
Deep water A leading IOC position



Strong deep water capabilities combined with advantaged portfolio

Advantaged portfolio

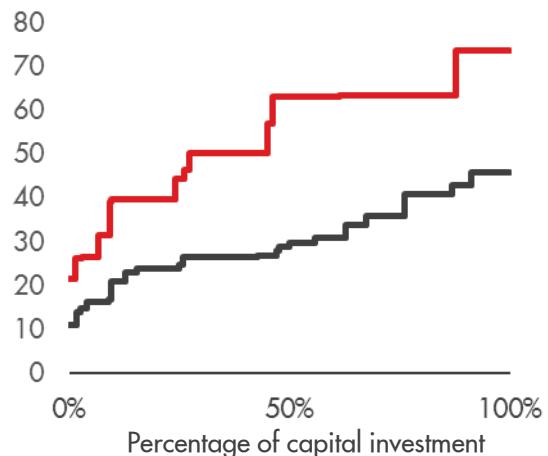
Thousand boe per day



- Deep water pioneer
- Top tier acreage & basins
- Global scale provides competitive advantage

Competitive growth

Pre-FID funnel break-even price \$ per barrel

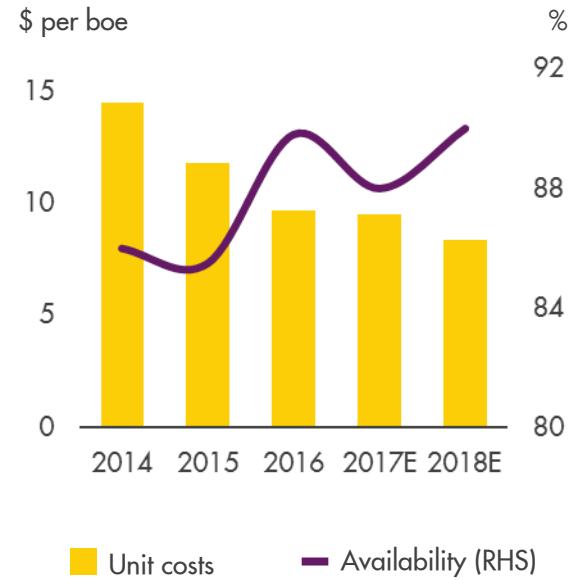


— 2014 — 2017

- Pre-FID deep water project average forward looking BEP is <\$30 per barrel
- Efficient execution, competitive scoping and affordable technology

Production excellence

\$ per boe



■ Unit costs ■ Availability (RHS)

- Structural operating cost reductions with further opportunity
- Disciplined approach to maximize availability
- Up to 70kboe/d production unlocked in 2017

Peer group range based on Wood Mackenzie data; break-even price is the Brent estimate of the FID forward NPV break-even; direct unit costs exclude feasibility, research & development, decommissioning & restoration and idle rig expense



Deep water

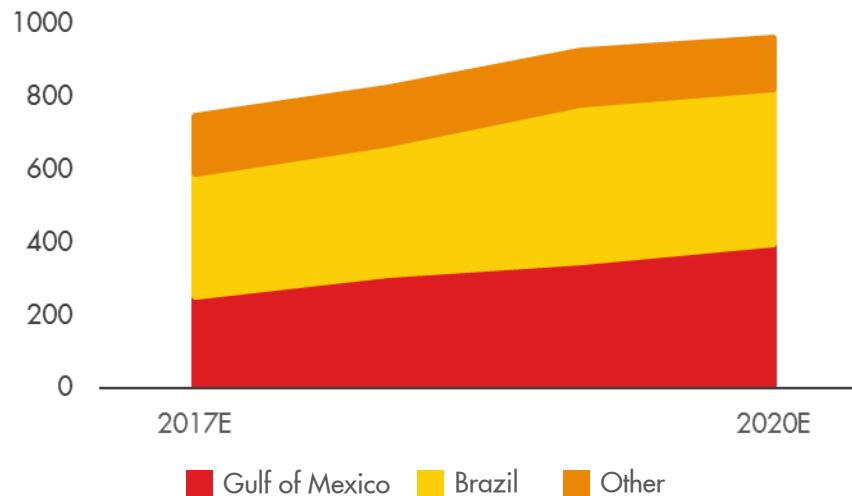
World class delivery



- Progressing to >900 kboe/d by 2020
 - Maintain production through mid-2020s with discovered volumes & defined projects
 - Upside growth with exploration
- Capital discipline – doing more with less
- Accelerating and increasing organic free cash flow by lowering costs & improving production

Production

Thousand boe per day

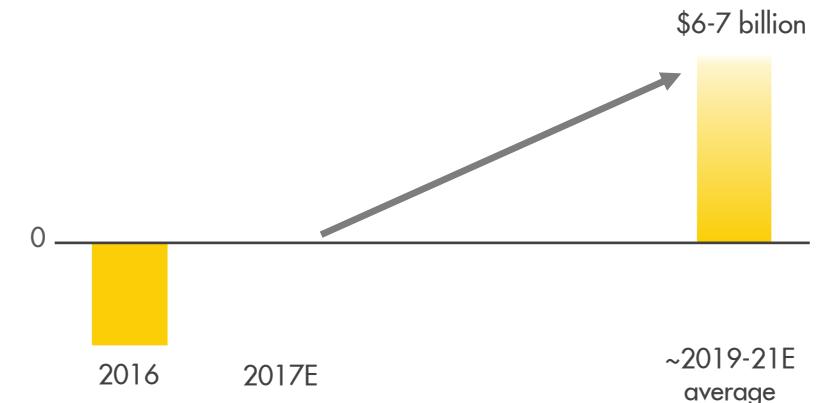


Transition from growth priority to cash engine

2019-21: 2016 RT \$60 per barrel

Organic free cash flow

\$ billion



Royal Dutch Shell

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50

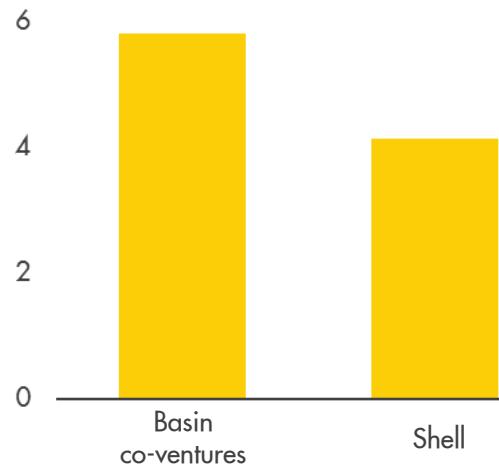
Shales

Enhancing competitiveness



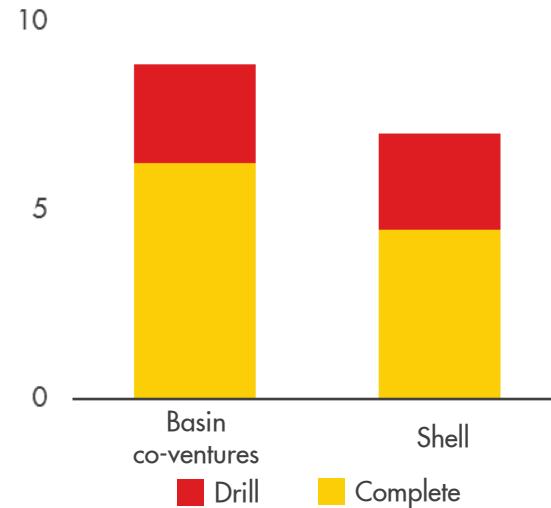
Direct field costs - Permian

\$ per boe 2017 YTD

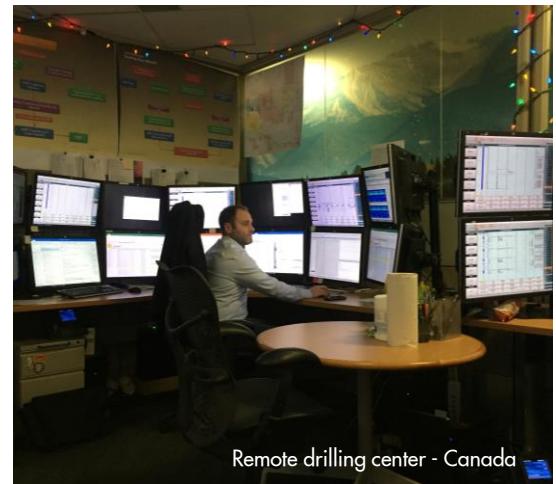


Drill & complete - Permian

\$ million 2017 YTD (normalized to 7500' lateral)



Capabilities & technology



Remote drilling center - Canada

- Reduced direct field operating costs by 33% in past year and 60% in last 2 years

- Reduced drill and complete per well by 35% in last 2 years

- Canada remote drilling center used for Argentina wells
- iShales end-to-end future field development solution

Nimble as an independent & leverage capabilities of a major

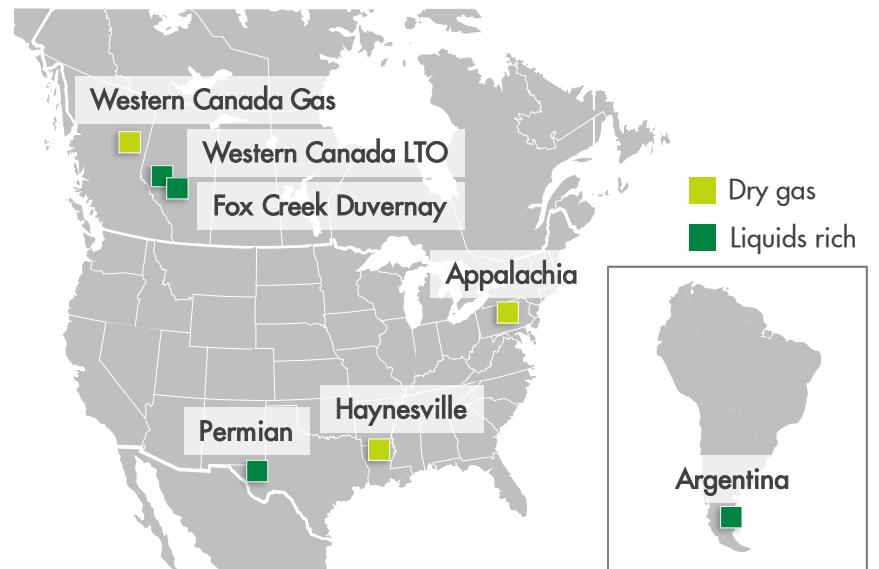


Shales

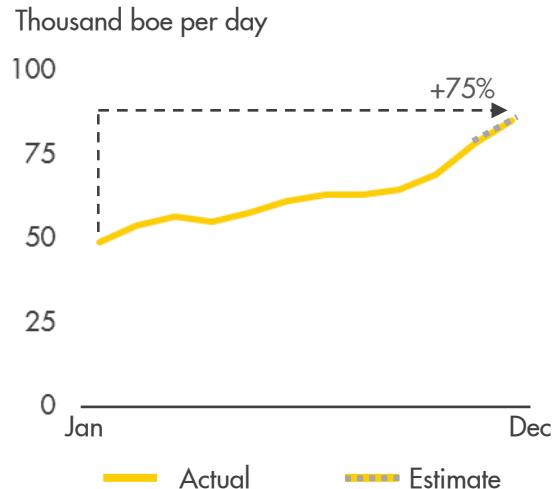
Building a growth business



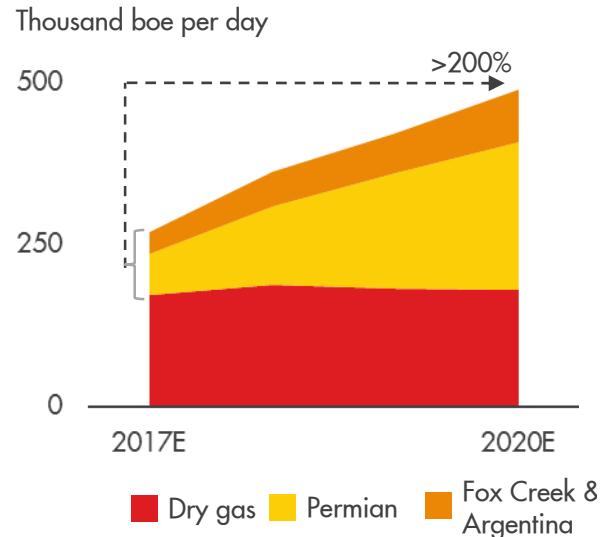
- Near-term selective acceleration of Permian & Fox Creek Duvernay
 - Growth of ~200 kboe/d by 2020
 - Average break-even price ~\$40 per barrel
- Accelerating free cash flow break-even versus 2016 Capital Markets Day by 1 year within previous capital guidance



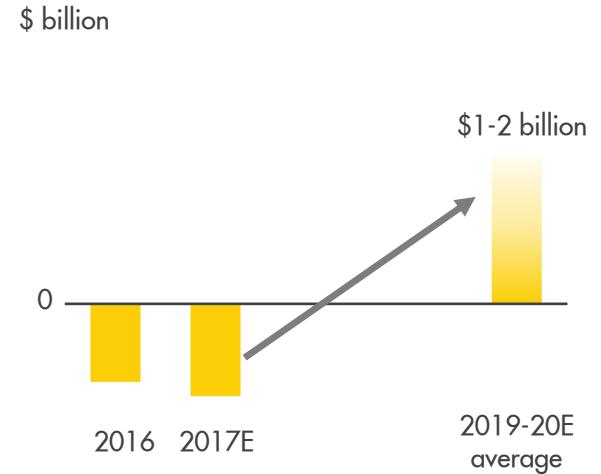
Permian 2017 growth



Production 2020 growth



Organic free cash flow



Build a material & sustainable growth business post 2020

2019-21: 2016 RT \$60 per barrel



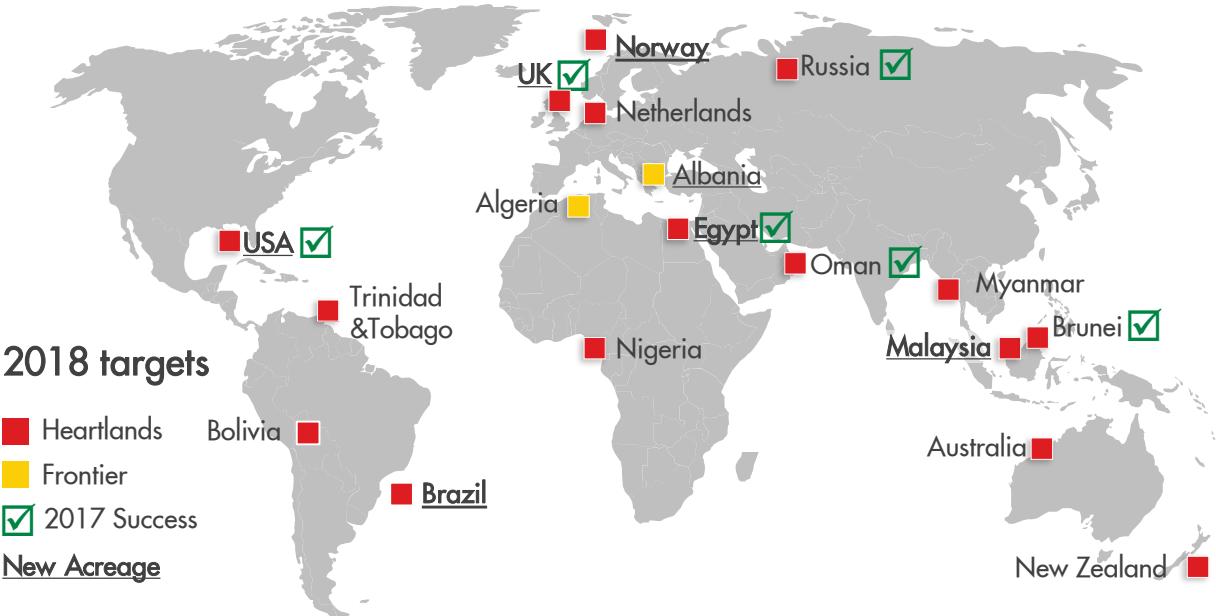
Royal Dutch Shell

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Exploration

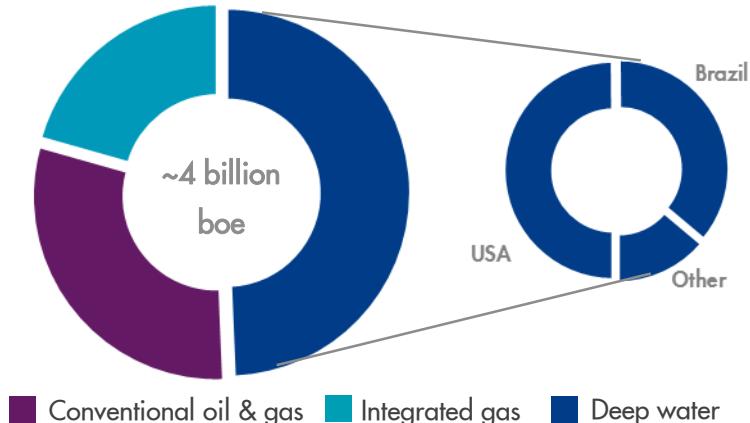
Track record & strategy

- Build on heartland success to sustain future growth
- Targeting emerging opportunities to supplement Heartlands
- Value maximized through integration & efficient hydrocarbon maturation



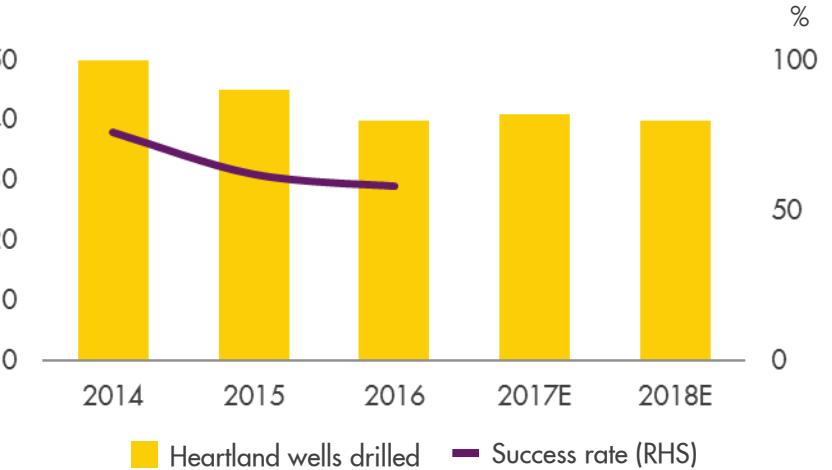
Exploration to potential development

Resources added 2012 to 2016



- Spend ~\$2 billion/year
- Focus on heartlands and near field

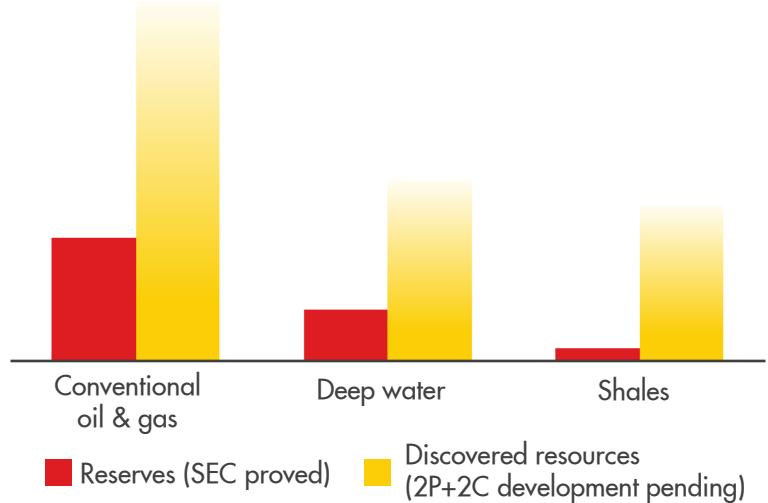
Maximizing value through heartlands



Robust development potential

Reserves & resources

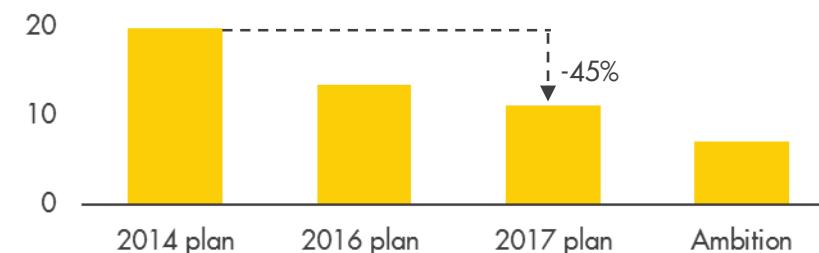
Billion boe



- Significant discovered resources pending development
- Project costs down dramatically with room for further reduction
- Competitive project funnel to develop

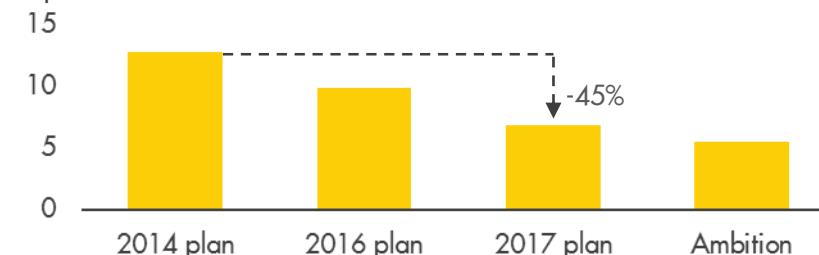
Deep water unit development costs

\$ per boe



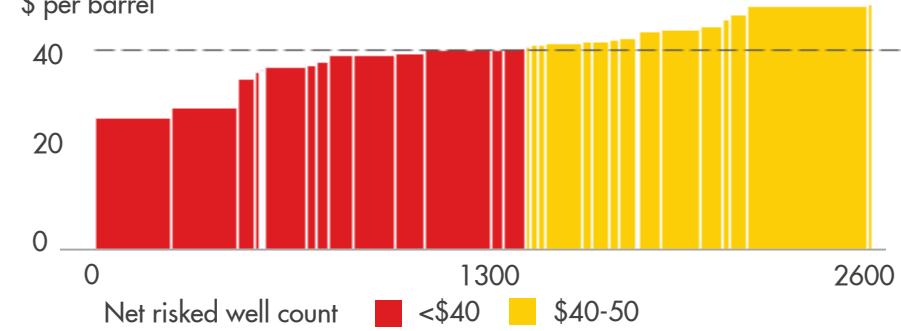
COG operated unit development costs

\$ per boe



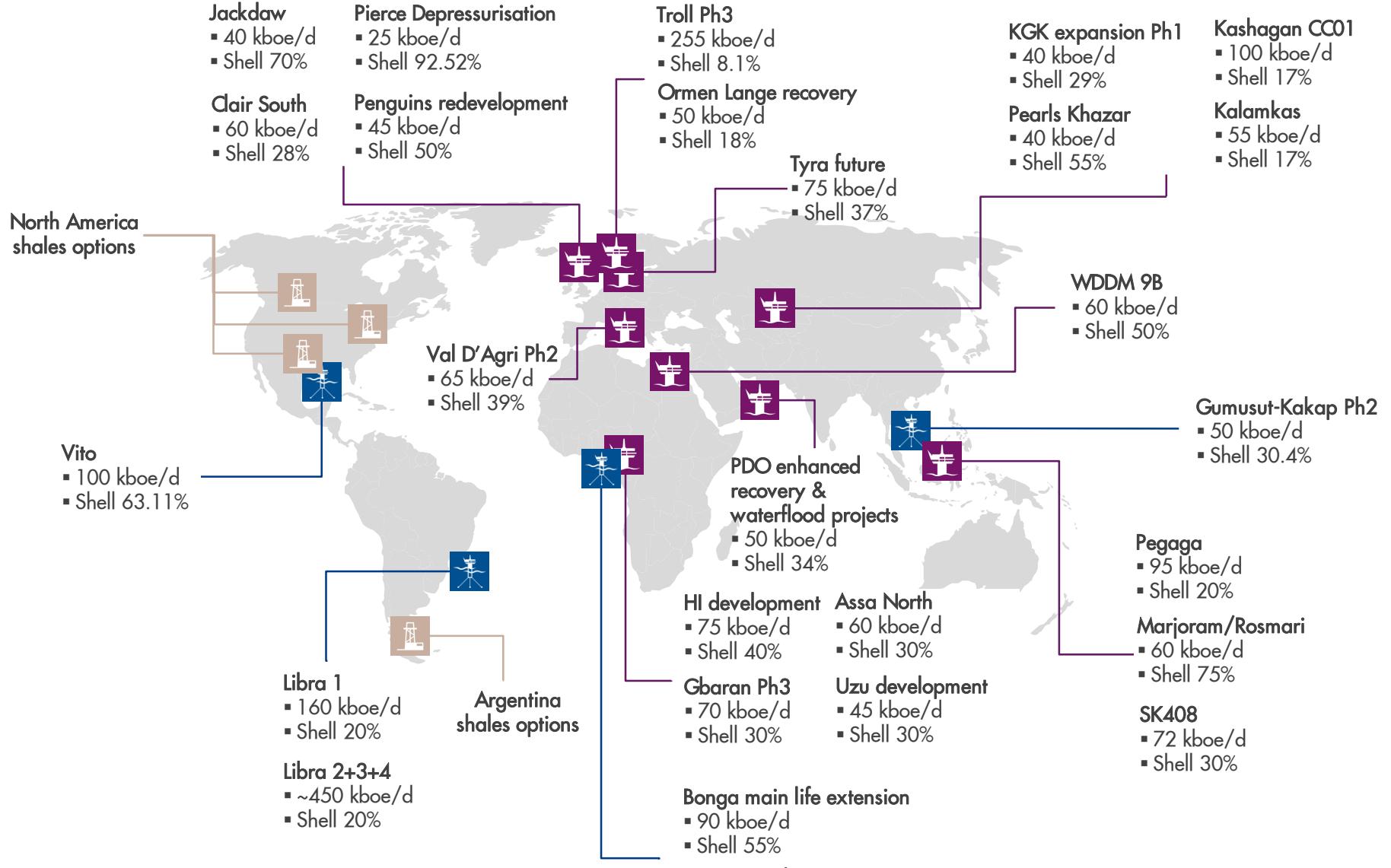
Shales break-even price (Permian example)

\$ per barrel



2018-2022

Pre-FID Options



Individual project volumes are Shell's current estimates of total gross peak production; sum is estimate of Shell share production at peak excluding shales



Upstream

Delivering profitable growth

Cash engines

Conventional oil & gas



Gbaran Ubie - Nigeria

- High-grading position
- Operational excellence focus
- Driving continuous improvement

Capital employed: **\$39 billion**

Production: **1.6 mboe/d**

Capital Investment: **\$4-5 billion**

Growth priorities

Deep water



Perdido – USA Gulf of Mexico

- Advantaged portfolio
- Delivery track record
- Continuing to lower costs

Capital employed: **\$63 billion**

Production: **0.7 mboe/d**

Capital Investment: **\$5-6 billion**

Emerging opportunities

Shales



Permian - USA

- Enhance position
- Improved competitiveness
- Accelerating selective growth

Capital employed: **\$18 billion**

Production: **0.3 mboe/d**

Capital Investment: **\$2-3 billion**

Capital employed and production based on Q3 2017; capital investment in period 2018-20; data excludes oil sands





John Abbott

Downstream Director

Royal Dutch Shell



Royal Dutch Shell

| November 28-29, 2017

Downstream

Cash engine

Marketing



Refining & Trading



- Further strengthen our financial performance
- Upgrading our portfolio
- Returns + free cash flow improvement
- Chemicals growth priority

- Customer offer + brand leverage
- Differentiated products
- Global #1 Brand
- Full integration with trading
- Improve retained assets
- Reducing refining capacity

Capital employed: **\$18 billion**

Sales volumes: **6.5 mboe/d**

Capital investment: **\$4-5 billion**

Growth priority

Chemicals



- Advantaged feedstock
- Strong product portfolio
- Proprietary technology

Capital employed: **\$15 billion**

Sales volumes: **~17 mtpa**

Capital Investment: **\$3-4 billion**

Capital employed and volumes based on Q3 2017

Capital investment is in period 2018-2020; Source brand preference: Ipsos – Global Customer Tracker (covering 30+ markets)



Royal Dutch Shell

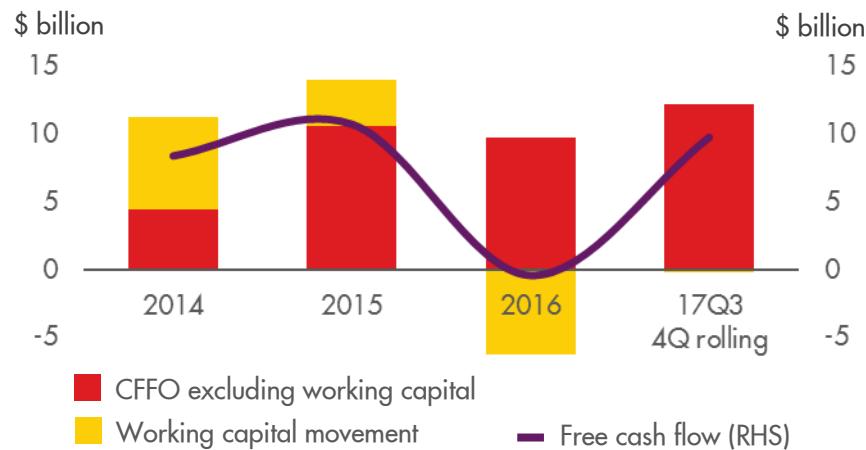
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Downstream financial performance



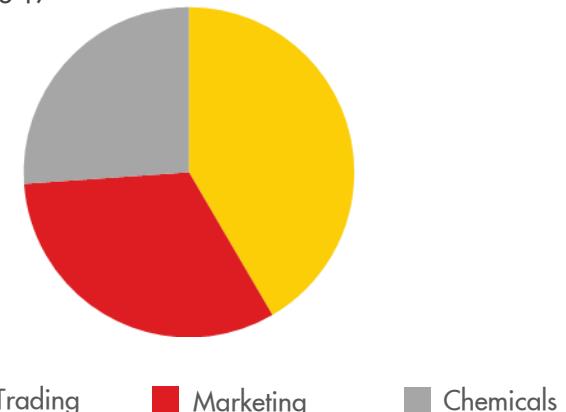
- Strong cash generation
- Oil Products: \$6 - 7 billion organic FCF by 2020
- Competitive returns

Cash flow

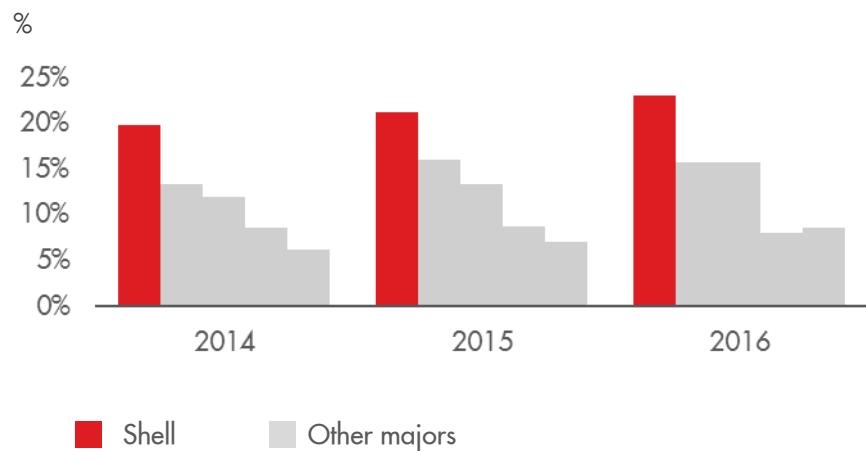


Capital employed

\$56 billion at end Q3'17

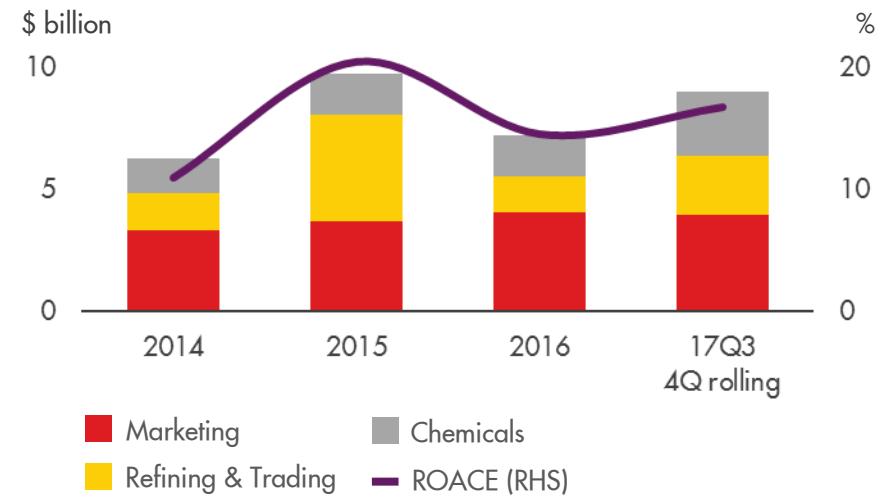


Global brand preference



Earnings and ROACE on CCS basis, excluding identified items; Source brand preference: Ipsos – Global Customer Tracker (covering 30+ markets)

Earnings by sub-segments + ROACE

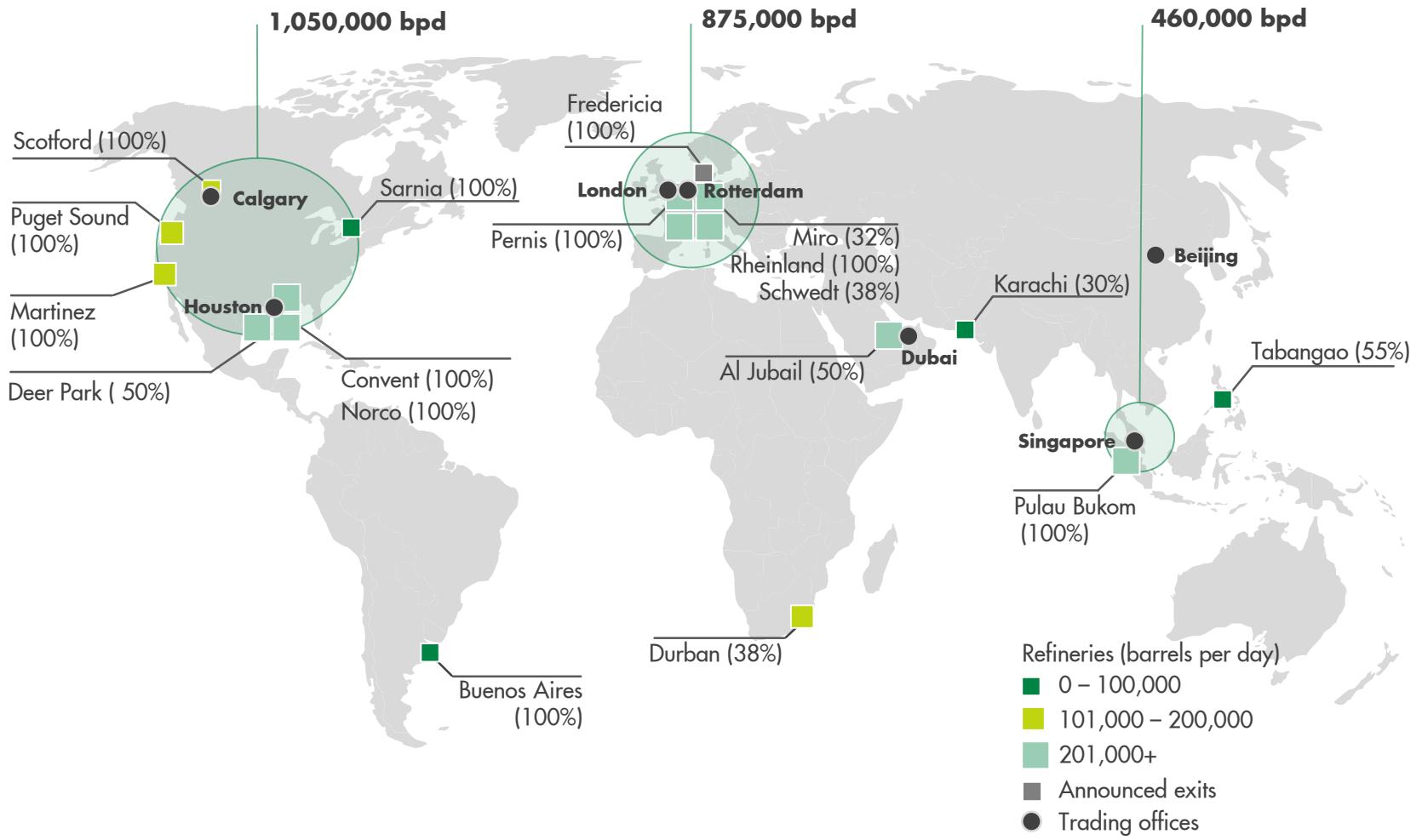
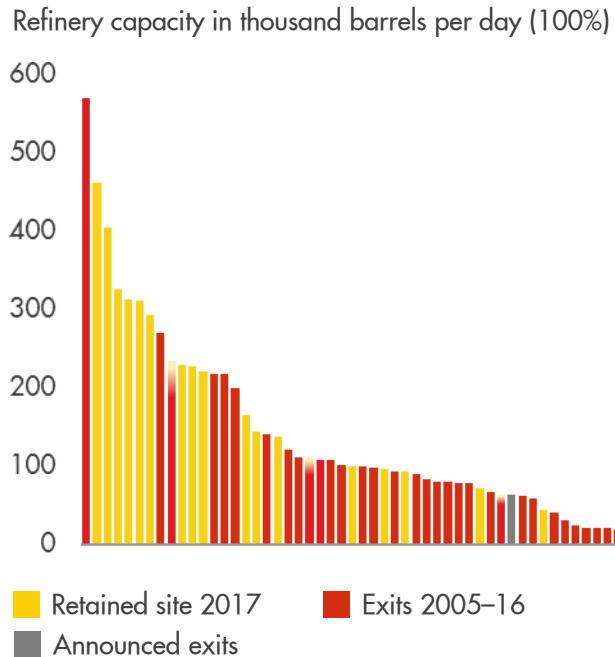


Investing in selective growth

Refining and Trading



Retain competitive sites



Shell capacity as at end Q3 2017

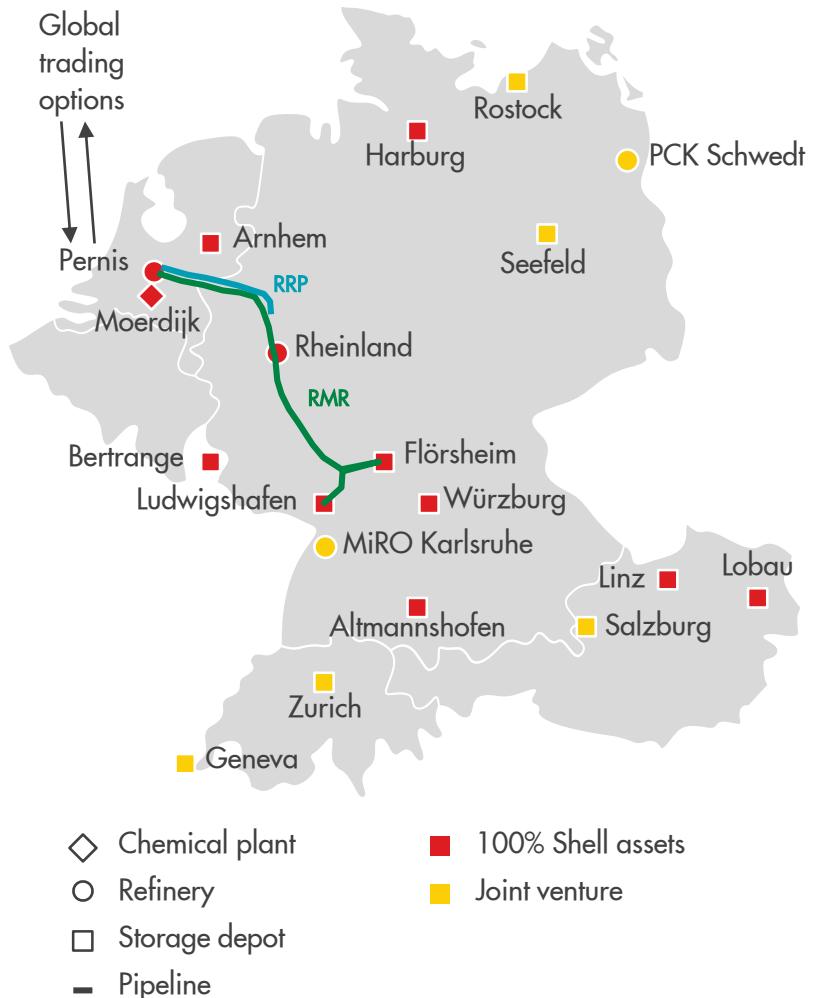


Royal Dutch Shell

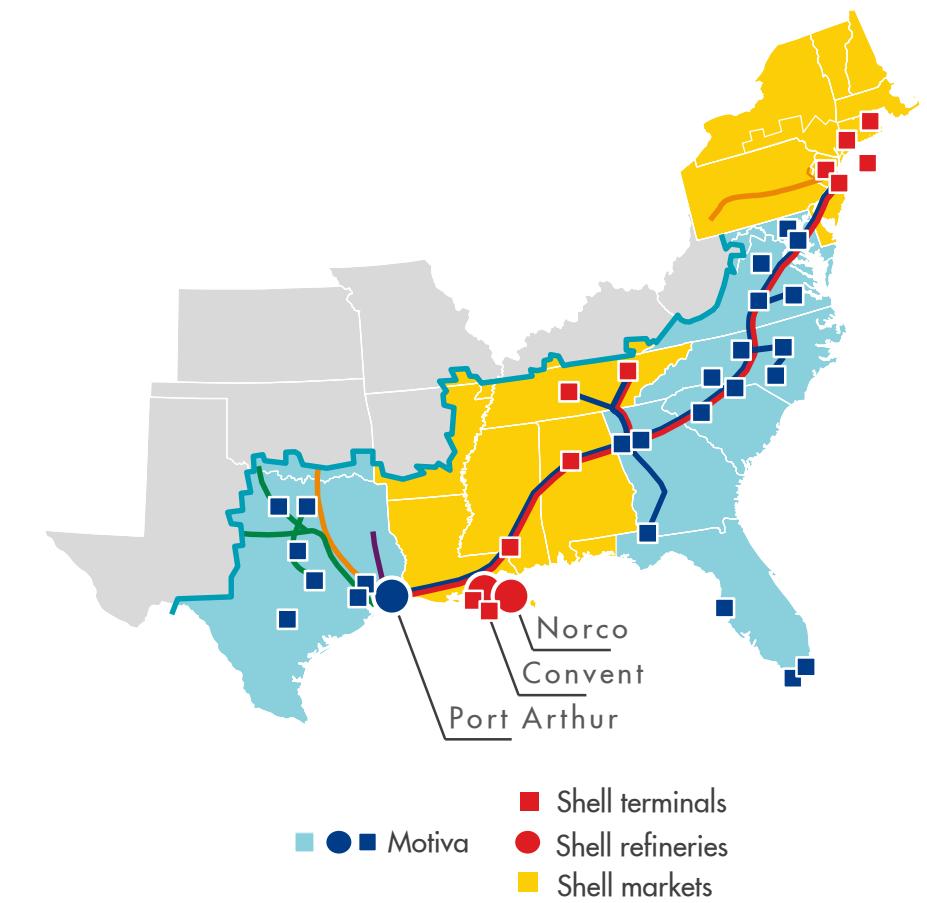
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Downstream asset integration: Rhine envelope & Eastern US portfolio

Rhine envelope



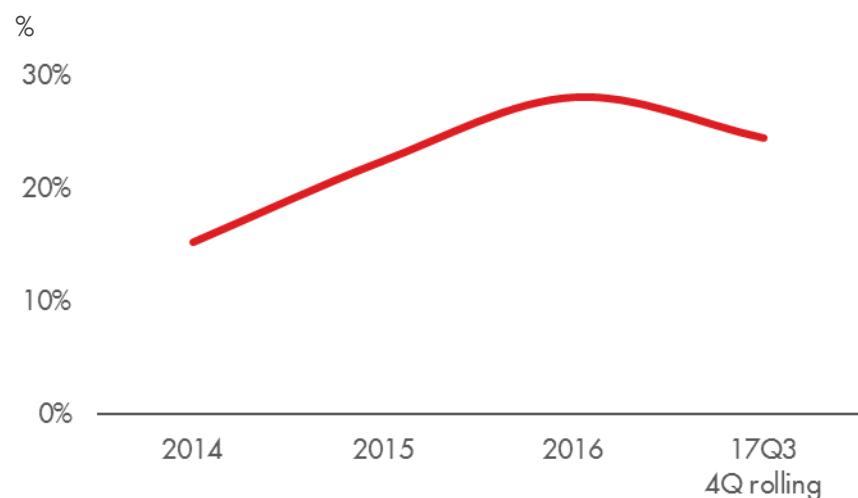
Integration of Motiva assets to the DS portfolio



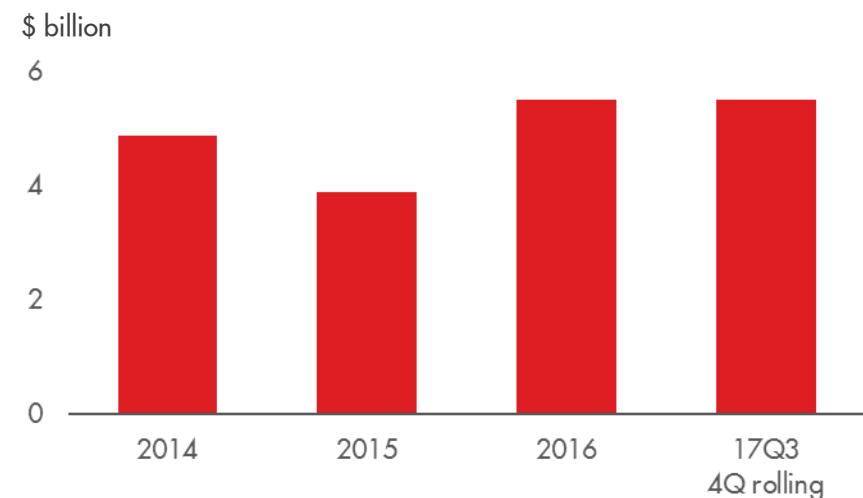
Investing in selective growth
Shell Oil Products
– marketing



Marketing – ROACE



Marketing – free cash flow



Retail's 5 ambitions for 2025



1

50%

Increase margin share from non-fuels retail to 50%



2

20%

Fuels margin from low-emission energy solutions



3

LOWER CARBON

Reduce carbon intensity of our retail outlets by at least 50%



4

EVERY CUSTOMER

Treated like a guest on site & in the digital world



5

100%

Sites committed to local communities unified by a global social cause

Digitalisation

Connected customer



Innovation



New business models



Shell App

- >3 million downloads
- 715,000 active users in >35 markets
- Quick, easy and personalised experience
- Enhanced payment and loyalty proposition

Connected car

- World's first in car cashless payment system
- Launched with Jaguar Land Rover
- Creates opportunities for new B2B business models

FitCar powered by Jiffy lube

- Provides customers with maintenance alerts, trip info and more
- More new B2C and B2B business models underway

Jiffy lube is a 100% Shell venture



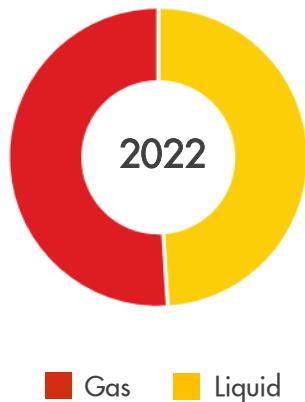
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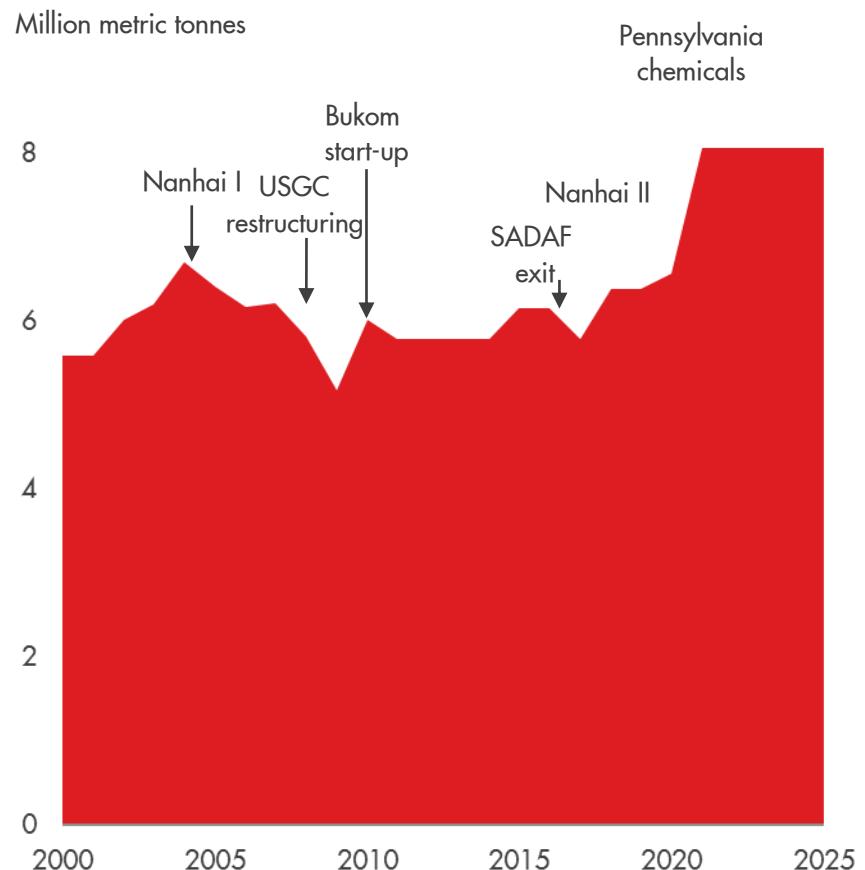
Growth projects **Chemicals**



Feedstock mix



Ethylene capacity



Under construction



- 425,000 metric tonnes per annum additional Alpha Olefins capacity

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

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

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



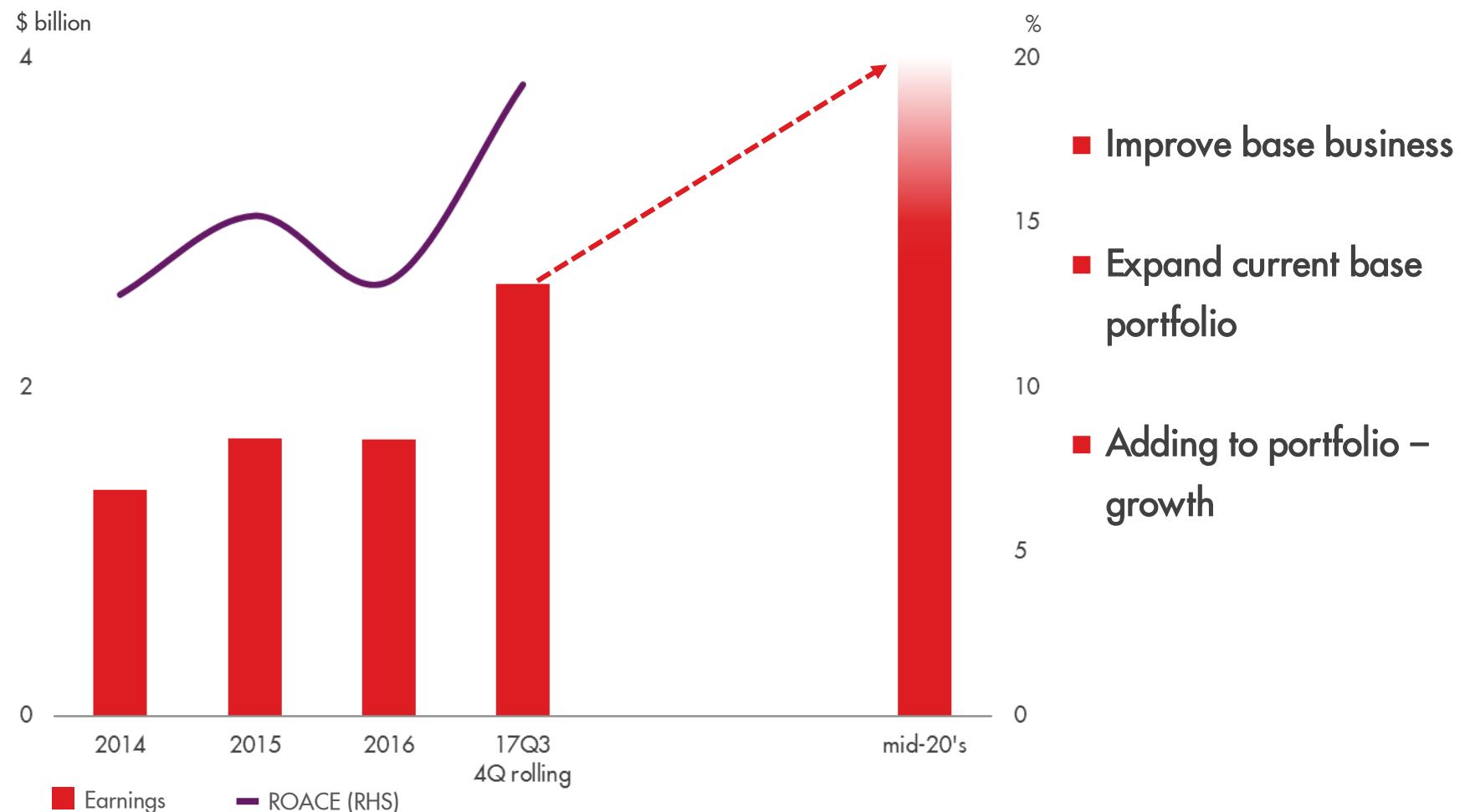
Organic growth **Chemicals**



Targets aspiration per year mid-'20s:

- Earnings: ~\$3.5 - 4 billion
- Cash flow: ~\$5 - 6 billion
- Base capex: ~\$1 - 1.5 billion

Earnings + ROACE



Earnings and ROACE on CCS basis, excluding identified items; Shell ROACE calculations for 2012 has been restated for the impact of IAS 19



Downstream

Cash engine

Marketing



Refining & Trading



- Further strengthen our financial performance
- Upgrading our portfolio
- Returns + free cash flow improvement
- Chemicals growth priority

- Customer offer + brand leverage
- Differentiated products
- Global #1 Brand

Capital employed: **\$18 billion**

Sales volumes: **6.5 mboe/d**

Capital investment: **\$4-5 billion**

- Full integration with trading
- Improve retained assets
- Reducing refining capacity

Capital employed: **\$23 billion**

Refinery processing: **2.6 mboe/d**

Growth priority

Chemicals



- Advantaged feedstock
- Strong product portfolio
- Proprietary technology

Capital employed: **\$15 billion**

Sales volumes: **~17 mtpa**

Capital Investment: **\$3-4 billion**

Capital employed and volumes based on Q3 2017

Capital investment is in period 2018-2020; Source brand preference: Ipsos – Global Customer Tracker (covering 30+ markets)



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Maarten Wetselaar

Integrated Gas & New Energies Director

Royal Dutch Shell



Royal Dutch Shell

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New Energies



- Build integrated value chains
- Exploit adjacencies to existing businesses
- Discipline and commerciality
- Not equipment manufacturing

Emerging Opportunities

New Fuels



Focus areas:

- Biofuels
- Hydrogen

Power



Focus areas:

- Trading, marketing and customer access
- Low-carbon generation and storage (solar, wind, gas)



Market drivers and differentiators



Energy transition



- World needs more and cleaner energy
- Commercial technologies and policy drive towards de-carbonization
- Growing role of electricity and renewables

Market development



- Power markets expected to grow faster than the overall energy system
- Global transition expected to be gradual, local transitions may be significantly faster

Shell differentiators



- Experience, global footprint, adjacencies
- Trading, optimisation, risk management
- Brand and customers
- Energy value chain integration

New Fuels



Adjacencies to existing downstream businesses

Biofuels



- First generation experience through Raízen joint venture
- One of the largest blenders and traders of biofuels
- Developing a second generation advanced biofuels business

Hydrogen



- Existing sites in Germany, UK, and USA
- Working with partners to develop around 400 sites by 2023 in Germany
- Demand driven expansion, including the Netherlands and California, USA



Portfolio resilience through a
**Power value
chain**



- Adjacencies to existing gas businesses
- Value chain integrator
- Demand-driven development

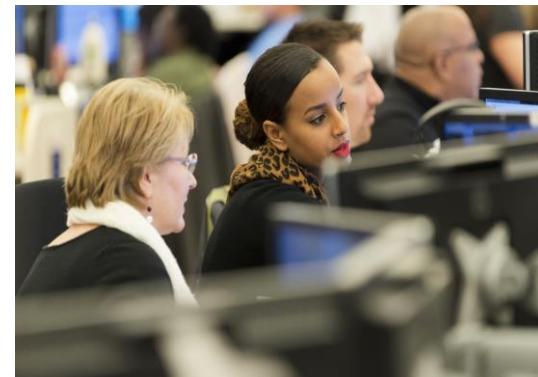
CUSTOMERS

Multiple parties are active on the demand side



OPTIMISATION

Leverage portfolio flexibility and arbitrage opportunities



SUPPLY & GENERATION

Not all products are supplied by Shell; some are purchased from third parties



- Secure demand in key markets
- Commercial, industrial, and residential

- Optimise intermittent demand and supply
- Trading opportunities

- Wind, solar, and selected gas and storage assets
- Selective capacity ownership to create portfolio flexibility



New Energies **Capital and returns**



- Selective an opportunity driven investment
- Capital investment: \$1 – 2 billion
- Organic + inorganic

New Fuels



Wuppertal, Germany

Power



NoordzeeWind, The Netherlands

- New Fuels looks for capital light opportunities
- Work in partnerships and consortia
- Target downstream returns

- Investment in customer access
- Selective asset ownership
- Target returns of 8 – 12%





Ben van Beurden
Chief Executive Officer
Royal Dutch Shell



Summary



2014-2020 TRANSFORMATION IN SHELL

2014 - 2020

2020+
CONTINUE TO IMPROVE
OUR METRICS PER SHARE

2020+

Portfolio re-shape

More free cash flow

Higher returns

**Growing per share metrics
from a stronger basis**

SHAREHOLDER DISTRIBUTIONS



Questions & Answers



Ben van Beurden
Chief Executive Officer



Jessica Uhl
Chief Financial Officer





Management Day – Break-out panels

Delivering a world-class investment case

Royal Dutch Shell plc
November 28-29, 2017

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Integrated Gas

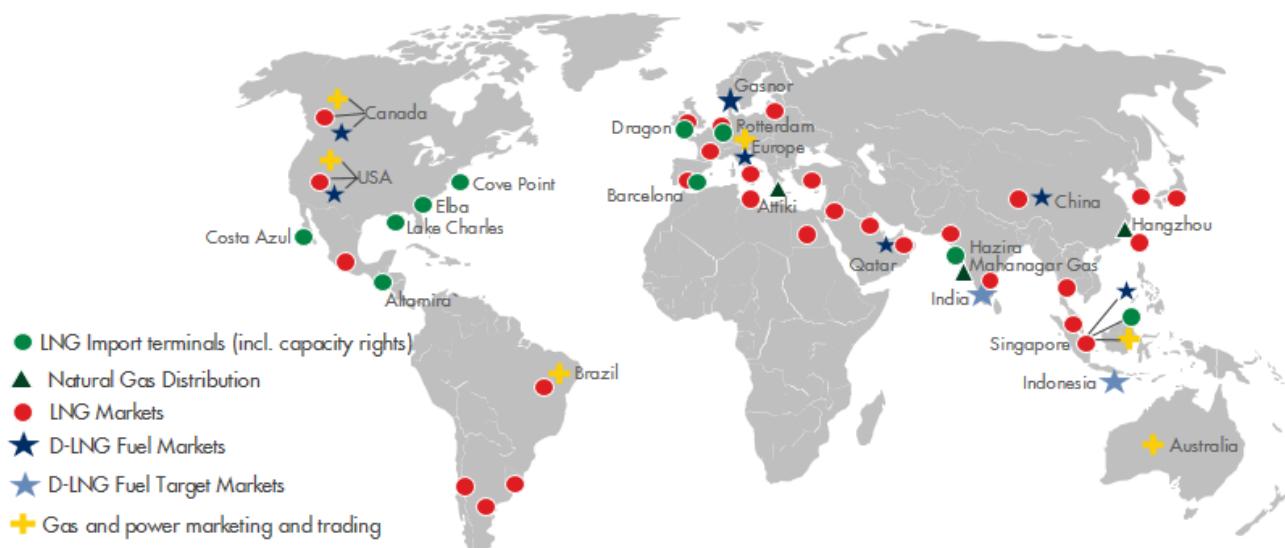
Maarten Wetselaar



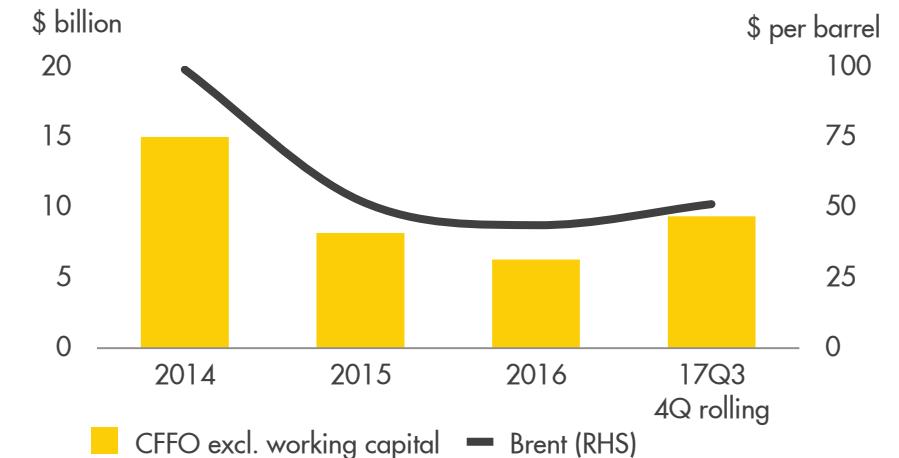
Key messages

- World leader
- Growing markets
- Differentiated portfolio
- Market-driven value chain
- Cash engine

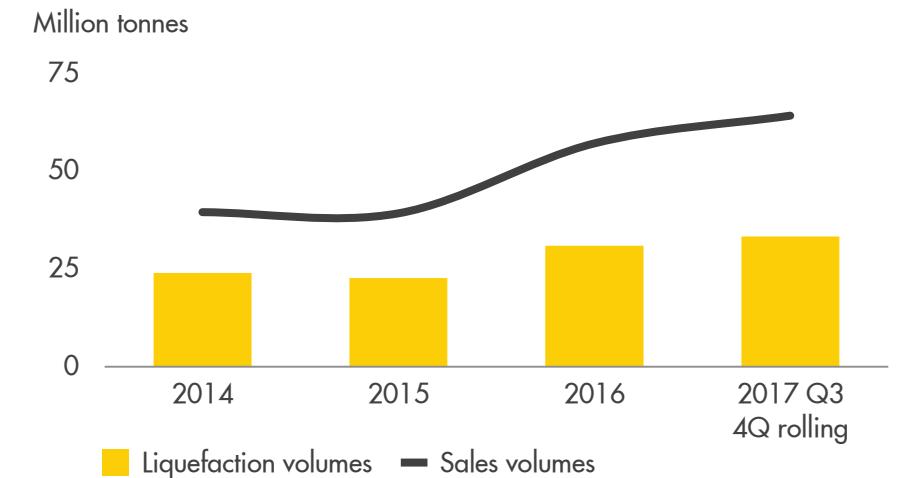
Create and secure demand



Cash flow from operations



LNG liquefaction and sales



Break-out Panel

New Energies

Maarten Wetselaar



Key messages

- Emerging opportunity with focus on New Fuels and Power
- Selective, disciplined and commercial investments
- Leverage adjacencies and competitive advantages
- Build a new value chain that will thrive in the energy transition



Break-out Panel
Upstream

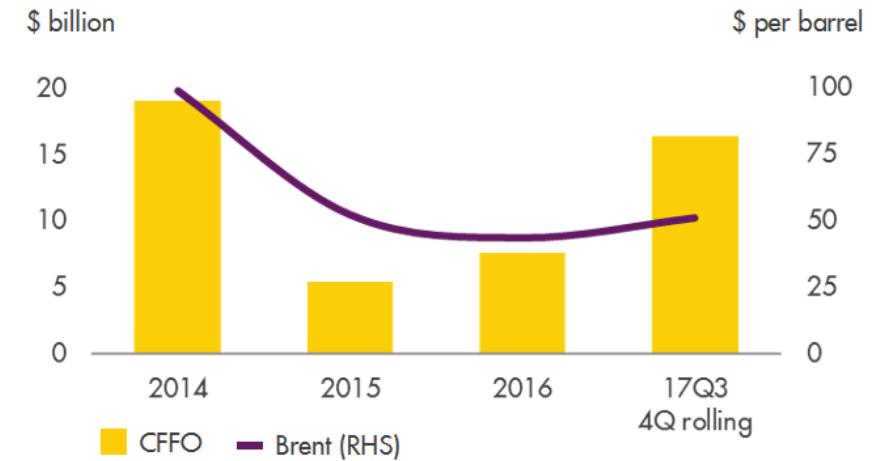
Andrew Brown



Key messages

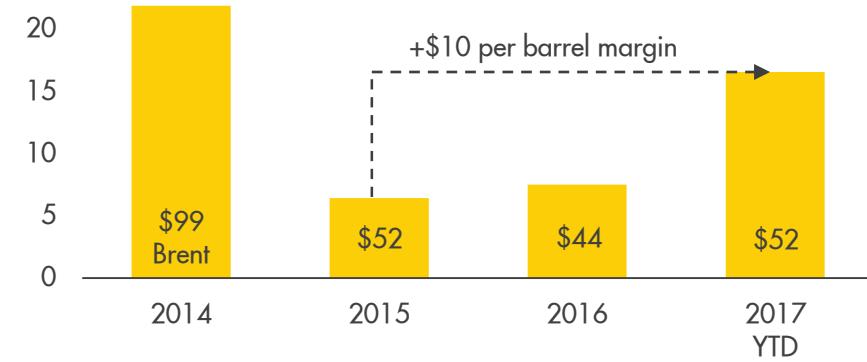
- Financial and operational performance improving
- Delivering on levers – divestments, costs and project start-ups
- Upgrading 2016 Capital Markets Day organic FCF
 - \$5-6 billion conventional oil & gas
 - \$6-7 billion deep water
 - \$1-2 billion shales
- Robust 2020+ funnel

Cash flow from operations



Unit cash flow

\$ CFFO per boe



Downstream

Cash engine

Marketing



Refining & Trading



- Further strengthen our financial performance
- Upgrading our portfolio
- Returns + free cash flow improvement
- Chemicals growth priority

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Harry Brekelmans

Projects and Technology Director

Royal Dutch Shell



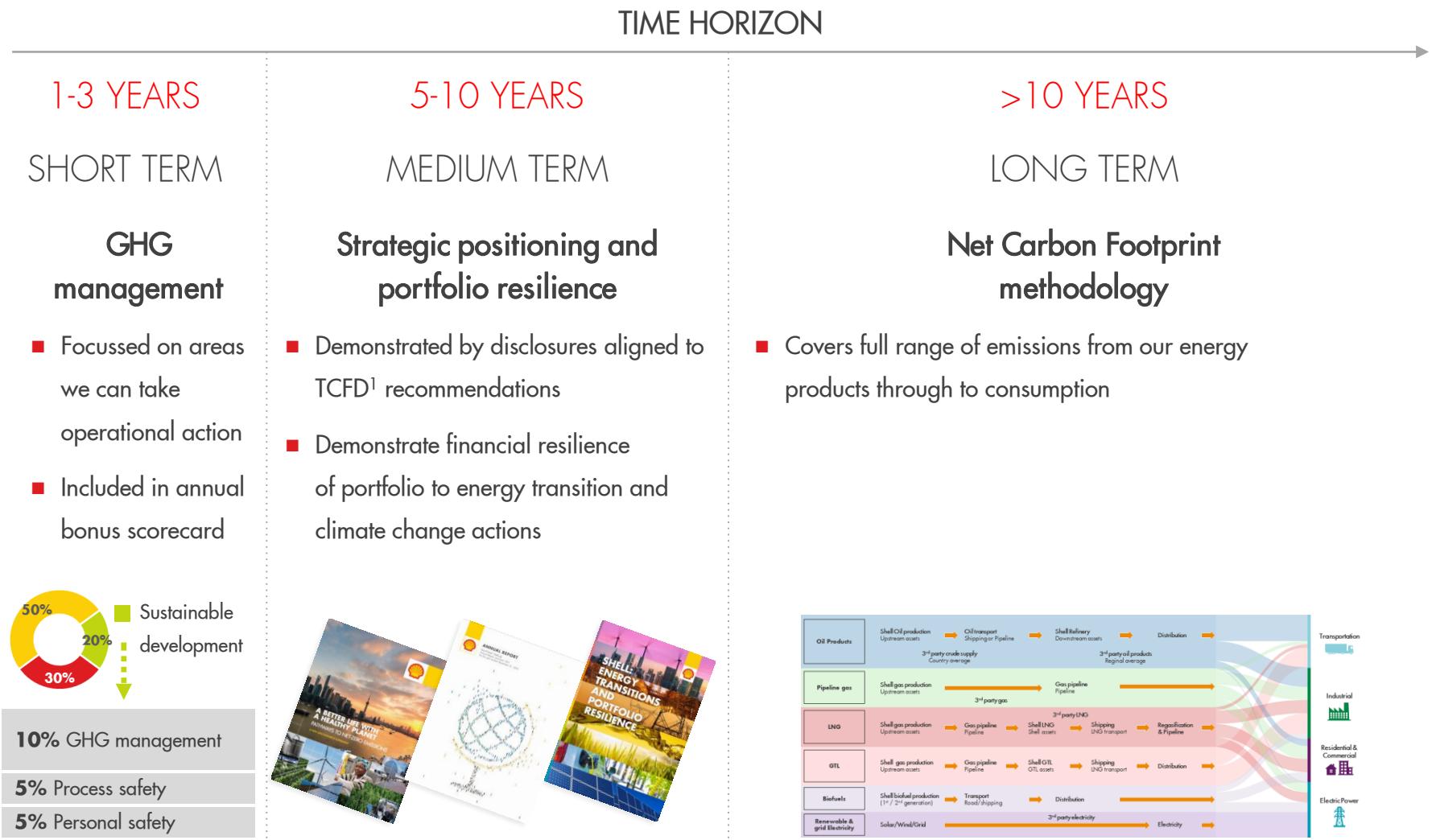
Royal Dutch Shell

| November 28-29, 2017

Thrive in the energy transition

Driving to resilience and ambition

Demonstrating Shell's approach across multiple time horizons

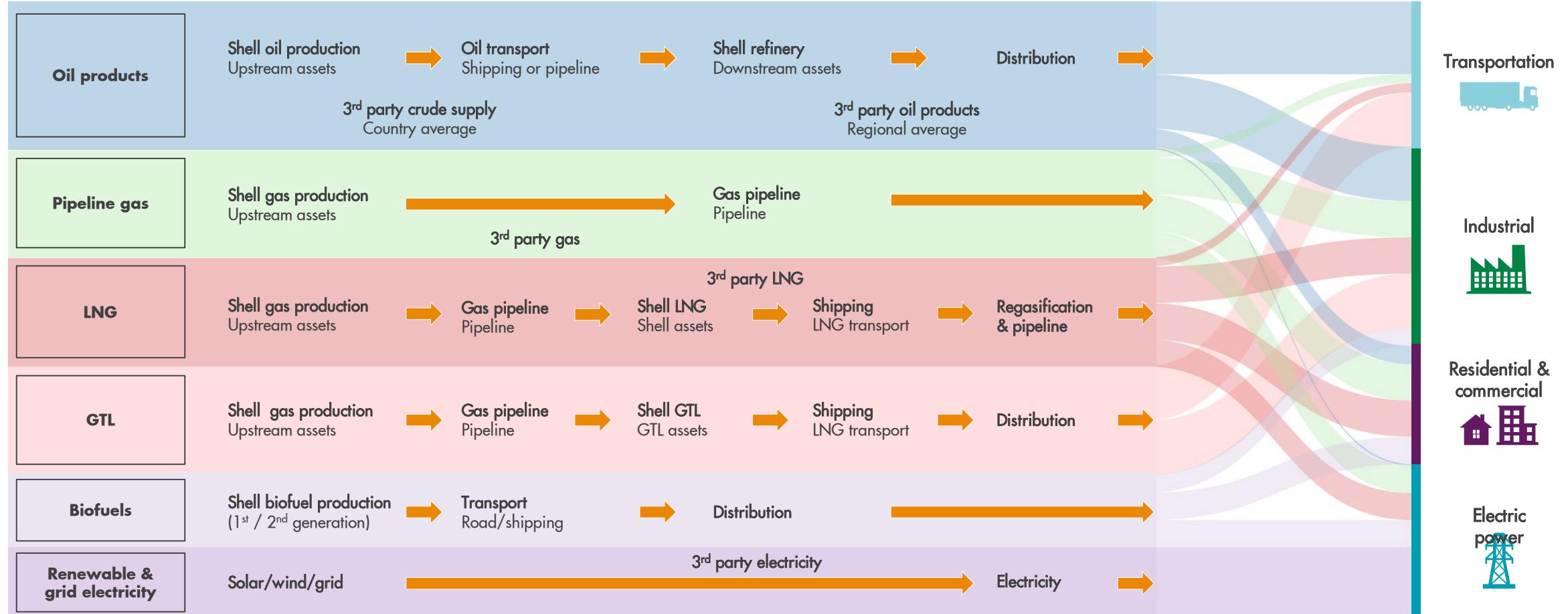


1: TCFD - Task Force for Climate-related Financial Disclosures



Thrive in the energy transition

Net Carbon Footprint



Net Carbon Footprint also includes the use of natural sinks and carbon capture usage and storage, not shown in diagram



Thrive in the energy transition

Ambition – Net Carbon Footprint

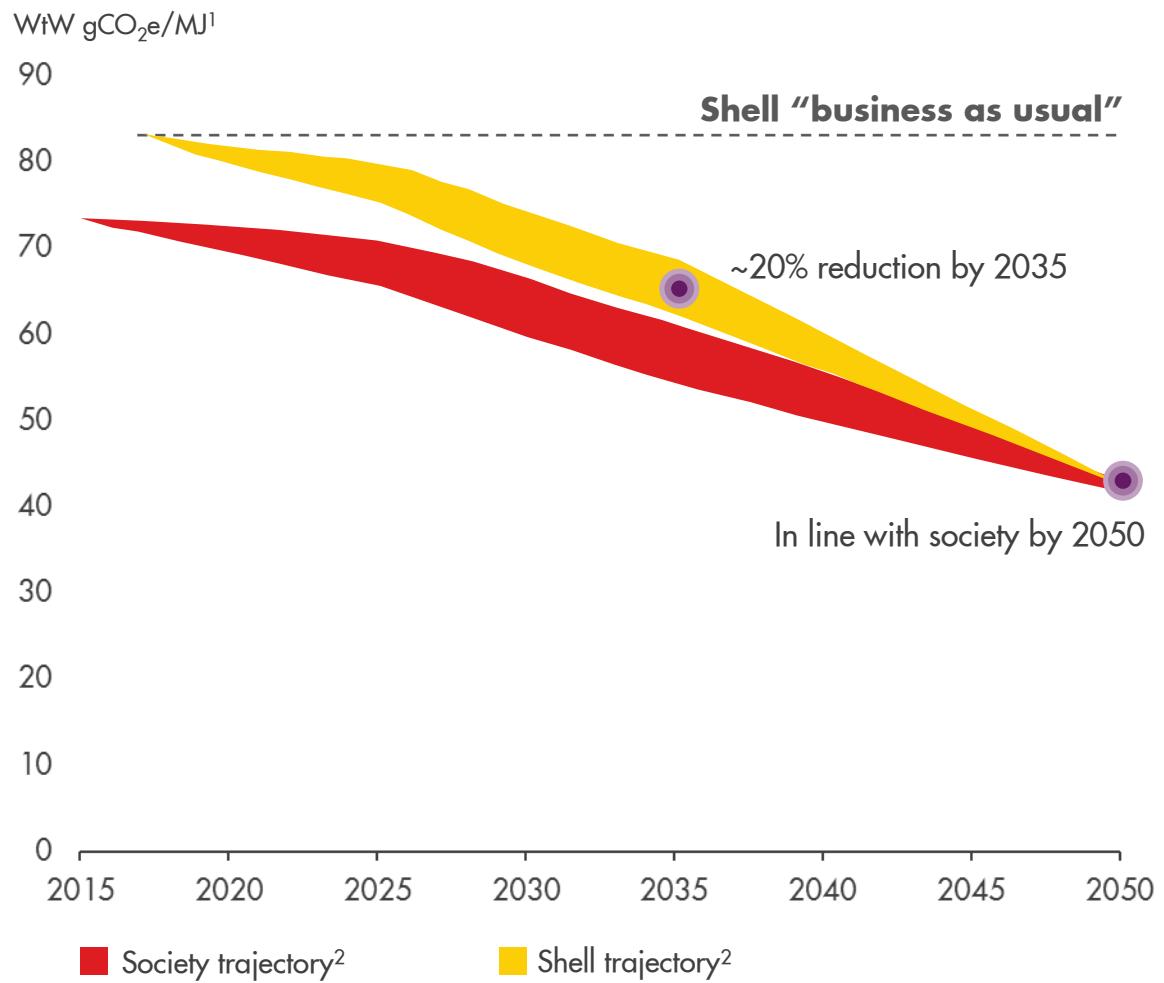
Ambitions:

- Reduce Net Carbon Footprint¹ of our energy products by ~20% by 2035
- Be in line with society Net Carbon Footprint by 2050

Ambition to reduce Net Carbon Footprint¹ of our energy products by around 20% by 2035

- Covers full range of emissions from energy products
- Aim to reduce overall intensity including production, supply chain, and customers
- Government policy, technology, and consumer choice will drive actual energy transition pace and outcomes
- Drive strategy over time in step with society
- 5-year reviews to ensure in line with societal progress

Ambition for Net Carbon Footprint¹



1: Net Carbon Footprint measured on an aggregate “well to wheel” or “well to wire” basis, from production through to consumption, on grams of CO₂ equivalent per megajoule of energy products consumed; chemicals + lubricants products are excluded. Carbon Footprint of the energy system is modelled using Shell methodology aggregating lifecycle emissions of energy products on a fossil-equivalence basis. The methodology will be further reviewed and validated in collaboration with external experts.

2: Potential society trajectory includes analysis from Shell scenarios estimate of Net Zero Emissions by 2070 and IEA Energy Technology Perspectives 2017; Potential illustrative Shell trajectory



Thrive in the energy transition

Ambition – Net Carbon Footprint

- Flexibility and mix of options to achieve ambition
 - Allows for oil and gas production growth offset by evolving product mix
- Changing product mix gives greatest opportunity
- Top-quartile scope 1 + 2 emissions has limited overall impact

- Shell is active in each of these areas

Existing examples:



Flare reduction



Increased LNG



Wind power



Raizen biofuels



Shell Recharge + New Motion

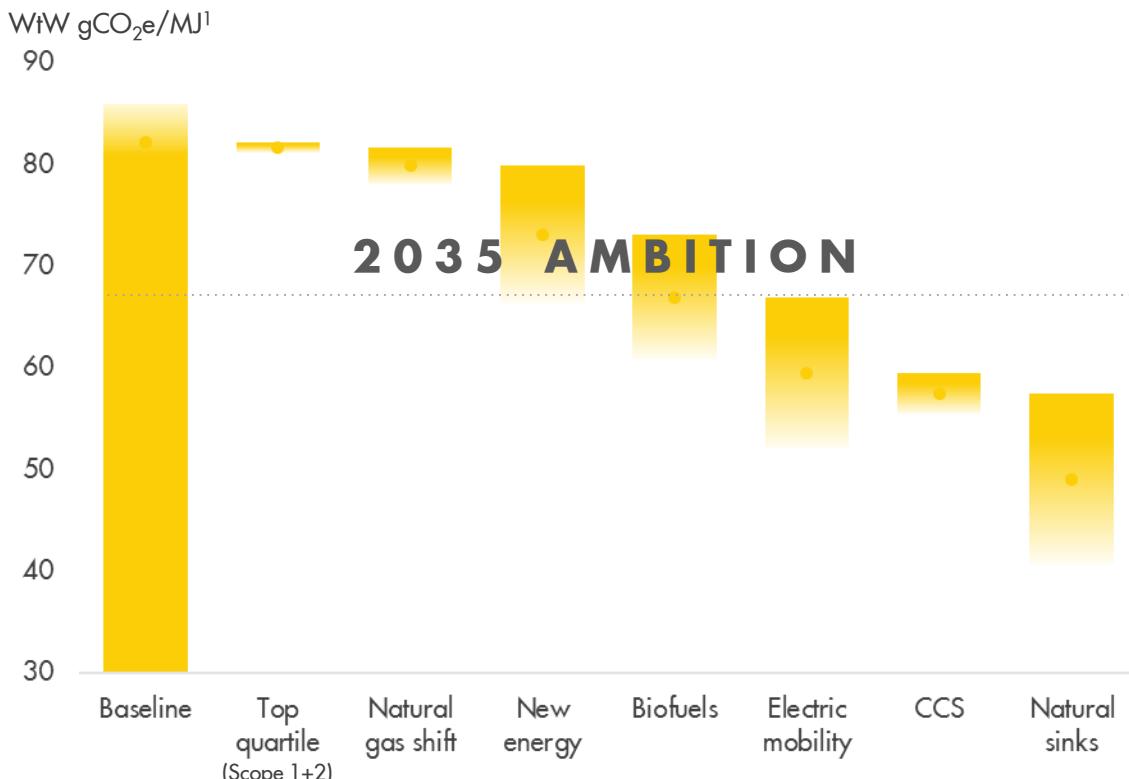


Quest CCS



Nature based offsets

Potential tools to achieve our 2035 Net Carbon Footprint¹ ambition



1: Net Carbon Footprint measured on an aggregate “well to wheel” or “well to wire” basis, from production through to consumption, on grams of CO₂ equivalent per megajoule of energy products consumed; chemicals + lubricants products are excluded. Carbon Footprint of the energy system is modelled using Shell methodology aggregating lifecycle emissions of energy products on a fossil-equivalence basis. The methodology will be further reviewed and validated in collaboration with external experts.



Thrive in the energy transition

Examples of CO₂ abatement

■ Short-term operational focus

Pearl GTL



Flare in utilities area, Pearl GTL, Qatar

- Shell reduced heavy paraffin synthesis off-gas (HOG) operational flaring at the plant to zero
- HOG gas now used as a fuel to power the plant
- Also generates electricity exported to Kahramaa, Qatar's national Electricity and Water Company
- Removed 700,000 tonnes of CO₂ a year

Bukom refinery



Bukom refinery, Singapore

- Bukom refinery Singapore
- ~68 MW cogeneration unit installed in 2015
- Recovering waste heat to generate steam
- Expected to reduce total energy consumption at Bukom by between 4% - 5%
- Saving more than 200,000 tonnes of CO₂ a year





Management Day – Appendices

Delivering a world-class investment case

Royal Dutch Shell plc

November 28-29, 2017

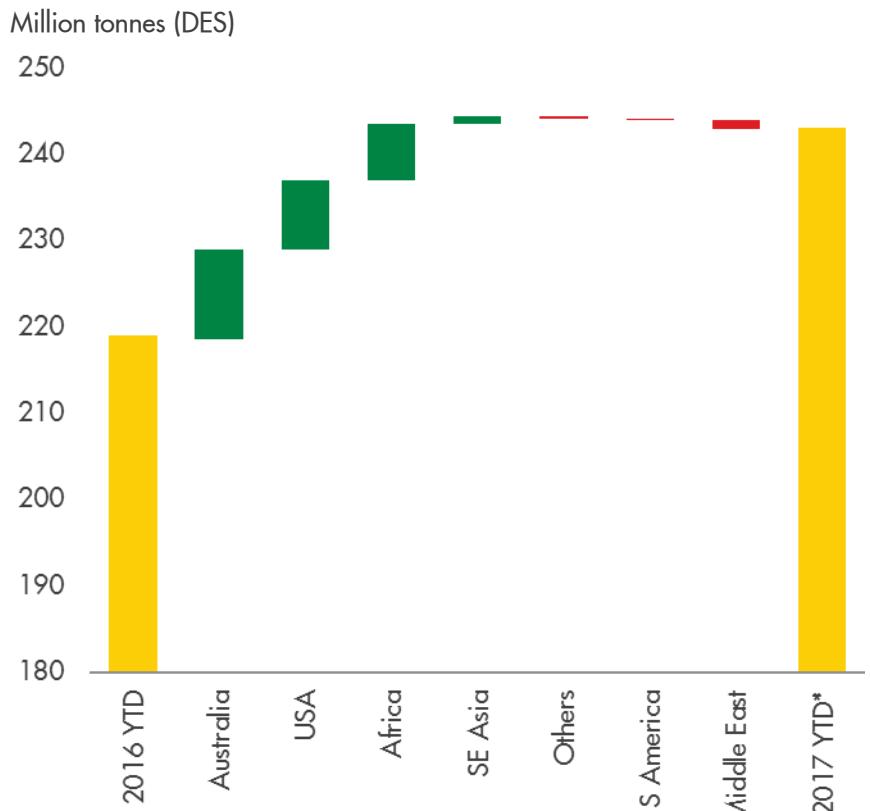
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Integrated Gas **LNG supply and demand**

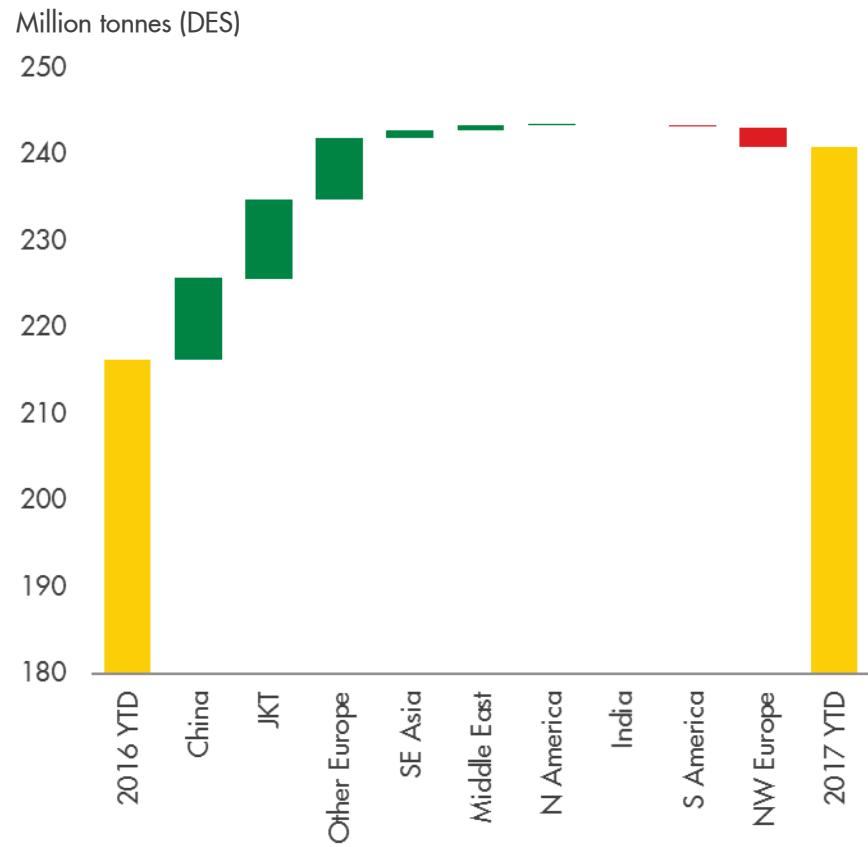


Supply growth matched by
solid demand

Supply development



Demand development



Source: IHS Markit LNG Waterborne Trade, November 2017. January to October (inclusive) 2017 – JKT: Japan Korea Taiwan - Exports & imports are based on loading & unloading month, respectively, they may not equal as a result



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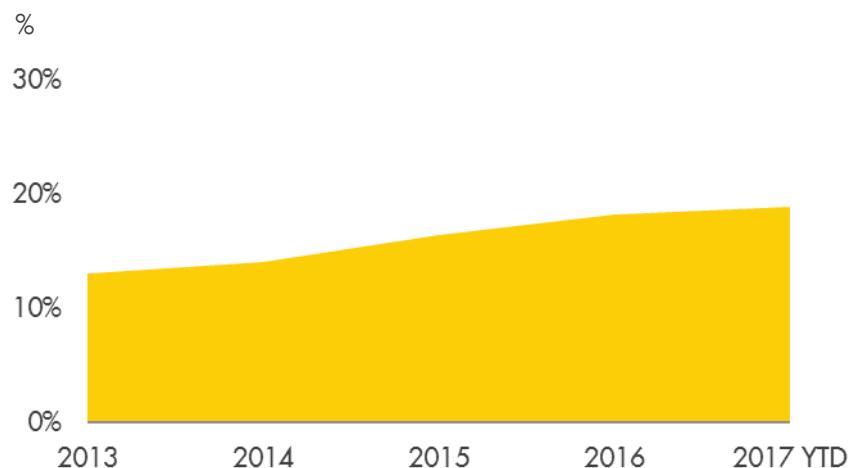
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Investing in selective growth

Shell premium products



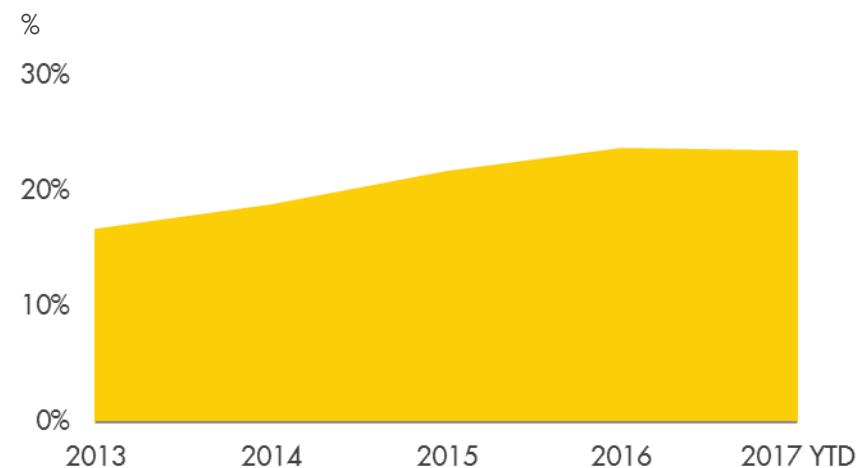
Global retail – premium product penetration



- Shell V-Power is the world's most widely sold premium fuel (68 markets)
- #1 or #2 in high quality fuels across 90% of markets



Global lubes - premium products penetration

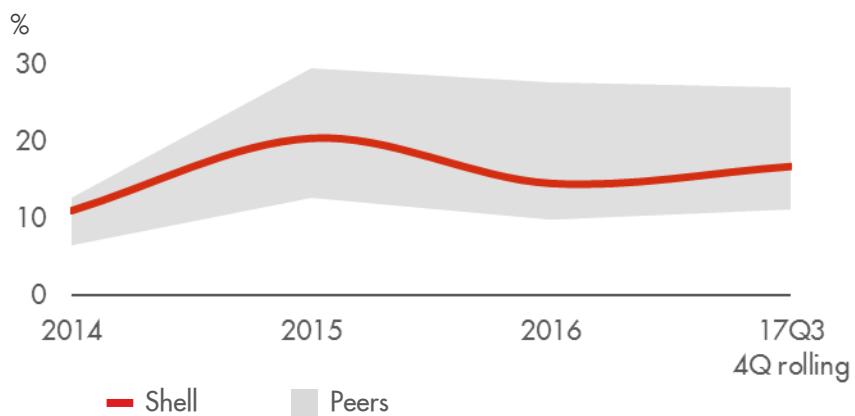


- Leveraging GTL base oil with Pureplus®
- Global #1 for 11 years (including in China)

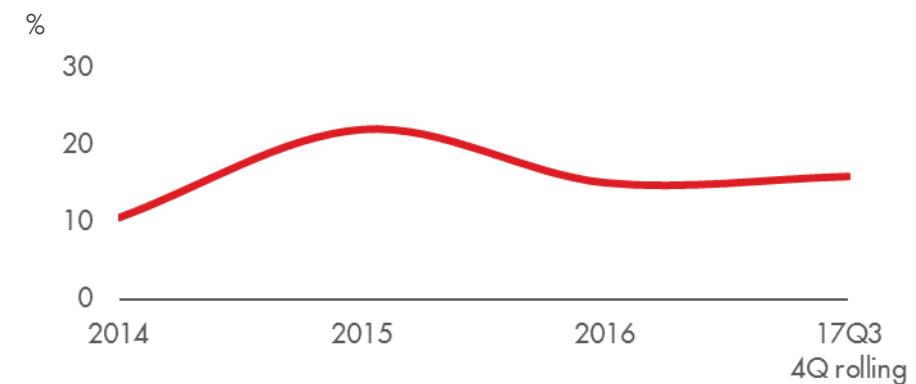


Downstream competitive landscape

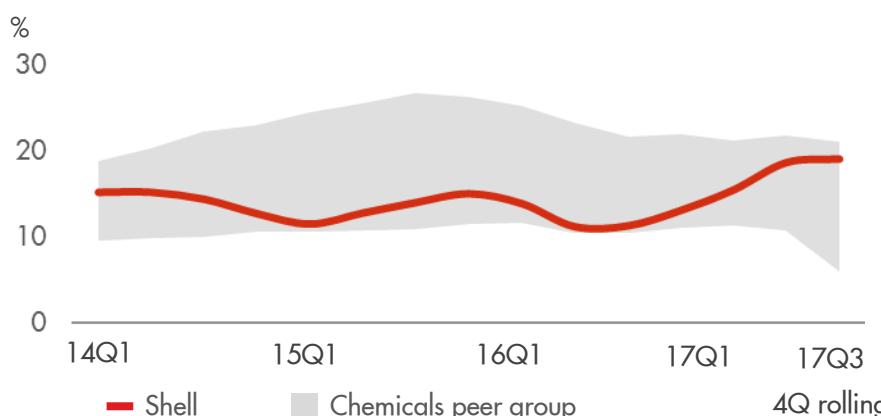
Downstream ROACE



Oil Products ROACE

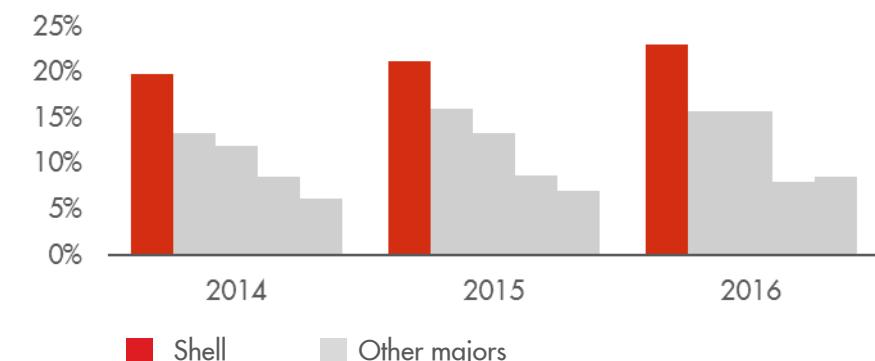


Chemicals ROACE



Brand

Global brand preference



Downstream: Earnings on local GAAP basis adjusted for inventory valuation differences and excluding identified items, cap. exp based on 2015 reported data; Peer group: CVX, TOT, BP, XOM, RDS
 Chemicals: Earnings excluding identified items; peer group: XOM, LBI, DOW, BP, RDS Source brand preference: Ipsos – Global Customer Tracker (covering 30+ markets)



Shell Midstream Partners

Building scale with high quality midstream assets

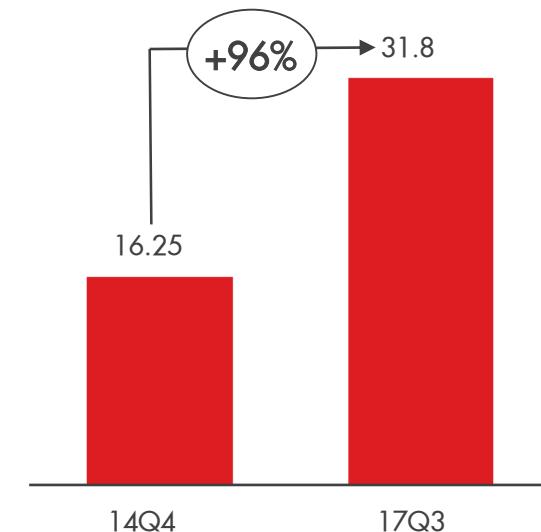


Strategic portfolio linking
Shell's integrated footprint

- Resilient framework
- Diversified portfolio
- Sustainable growth

Distribution growth since IPO

\$ct/LP unitholder



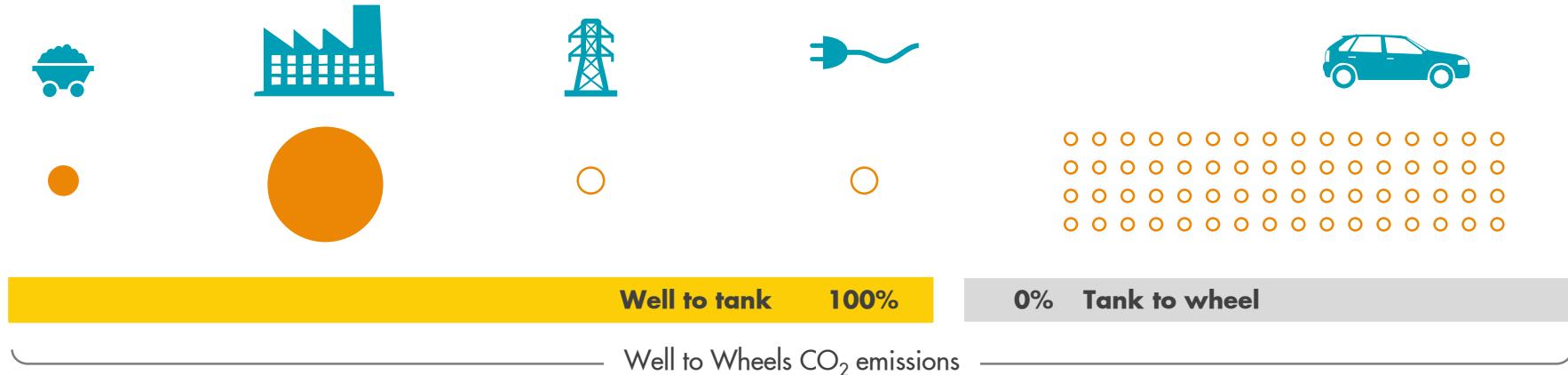
Thrive in the energy transition

Emissions example: passenger vehicles

Gasoline / Diesel chain



Electric chain



● Illustrative size of emission from an asset

○ No emission asset



Shell scenarios and modelling

- Shell scenarios underpinned by detailed models and databases

- Societal scenarios explore “how the world might work” in the future, and is an essential front-end input in energy modelling
- Different parts of the world will develop in their own ways and at different paces
- Technology innovation enables new options
- Resource availability can be an enabler as well as a constraint
- The scenarios and models deal with disruptions and non-linear relationships
- Modelling helps to demonstrate the plausibility of the scenarios



Net-zero emissions by 2070

- **All available measures are required across the world championed by leading countries and followed by others to reach net-zero emissions by 2070**

Shell is working on a scenario that achieves net-zero emissions by 2070, required for a 2°C pathway. This is plausible in the medium term, and becomes normative¹ in the long term

What one has to believe²:

- China CO₂ peaks before 2030, India in 2038, Africa in 2055
- 100% of new car sales are electric vehicles (EV) by 2030 in EU, Japan, China and by 2035 in the USA
- Government-led CO₂ pricing of \$80/tonne by 2030 then stimulates ~1 large-scale CCS plant³ daily until 2070
- Consumers use 40% less energy in their homes by 2070 to do the same things as today
- Electricity rises from ~ 20% today to 50% of final consumption globally by 2070
- Solar PV installation grows from 90 GW a year today to 1,500 GW a year in 2050
- The use of biomass and biofuels increases fivefold by 2060 to ~32 mln boe a day (about 1/3 of today's oil)

1: Normative means exploring the pathway that needs to be taken in order to reach a specific future situation. 2: Source: Shell World Energy Model

3: A large-scale CCS plant is assumed to capture 1 million tonnes CO₂ per year



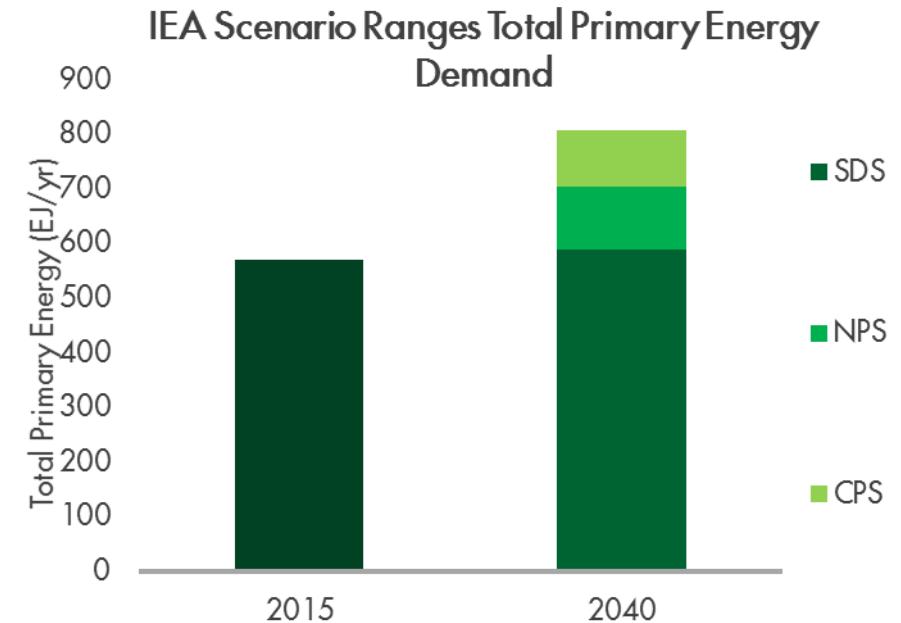
IEA World Energy Outlook 2017 scenarios

- IEA scenarios are not forecasts, but depict alternative futures, along pathways the world could travel if certain conditions are met

The IEA Current Policies (CPS) and New Policies (NPS) scenarios start with assumptions about policies and see where they lead. The Sustainable Development Scenario (SDS) sets the end-goal (Paris goal) and works back to the present

IEA assumptions:

- Energy demand growth of 0.1% a year in the IEA Sustainable Development Scenarios compared to 1.4% in the IEA Current Policies scenario
- If net-zero emissions is achieved by 2100 then there is an even chance that temperature rise could be limited to below 2 degrees Celsius
- If net-zero emissions is achieved earlier, or is followed by a period of **net negative emissions**, the likely rise in temperature is lower



Source: IEA World Energy Outlook 2017



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Engagement with TCFD

- Shell supports the TCFD
- Member of Oil & Gas Preparer Forum
- Working to prepare disclosures for 2018

Shell's response to TCFD recommendations¹

| | Governance | Strategy | Risk Management | Metrics & Targets |
|-----------------------------|-------------------------------------|---|--|--|
| Primary source ² | Annual Report | Energy Transition Report | Annual Report | Sustainability Report |
| Comment | Climate change part of risk factors | We consider different time horizons Demonstrate portfolio flexibility over next 10 years We use scenarios to assess longer-term options | Tools and processes in place to manage risks and opportunities Detailed list of risks and opportunities via CDP | Metrics reported via Sustainability Report and website for many years Ambitions for 2035 and 2050 articulated, with application of Net Carbon Footprint methodology going forward |

1: We are engaging with the task force to suggest forms of disclosure which, where commercially possible, will be most relevant and useful to investors

2: We also include other relevant information in other disclosures such as CDP





Management Day

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