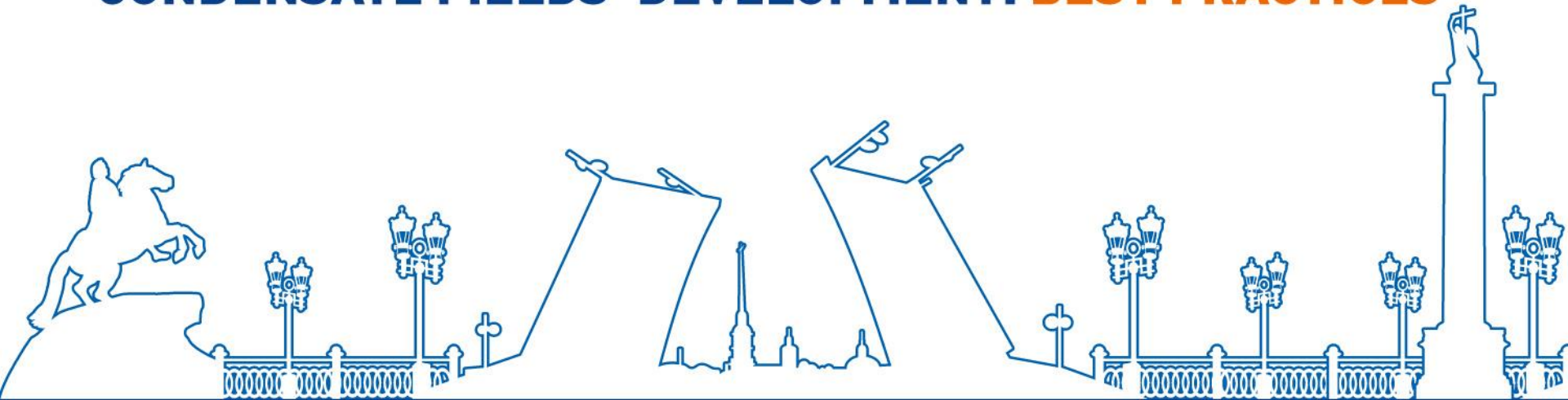


INTEGRATED MANAGEMENT OF OIL AND GAS CONDENSATE FIELDS' DEVELOPMENT: **BEST PRACTICES**



Shell Project Delivery Best Practices

Dick L. Wynberg, GM NOV Projects Integrated Gas
Shell Global Solutions International B.V

Definitions and 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 expenses are defined as operating expenses less identified items. A reconciliation can be found in the quarterly results announcement.

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

This presentation contains forward-looking statements concerning the financial condition, results of operations and businesses of Royal Dutch Shell. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management’s current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements include, among other things, statements concerning the potential exposure of Royal Dutch Shell to market risks and statements expressing management’s expectations, beliefs, estimates, forecasts, projections and assumptions. These forward-looking statements are identified by their use of terms and phrases such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “goals”, “intend”, “may”, “objectives”, “outlook”, “plan”, “probably”, “project”, “risks”, “schedule”, “seek”, “should”, “target”, “will” and similar terms and phrases. There are a number of factors that could affect the future operations of Royal Dutch Shell and could cause those results to differ materially from those expressed in the forward-looking statements included in this 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 Form 20-F for the year ended September 26, 2017 (available at www.shell.com/investor and www.sec.gov). These risk factors also expressly qualify all forward-looking statements contained in this presentation and should be considered by the reader. Each forward-looking statement speaks only as of the date of this presentation, September 26, 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.

The energy challenge

There is more demand for energy globally as the world's population and living standards increase



Growing population

Global population is expected to increase from around 7.4 billion today to nearly 10 billion by 2050, with 67% living in cities.



Rising demand

Global energy demand will likely be almost 60% higher in 2060 than today, with 2 billion vehicles on the road (800 million today).



Ongoing supply

Renewable energy could triple by 2050, but we will still need large amounts of oil and gas to provide the full range of energy products that the world needs.

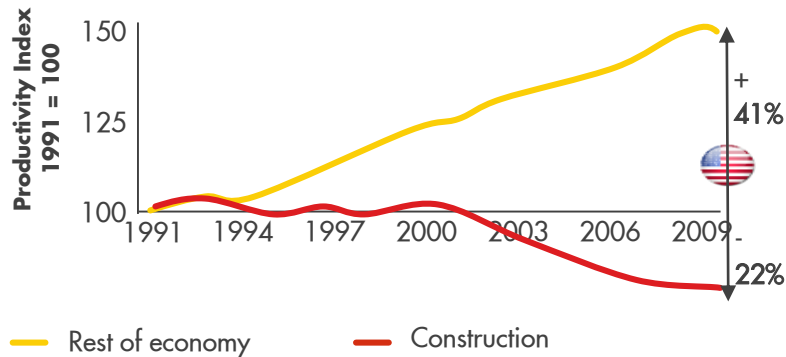


Mitigating climate change

Net-zero emissions is a potentially achievable societal ambition.

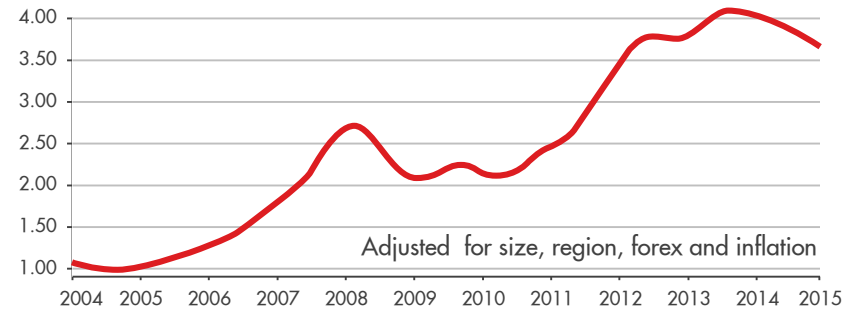
More than a decade of industry changes

Industry Construction Productivity



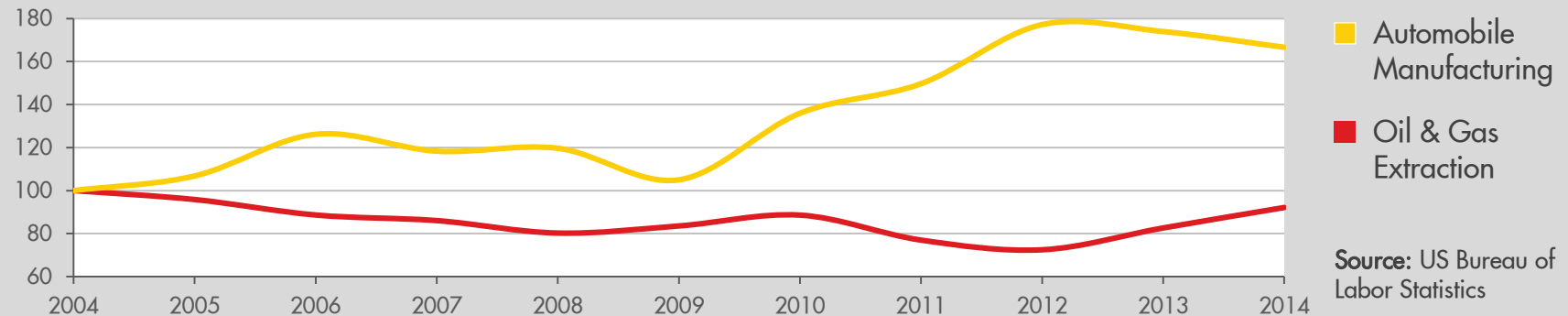
Source: McKinsey

Normalised capital cost per barrel



Source: A Definitive 30-year History on Price and Cost in E&P Industry, IPA, April 2015

Indexed labour productivity



Source: US Bureau of Labor Statistics

Safety, always our top priority



- For our people, for the communities where we operate
- Goal Zero: our guiding principle
- 12 Life-Saving Rules
- Continuous improvement and innovation

Limiting potential environmental impact



- Using existing infrastructure
- Carbon capture and storage

- Partnering to protect biodiversity
- Natural water treatment

Our people



- Employing talented people, and further developing their expertise
- Knowledge transfer among teams, projects and geographies
- Implementation of best practices – continuous improvement
- Shell Project Academy

One projects organisation



- Single, unified organisation responsible for delivering all Shell projects
- Operates across all lines of business
- Faster decision making, cost-effectiveness, better use of our talent

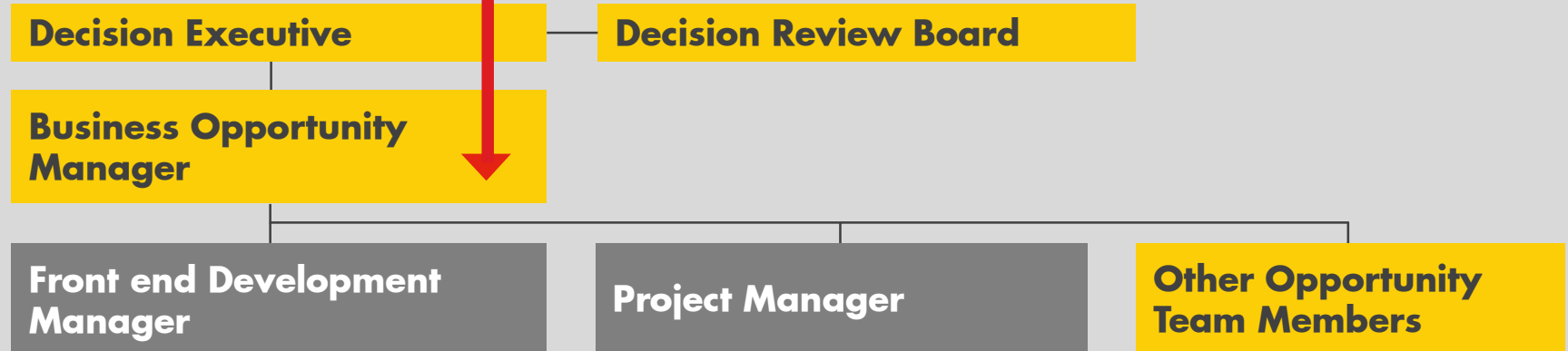
projects ORGANISATION



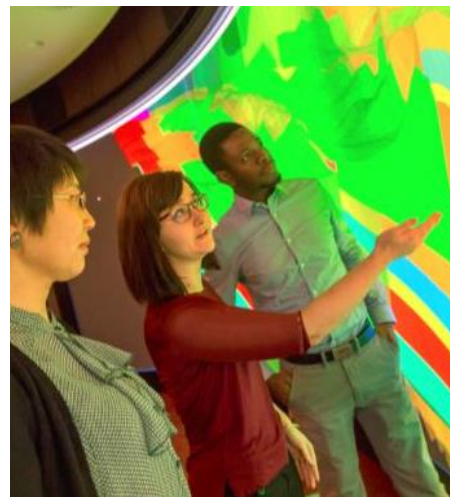
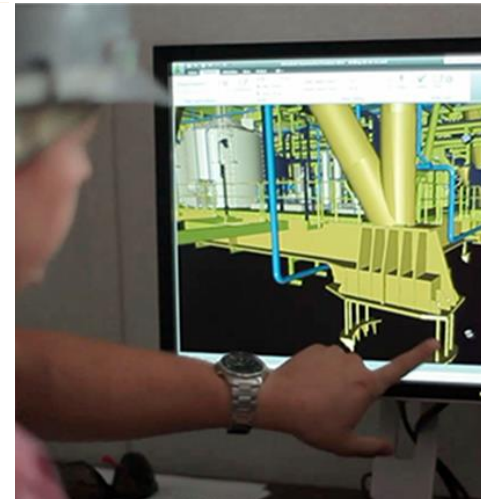
Key

- Mandatory roles for all opportunities
- Additional roles for capital projects
- ← Opportunity line of sight

OPPORTUNITY



Improve competitiveness



Supply chain transformation

EMBEDDED HSSE **CULTURE**

SUPPLIERS **PERFORMANCES**

THIRD PARTY **SAVINGS**, SUSTAINABLE **COST REDUCTION**

CONSTRUCTION AND FABRICATION YARDS **INTEGRATION** WITH ENGINEERING

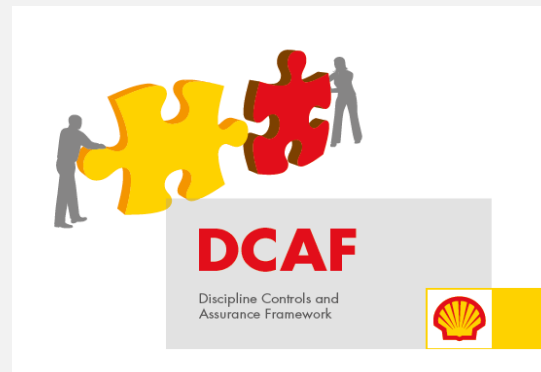
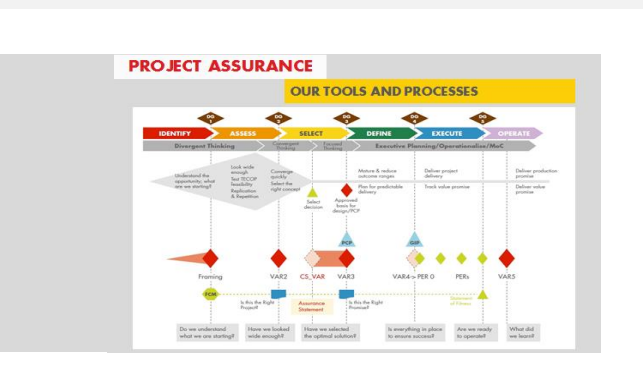
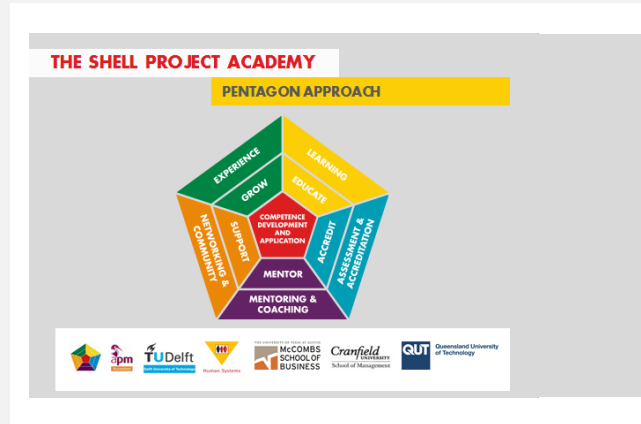
CONSTRUCTION AND FABRICATION YARDS **LABOUR CAPACITY**

PERSONNEL QUALITY

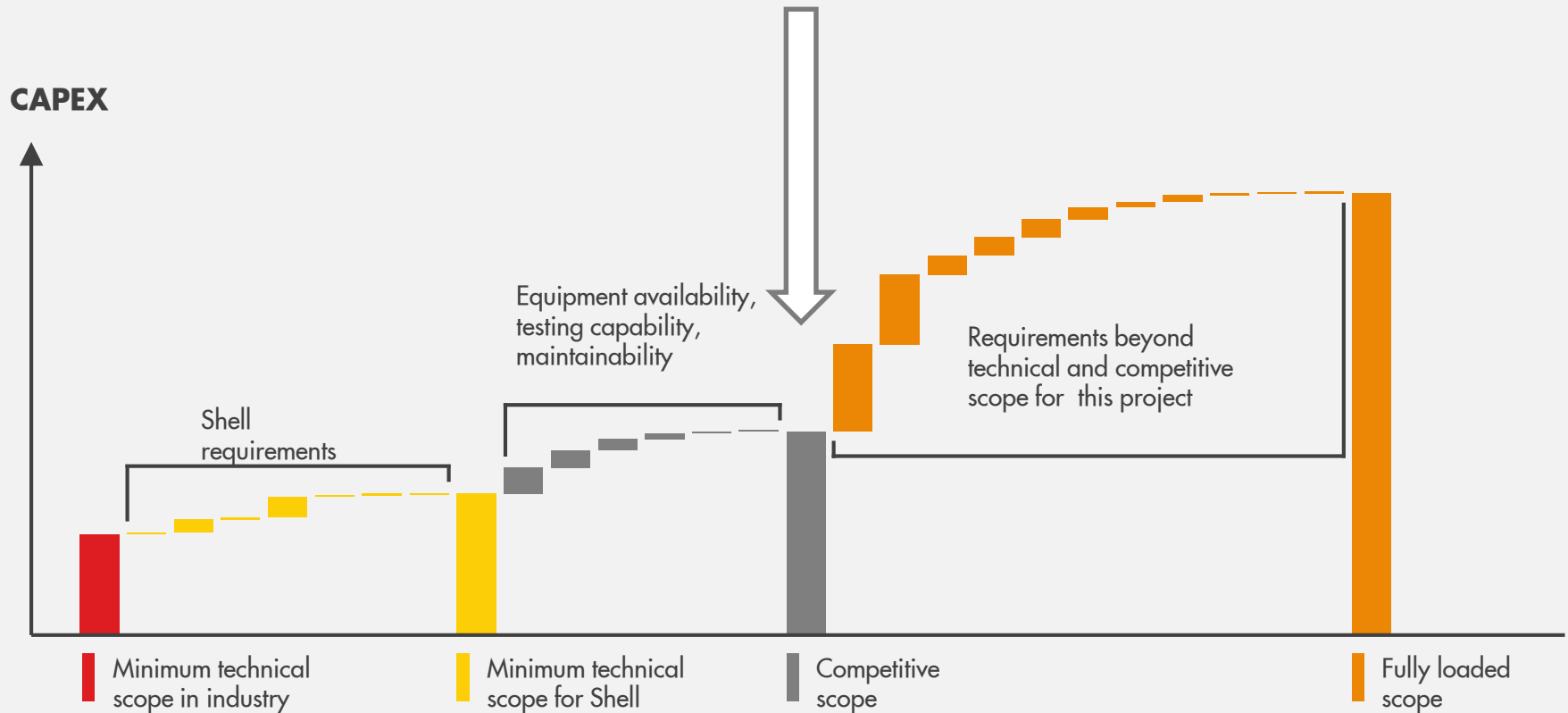
HIGH **QUALITY** CONTROL

COOPERATION WITH EPC CONTRACTORS

Competitive Scoping and Efficient Execution



Requirements selection



Systems & Processes

An **integrated project-management system** has been set up company-wide.

One system and one set of processes.

Safe, consistent and affordable project delivery.



8 Project Principles for good project delivery:

- Making realistic early promises
- Strong teams deliver
- Compliance with the stage-gated project governance process
- Ensuring a clear, competitive and defined scope
- Freezing the scope
- Achieving the best practical front-end loading (conceptual development of projects)
- Maximising replication and standardisation in our projects
- Compliance with project standards and controls



Partnering for success



- Strong, long-lasting relationships
- Clear agreements to support quality and competitiveness
- Mutual benefit of shared knowledge and experience



