Delivery and growth

Royal Dutch Shell plc

Annual Review and Summary Financial Statements 2007

DELIVERY AND GROWTH

Delivery and growth are the basis for our success. We aim to deliver major new energy projects, top-quality operational performance and competitive returns while investing in new developments to secure the growth of our business. Delivery is doing what we say. Growth is our future.

SELECTED FINANCIAL DATA

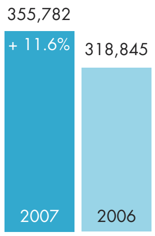
The selected financial data set out below is derived, in part, from the Consolidated Financial Statements. The selected data should be read in conjunction with the Summary Consolidated Financial Statements and related Notes, as well as the Summary Operating and Financial Review in this Review.

With effect from 2007, wind and solar activities, which were previously reported within Other industry segments, are reported within the Gas & Power segment and Oil Sands activities, which were previously reported within the Exploration & Production segment, are reported as a separate segment. During 2007, the hydrogen and CO_2 coordination activities were moved from Other industry segments to the Oil Products segment and all other activities within Other industry segments are now reported within the Corporate segment.

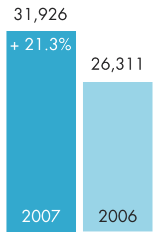
CONSOLIDATED STATEMENT OF INCOME DATA			$ million
	2007	2006	2005
Revenue	355,782	318,845	306,731
Income from continuing operations	31,926	26,311	26,568
Income/(loss) from discontinued operations	–	–	(307)
Income for the period	31,926	26,311	26,261
Income attributable to minority interest	595	869	950
Income attributable to shareholders of Royal Dutch Shell plc	31,331	25,442	25,311

EARNINGS PER SHARE			$
	2007	2006	2005
Basic earnings per €0.07 ordinary share	5.00	3.97	3.79
Diluted earnings per €0.07 ordinary share	4.99	3.95	3.78

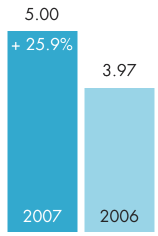
CONSOLIDATED BALANCE SHEET DATA			$ million
	2007	2006	2005
Total assets	269,470	235,276	219,516
Share capital	536	545	571
Equity attributable to shareholders of Royal Dutch Shell plc	123,960	105,726	90,924
Minority interest	2,008	9,219	7,000



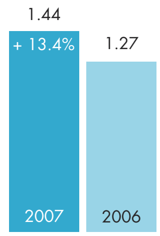
Revenue
($ million)



Income
for the period
($ million)



Basic earnings
per share
($)



Dividends per
share declared
($)

OTHER CONSOLIDATED DATA			$ million
	2007	2006	2005
Cash flow from operating activities	34,461	31,696	30,113
Capital expenditure	24,576	22,922	15,904
Cash flow used in investing activities	14,570	20,861	8,761
Dividends paid	9,204	8,431	10,849
Cash flow used in financing activities	19,393	13,741	18,573
Increase/(decrease) in cash and cash equivalents	654	(2,728)	2,529
Gearing ratio (at December 31) [A]	16.6%	14.8%	13.6%

DIVIDENDS PER SHARE DECLARED			$
	2007	2006	2005
Dividends declared per ordinary share [B]	1.44	1.27	1.13

INCOME BY BUSINESS SEGMENT	$ million
	2007
Exploration & Production	14,686
Gas & Power	2,781
Oil Sands	582
Oil Products	10,439
Chemicals	2,051
Corporate	1,387
Income for the period	31,926

PERCENTAGE BY BUSINESS SEGMENT			
2007	Revenue	Income	Employees
Exploration & Production	4.2%	46%	17%
Gas & Power	4.5%	9%	3%
Oil Sands	0.3%	2%	1%
Oil Products	79.5%	33%	60%
Chemicals	11.5%	6%	6%
Corporate	0.0%	4%	13%

[A] The gearing ratio is a measure of Shell's financial leverage reflecting the degree to which the operations of the group are financed by shareholder funds or by debt from third parties.
[B] From 2007 onwards, dividends are declared in US dollars. 2005 and 2006 dividends were declared in euros and translated, for comparison purposes, to US dollars (based on the dollar dividend of American Depositary Receipts converted to ordinary shares in the applicable period).

REVIEW OF THE YEAR

SUMMARY OPERATING AND FINANCIAL REVIEW

SUMMARY REPORT OF THE DIRECTORS

SUMMARY CORPORATE GOVERNANCE

SUMMARY DIRECTORS' REMUNERATION REPORT

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

AUDITORS' STATEMENT

SUPPLEMENTARY AND SHAREHOLDER INFORMATION

CHAIRMAN'S MESSAGE

It has been another dynamic year for the energy industry, and it will be fascinating to see how it develops in the years to come. There has been a step-change in the world's energy demand, along with rising concern for the environmental impact of fossil fuel use. Many wonder whether energy can be affordable, clean and secure in the coming decades.

For Shell, three hard truths will determine our business environment. Firstly: demand growth for energy, driven by rising population and living standards. Savings through energy efficiency will help, but net demand growth will be very substantial. Secondly: access to "easy" oil or gas is getting more difficult. It is either already produced or not easily open to international oil companies. Thirdly: the increased use of fossil fuels, especially coal, means emissions of carbon dioxide (CO_2) will rise, making it essential to develop solutions to tackle greenhouse gases. Energy from renewable sources will grow, but it is typically more costly than energy generated from fossil fuels.

In this business environment Shell has a strong strategy based on technology, project management and applying our experience in how to operate with excellence in a responsible way. This enables us to increase our focus on unconventionals, which offer large potential resources but often in environmentally sensitive places. We also continue to focus on downstream refining, base chemicals, clean coal technology and developing at least one substantial business in renewable energy.

Shell has a clear long-term strategy, an ability to use technology and innovation to find and produce oil and gas – sometimes in highly challenging environments – and to turn them into products that are essential to our everyday lives. Technology and good work practice, quite simply, are part of the DNA of Shell people.

As Chairman of Royal Dutch Shell plc, I have visited a number of our major projects and operations and seen how we apply our strategy, technology and imagination to meet the challenges I have described.

For example, our efforts to get the most from the world's abundant natural gas resources were clear when I visited a North Sea gas production platform, 200 kilometres offshore Aberdeen. Onshore, I met teams from the vast Ormen Lange gas field in Norway and the Corrib gas field project in Ireland. I also saw our real time operations centre at work – one of the advanced ways we keep up round-the-clock monitoring of our global oil and gas production.

At Sakhalin, I was amazed at the complexity of the world's largest integrated oil and gas project in one of the harshest environments we face. I visited the Athabasca Oil Sands Project in Canada – now part of our downstream operations and important to our plans to increase production from unconventional sources – and saw the mine expansion under construction. And in Qatar, I was impressed by the scale of the Pearl GTL construction site, which will eventually employ 40,000 workers.

On another front, the year has seen record high oil prices and volatility. Our spending on key projects has continued to rise. Our shareholders, of course, want to see good returns on our major investments, such as Pearl GTL and Sakhalin II. They expect Shell to be a first-quartile performer in all areas. And they want to see growth in our company, especially in the upstream. I feel we have a capital investment programme and the people to make good progress towards meeting these expectations.

By continuing to follow our strategy, I believe we can keep delivering what our shareholders want – in 2007, for example, our dividend to shareholders increased 13% on 2006. Equally importantly, we can continue to deliver energy to help the world grow and prosper.

Jorma Ollila
CHAIRMAN

CHIEF EXECUTIVE'S REVIEW

Fittingly for our centenary year, Shell made important strides forward on many fronts in 2007. Our strong focus on delivery and growth again paid off. Our financial performance was satisfactory, with record income of $31.9 billion and the return of $13.4 billion to shareholders. Our reputation generally improved and I would like to express my appreciation to all Shell staff for achieving this.

Safety, however, is the starting point for everything we do. In 2007, we had the fewest number of recordable incidents ever. We continue to strive for continuous improvement in this area. We suffered fewer fatalities among employees and contractors than the year before, but our aim is to achieve zero fatalities. Our improvements to our safety culture during the year – including two global safety days and a major drive to further improve process safety – should help us towards that goal. But constant effort and awareness are needed too.

Our strategy of More Upstream, Profitable Downstream is on track. We pushed ahead with major, integrated long-life projects that once in operation will generate cash for decades to come. Of course, we take into account sustainability, including biodiversity and respect for local communities, when constructing and operating all our assets. During the year we also sold assets that did not fit our strategy.

We welcomed Shell Canada fully into our family with the acquisition of its minority shares. As easy-to-access oil gets rarer, unconventional resources such as Canada's oil sands will become increasingly important sources of energy. The move will help the Oil Sands business to better integrate bitumen upgrading with our manufacturing operations across North America.

In Nigeria, bright spots were the performance of our offshore operations and the completion of a sixth liquefied natural gas (LNG) train. In the Delta region onshore, however, much of our production again remained shut in because of the security situation. Faced with the security and funding problems in our onshore joint venture company, we may have to streamline this operation.

The Sakhalin II venture progressed well and is on course to be a successful mega-project, as we have always believed it would be.

Our Exploration & Production earnings were slightly up on the year before at $14.7 billion. We made 11 notable discoveries of potential resources and secured rights to more than 43,000 square kilometres of acreage, an area around the size of the Netherlands.

Our Gas & Power earnings were $2.8 billion, up 6% on the previous year. Sales of LNG were up 9% at 13.18 million tonnes. In Qatar, construction of our major integrated projects, Pearl GTL and Qatargas 4 LNG, made good progress. We are also well under way with new LNG projects in Australia.

CONTINUED OVERLEAF

CHIEF EXECUTIVE'S REVIEW – CONTINUED

In the USA, we decided to proceed with the 100 MW phase II expansion of the Mount Storm wind project.

Our downstream business is hugely important to us, with two out of three Shell people working in our many refineries, chemical plants, supply and distribution, retail operations and, of course, Oil Sands. They performed well in 2007, with total earnings for Oil Sands, Oil Products and Chemicals of $13.1 billion, considerably up on 2006. Trading and Shipping continued to provide significant support to our key businesses.

We continued to invest in major downstream projects such as the 325,000 barrels per day expansion of the Motiva Port Arthur refinery. In China, our Nanhai petrochemical complex enjoyed a successful first full year of operations.

Two new partnerships in next-generation biofuels added an exciting momentum to our work in this area. One is to work on developing super-fast enzymes that can speed up the conversion of organic non-food material into ethanol; the other to work on developing algae as a source of vegetable oil for transport fuel.

Operational excellence, technology and good project management remain central to our efforts to produce more energy from conventional oil and gas and unconventional sources such as oil sands. We must also work to further improve energy efficiency in all our operations, upstream and downstream. Our differentiated fuels, such as V-Power, will continue to help us lead in the products we offer our retail customers. We aim to develop our ability to capture and safely store carbon dioxide underground, and we are working with governments to establish the incentives and policies needed to make this technology viable.

Our performance in 2007 leaves us in good health and shows our ability to deliver results to our shareholders and partners. We have recruited many new people as an investment for our future, knowing that some of our experienced people will be retiring in the coming years. I would like to thank our people for their hard work and dedication. I am proud of their contribution.

To meet the challenges we see in our business environment, I believe we have good people and assets, a healthy financial position and a clear strategy. Delivery is on track. My wish is that 2008 is again one of further delivery and growth, achieved in a responsible way.

Jeroen van der Veer
CHIEF EXECUTIVE

OUR PURPOSE

The objectives of the Shell group are to engage safely, responsibly, efficiently and profitably in oil, gas, oil products, chemicals and other selected businesses and to participate in the search for and development of other sources of energy to meet evolving customer needs and the world's growing demand for energy.

We believe that oil and gas will be integral to the global energy needs for economic development for many decades to come. Our role is to ensure that we extract and deliver them in environmentally and socially responsible ways, safely and profitably.

We seek a high standard of performance, maintaining a strong long-term and growing position in the competitive environments in which we choose to operate.

We aim to work closely with our stakeholders to advance more efficient and sustainable use of energy and natural resources.

OUR APPROACH

THE WORLD NEEDS ENERGY
The ability of people to build their economies, educate their children, build hospitals, run their businesses and experience the world, all depends on energy. Without it, how would the world make progress?

SECURING A RESPONSIBLE ENERGY FUTURE
The world is developing. Its population is growing. Striking the right balance between clean, convenient and cheap energy needs even greater commitment, thinking and skill. Our role is to help meet the growing demand for energy responsibly, safely and efficiently.

IT'S NOT EASY, BUT HAS IT EVER BEEN?
Challenges don't get much harder than drilling for oil thousands of metres into the seabed beneath the surface of a stormy ocean. But we do it. And when we invested in the Athabasca oil sands in Canada 50 years ago, others told us that we would never be able to extract oil viably from sand. It took us time to find a way, but we did.

PUTTING OUR MINDS TO IT
In order to solve some of the most difficult problems on earth Shell employs some of the earth's most creative minds. We have developed technologies to extract oil and gas previously thought inaccessible; we give people greater fuel choices; and we help develop ways to turn organic waste into biofuel.

HOW WE MAKE PROGRESS
- We approach problems creatively to get better solutions.
- We establish new and better ways to find, extract and refine sources of energy.
- We create new products to make engines more efficient, last longer and travel further.
- We develop innovative ways to help business customers lower maintenance costs, have fewer refuelling stops and deliver to their customers more reliably.

OUR BUSINESS

With 104,000 employees in more than 110 countries, Shell plays a key role in helping to meet the world's growing demand for energy in economically, environmentally and socially responsible ways.

Our **Exploration & Production** business searches for and recovers oil and natural gas around the world. Many of these activities are carried out as joint venture partnerships, often with national oil companies.

Our **Gas & Power** business liquefies natural gas and transports it to customers across the world. Its gas to liquids (GTL) process turns natural gas into cleaner-burning synthetic fuel and other products. It develops wind power to generate electricity and invests in solar power technology. It also licenses our coal gasification technology, a cleaner way of turning coal into chemical feedstocks and energy.

Our **Oil Sands** business, the Athabasca Oil Sands Project, extracts bitumen from oil sands in Alberta, western Canada and converts it to synthetic crude oils.

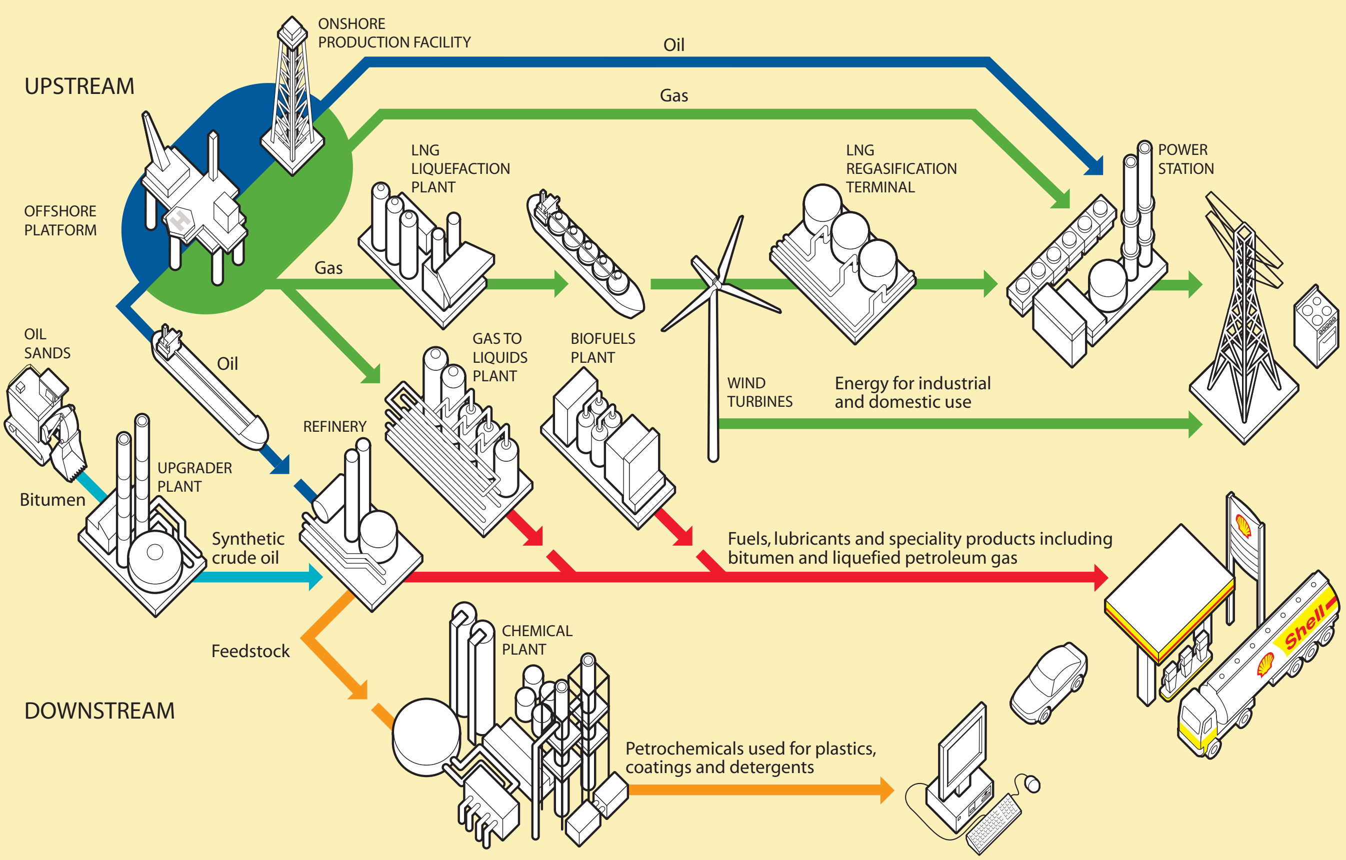
Our **Oil Products** business makes, moves and sells a range of petroleum-based products around the world for domestic, industrial and transport use. Its Future Fuels and CO_2 business unit develops fuels such as biofuels and hydrogen and synthetic fuels made from natural gas (GTL Fuel) and potentially from biomass; and leads company-wide activities on CO_2 management. With 46,000 service stations, ours is the world's largest single-branded fuel retail network.

Our **Chemicals** business produces petrochemicals for industrial customers. They include the raw materials for plastics, coatings and detergents used in the manufacture of textiles, medical supplies and computers.

THE FUTURE

We see our future business environment as one where:

- Oil, gas and coal will continue to meet most of the world's energy needs.
- More oil will be produced from unconventional resources, such as oil sands.
- Managing the environmental and social impact of energy use and production will remain a priority.
- Partnerships with governments and national oil companies will play a key role.



OUR STRATEGY

Our strategy of More Upstream, Profitable Downstream remains on track. Shell is leveraging a strong, wide-ranging energy portfolio to meet the challenge of providing more energy in a secure and responsible way.

Against the background of high energy prices, competition for access to resources will remain intense. Cost inflation continues at a high rate, in certain cases exacerbated by a weakening US dollar. Capital cost inflation impacts upstream and downstream projects alike. Continued focus on project delivery and on operational excellence will be key for success.

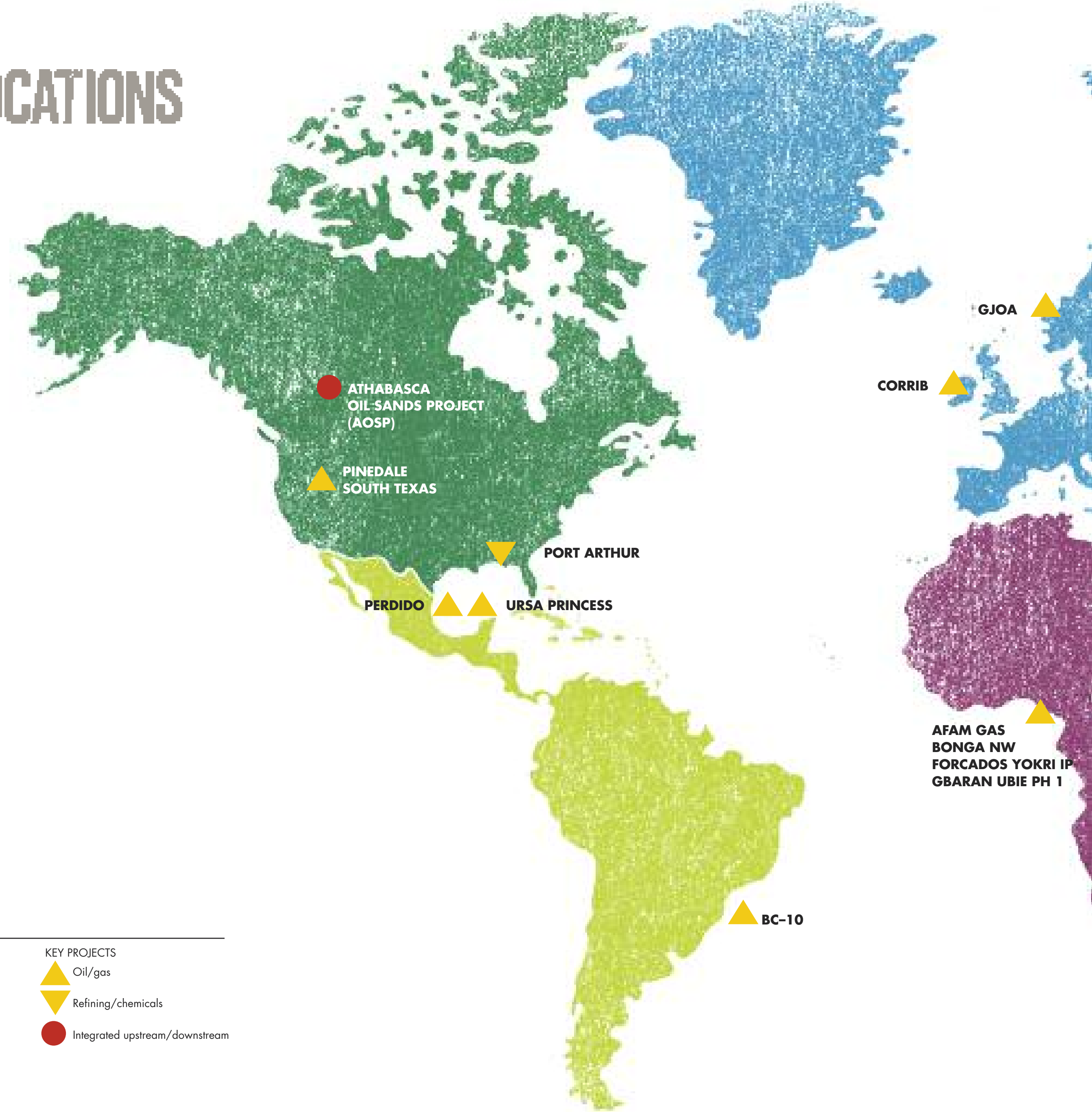
In our upstream businesses, we will continue to focus on developing major new projects with long, productive lives. In the downstream businesses, our emphasis will be on sustained cash generation and on continuing to reshape our portfolio with a focus on the faster-growing markets of Asia Pacific. We create further value by managing our portfolio and leveraging our proprietary technology and the quality of our people.

Our strategy seeks to reinforce our position as a leader in the industry and provide investors with a competitive and sustained total shareholder return. In 2008, we expect around 80% of our capital investment will be in upstream and oil sands projects. In downstream, our capital programme will maintain and enhance our competitive position by improving the quality, safety and competitiveness of our refineries and building on our presence in growth markets.

Meeting growing world demand for energy in ways that minimise environmental and social impact is a major challenge for the global energy industry. Shell is committed to improving energy efficiency in its own operations and supporting customers in managing their energy demands. We are also working to create a world-leading biofuels business and aim to build a material capability in the capture and storage of CO_2.

Our commitment to technology and innovation continues to be at the core of our strategy. As energy projects become more complex and more technically demanding, we believe our technologies and technical expertise will be telling factors in the growth of our business. Shell's key strengths include the development and application of technology, and the financial and project management skills that allow us to undertake large oil and gas projects across all of our businesses. We also benefit from having a diverse international business portfolio and customer-focused businesses built around the strength of the Shell brand. As such, we are well placed to be preferred partners for governments and other resource holders, now and in the future.

OUR LOCATIONS



UPSTREAM
- ▲ Exploration & Production
- ▲ Gas & Power

DOWNSTREAM
- ▼ Oil Sands
- ▼ Oil Products
- ▼ Chemicals

KEY PROJECTS
- ▲ Oil/gas
- ▼ Refining/chemicals
- ● Integrated upstream/downstream

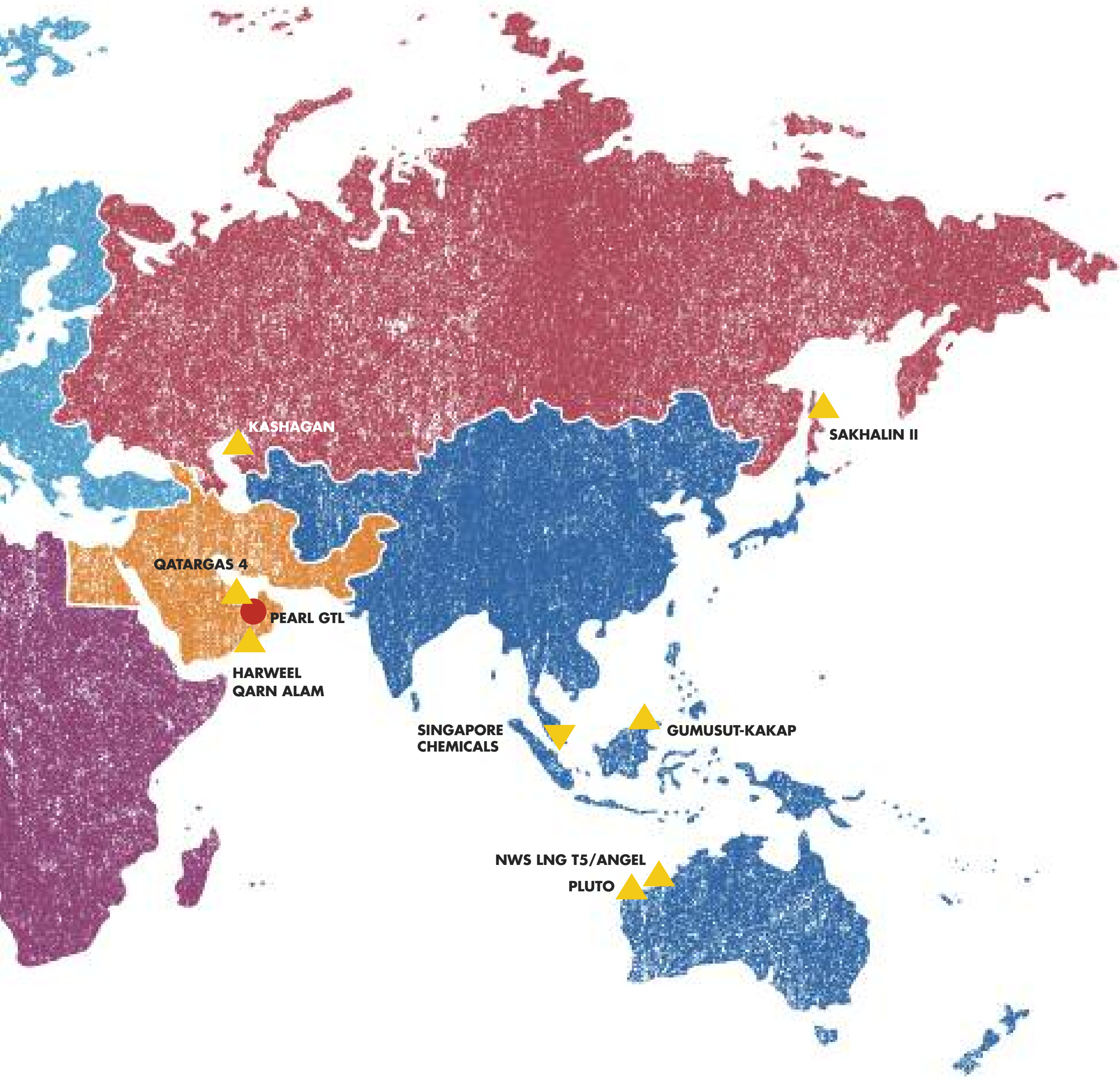
We are active in more than 110 countries and territories worldwide. We are exploring for oil and gas in well-established regions such as the Gulf of Mexico and in frontier territories such as the Beaufort Sea. Key producing areas today are the USA, Europe, Africa and the Middle East. New supplies are being brought on-stream from major projects in challenging frontier environments such as Sakhalin in Russia and Athabasca in Canada.

REVENUE BY REGION	$ million	%
Europe	148,465	42
Africa, Middle East, CIS and Asia Pacific	90,141	25
USA	87,548	25
Canada, Latin America	29,628	8
TOTAL	355,782	100

EMPLOYEES BY REGION (Average numbers, rounded to nearest thousand)		%
UK	8,000	8
Netherlands	10,000	10
Other Europe	17,000	16
Africa, Middle East, CIS and Asia Pacific	33,000	32
USA	24,000	23
Canada, Latin America	12,000	11
TOTAL	104,000	100

NORTH AMERICA					
Canada	▲	▲	▼	▼	▼
USA	▲	▲		▼	▼

LATIN AMERICA				
Argentina	▲		▼	▼
Bolivia		▲	▼	
Brazil	▲	▲	▼	▼
Chile			▼	▼
Colombia	▲		▼	▼
Costa Rica			▼	
Dominican Republic			▼	
Ecuador			▼	
El Salvador			▼	
French Antilles & Guiana			▼	
Guatemala			▼	
Honduras			▼	
Jamaica			▼	
Mexico		▲	▼	▼
Nicaragua			▼	
Panama			▼	
Peru			▼	
Puerto Rico			▼	▼
Surinam			▼	
Trinidad & Tobago			▼	
Venezuela	▲		▼	▼



EUROPE

Austria	▼
Belgium	▼
Bulgaria	▼
Croatia	▼
Czech Republic	▼
Denmark	▲▲▼
Finland	▼
France	▼▼
Germany	▲▲▼▼
Gibraltar	▼
Greece	▲▼▼
Hungary	▲▼
Ireland	▲ ▼
Italy	▲▲▼▼
Luxembourg	▼
Netherlands	▲▲▼▼
Norway	▲▲▼
Poland	▼▼
Portugal	▼
Slovakia	▼
Slovenia	▼
Spain	▲▼▼
Sweden	▼
Switzerland	▼▼
Turkey	▲▼▼
UK	▲▲▼▼

AFRICA

Algeria	▲ ▼
Benin	▼
Botswana	▼
Burkina Faso	▼
Cameroon	▲
Cape Verde Islands	▼
Cote d'Ivoire	▼
Djibouti	▼
Ethiopia	▼
Gabon	▲ ▼
Gambia	▼
Ghana	▲▼
Guinea	▼
Kenya	▼
Lesotho	▼
Libya	▲▲
Madagascar	▼
Mali	▼
Mauritius	▼
Morocco	▼
Mozambique	▼
Namibia	▼
Nigeria	▲▲▼
La Réunion	▼
Senegal	▼
South Africa	▼▼
Sudan	▼
Swaziland	▼
Tanzania	▼
Togo	▼
Tunisia	▲ ▼
Uganda	▼
Zimbabwe	▼

MIDDLE EAST

Egypt	▲▲▼
Iran	▲▲▼
Oman	▲▲▼
Pakistan	▲ ▼
Qatar	▲▲
Saudi Arabia	▲ ▼▼
Syria	▲
United Arab Emirates	▲▲▼▼

COMMONWEALTH OF INDEPENDENT STATES

Azerbaijan	▲
Kazakhstan	▲
Russia	▲▲▼
Ukraine	▲▲▼

ASIA PACIFIC

Australia	▲▲▼▼
Brunei	▲▲▼
China	▲▲▼▼
Guam	▼
India	▲▼
Indonesia	▼
Japan	▲▼▼
Laos	▼
Malaysia	▲▲▼
New Zealand	▲ ▼▼
Philippines	▲ ▼▼
Singapore	▲▼▼
South Korea	▲▼▼
Sri Lanka	▼
Taiwan	▼▼
Thailand	▼▼
Vietnam	▼▼

MARKET OVERVIEW

At 4.9%, global growth in 2007 was down slightly from the 5.0% registered in 2006, but up from 4.4% in 2005. China, India, Russia and other emerging markets accounted for much of global growth in 2007. In contrast, growth in advanced countries slowed with the weakening of the US economy.

In the USA growth was 2.2%, well below its trend rate. For 2008, the housing downturn and financial strains are likely to continue to weigh on the US economy according to the Federal Reserve.

European economic growth moderated in 2007 to 2.6% from 2.8% in 2006, as appreciation of the euro reduced the contribution to growth from net exports. Business investment remained firm. However, the strong currency and strains in international credit and money markets began to weigh on business and consumer sentiment as the year progressed. These factors point to a possible moderation of growth in 2008 towards its trend rate.

Growth in the Japanese economy also moderated in 2007 to 1.9%. Growth in domestic demand has been mixed with net exports and business investment holding up well while consumption growth faltered.

China and India saw continued robust growth in 2007. In China, consumption made a growing contribution to growth as exports slowed. Meanwhile in India, it was domestic demand and the services sector that underpinned the expansion.

OIL AND NATURAL GAS PRICES

Oil prices increased in 2007 due to a combination of strong world economic growth, political tensions in the Middle East and Nigeria, modest non-OPEC supply growth and OPEC supply restraint. Brent crude oil prices averaged $72.45 per barrel in 2007 compared with $65.10 in 2006, while West Texas Intermediate (WTI) averaged $72.16 per barrel compared with $66.04 a year earlier.

We expect oil prices in 2008, on balance, to remain robust with modest non-OPEC supply growth, continuing geopolitical tensions and OPEC supply restraint, but moderated by slower economic growth.

Henry Hub gas prices in the USA averaged $6.94 per million British thermal units (Btu) in 2007 compared with $6.76 in 2006.

Natural gas prices in continental Europe and Asia Pacific are predominantly indexed to oil prices. In both regions, prices overall rose in 2007, reflecting higher oil prices and strong demand.

DOWNSTREAM MARKET TRENDS

Industry refining margins remained strong in 2007, particularly in the USA, amid robust global product demand growth. In the absence of any major disruptions, refining margins are expected to trend lower in 2008 than 2007 with new conversion capacities expected to come on-stream and the prospect for potentially slower global economic growth. However, the eventual levels are uncertain and will be strongly influenced by the pace of global economic growth, the effect of persistently high oil prices on product demand and start-up timing of expected refinery expansions.

The demand for petrochemicals in 2008 is expected to increase in line with the growth in the global economy, mainly in Asia Pacific. Globally, new expected industry capacity additions coupled with the prospect of continued high feedstock and energy costs may limit the opportunities for improving margins.

HARD TRUTHS OF THE ENERGY CHALLENGE

Energy use continues to grow, and with it concerns over greenhouse gas emissions and climate change. The challenge is to meet rising demand in environmentally and socially responsible ways. In meeting the energy challenge, the world faces three hard truths.

The first is that there has been a step-change in global energy demand, with rapidly developing countries like China and India entering the energy-intensive phase of growth. Even with huge improvements in energy efficiency and substantial growth in renewables, fossil fuels will still be the main element of the energy mix by mid-century.

The second hard truth is that easy-to-access oil and gas is in decline. As a result, energy will come increasingly from unconventional sources, such as oil sands.

The third hard truth is that the increased burning of fossil fuels – especially coal for power generation – could mean unacceptably high emissions of carbon dioxide (CO_2) and other greenhouse gases that contribute to global warming and climate change.

Shell is helping to meet the energy challenge with a broad range of approaches. We use advanced technologies that can unlock oil and gas in more remote or hostile environments, and new techniques to extend the lives of existing fields. We are increasing production from unconventional sources, including oil sands. Shell helps make the most of cleaner-burning natural gas through our output of liquefied natural gas (LNG) and gas to liquids (GTL) products. We are helping to develop second-generation biofuels that do not compete with food crops; and we are developers of wind and solar power.

We are committed to finding responsible ways to meet the world's growing energy needs. Shell aims to develop a substantial capability in CO_2 capture and storage, and we are committed to improving our energy efficiency. Shell was one of the first energy companies to acknowledge the threat of climate change and to set voluntary emissions targets. But technologies to manage CO_2 are expensive. If they are to work, governments must establish the frameworks that would create the necessary investment incentives.

The three hard truths pose challenges that can only be met through concerted, joint efforts by governments, industry and consumers. Balancing the accessibility, affordability and acceptability of energy will be a tough task.

OPENING UP NEW ENERGY FRONTIERS

Technology is opening up new frontiers in the drive to find and develop untapped resources of oil and gas.

Shell is exploring for and producing oil and gas from deeper water than ever before. We are going into hostile environments where extreme temperatures and weather conditions pose huge challenges. And we are finding ways to access smaller, scattered reservoirs that once would have been too costly to develop.

Drilling in the wrong place is costly so detecting exactly where oil and gas lie is critical. Complex rock formations often found in frontier locations can throw up false leads. To reduce the risk in testing for hydrocarbons, Shell uses electromagnetic waves sent into the rock by a source towed above the seabed. This technology, along with a Shell-developed method of interpreting the readings more precisely, helped us discover the large Bobo field in 2.5 kilometres of water off Nigeria.

Some 320 kilometres off the Texas coast, the water also reaches depths of 2.5 kilometres, too deep for a conventional platform. Yet here Shell is constructing one of its biggest projects, Perdido. The platform will float on a 200-metre-deep ballasted cylinder that will provide stability. When it starts up around the turn of the decade, Perdido will produce up to 100,000 barrels of oil and 200,000 cubic feet of gas a day, piped from 19 separate wells which would have been too costly to access individually.

Around 90 kilometres off the coast of Brunei, a combination of Shell's snake wells and Smart Fields® technology enabled us to tap into the rich resources of the Champion West oil field. The wells undulate and turn corners, connecting a series of small reservoirs. Sensors in the wells convey real-time messages to an onshore control centre. There, engineers control and monitor the oil flow, pressure and temperature of the wells through remote-controlled valves, avoiding the need for costly, manned platforms.

The US Geological Survey says that a quarter of the world's undiscovered oil and gas could lie beneath the Arctic, making it one of the last energy frontiers. With a partner, we are building new, smaller drilling ships that will have toughened hulls to cope with Arctic ice. They will use less fuel than conventional drilling ships, producing fewer emissions.

UNLOCKING OFFSHORE ENERGY

Ormen Lange is the kind of major frontier development that will be needed increasingly to meet the world's rising energy demands. At more than 400 square kilometres the gas field is one of the world's largest offshore. Its rich resources were locked nearly 3,000 metres beneath a rugged seabed in water depths of up to 1,100 metres. Ormen Lange lies in a sub-Arctic region of the often-stormy north Atlantic, 120 kilometres off the Norwegian coast. Temperatures on the sea floor can reach -1.2°C, which can lead to hydrates, or hydrocarbon ice, blocking the gas flow.

No one before had produced oil and gas from deep water in such a harsh environment. Yet Ormen Lange's technological challenges had to be overcome if its vast resources were to be tapped.

The harsh conditions and distance from shore convinced Shell and its partners that a platform would be too risky and costly. Moreover, no divers could operate at such depths. Instead, remote-controlled submarines equipped with camera, sonar and robot-like arms assembled installations on the sea floor. Gas, injected with anti-freeze to prevent blockages, could then be piped directly to a processing plant on the Norwegian coast.

Getting the gas to the customer, the UK – 1,200 kilometres away – meant building the world's longest undersea pipeline. Nearly 100,000 sections of steel pipeline were laid, often over dramatically uneven terrain. To help level out the pipeline's course, five million tonnes of rocks were lowered on to the sea floor and specially-designed remote-controlled diggers excavated parts of the seabed. Towards the Norwegian coast the seabed rises steeply at 30 degrees, making the task even more difficult.

It took 10 years, persistence and a great deal of invention by the Ormen Lange partners to achieve it, but in September 2007 the field produced its first gas. Shell, with 17% share, took over as operator on December 1. Production will rise gradually, peaking at 70 million cubic metres of gas a day – enough to meet 20% of the UK's gas needs. Supplies to the UK are expected to last 40 years.

STAYING THE COURSE IN NIGERIA

Shell has been a major investor in Nigeria for more than 50 years. The country is a significant producer of oil, natural gas and liquefied natural gas (LNG). Shell has produced much of this oil and gas from fields in the Niger Delta region. In recent years it has also come from deep-water fields off the Nigerian coast.

Onshore oil production levels for Shell were stable in 2007, achieving about the same rate as the year before. Offshore, the Bonga deep-water field continued production at or near capacity.

Yet serious concerns over security continue to affect the country's output. Despite many years of oil and gas production, millions of people living in the Niger Delta remain poor. Unrest is rife, with oil installations a prime target for attack. By the end of 2007, significant oil production remained shut in the Delta because of the security situation. Kidnappings and assaults continued to hinder day-to-day exploration and production operations. Sabotage of pipelines, enabling criminals to steal the oil or communities to claim compensation, is another major source of disruption.

The Shell Petroleum Development Company of Nigeria (SPDC) is the operator of the joint venture formed by the Nigerian National Petroleum Corporation (55%), Shell (30%), Total (10%) and Agip (5%) and is the country's biggest tax and royalty payer. At average oil prices for the year, the Nigerian government received 95% of onshore oil and gas revenues after costs of the concessions operated by SPDC.

We help local communities develop important facilities such as schools and hospitals, much of it done in partnership with the

government through the Niger Delta Development Commission. We also provide many tens of millions of dollars towards tackling HIV/AIDS, supplying electricity and clean drinking water, creating jobs, advising farmers and funding scholarships for more than 15,000 students. Increasingly we are helping communities develop themselves by setting up ways to support projects they have identified.

Shell and our partners are committed to reducing the environmental impact of our operations. This includes cleaning up oil spills wherever we can gain safe access – whether caused by leaks or sabotage – and eliminating routine flaring of gas from oil production. In 2007, security concerns and reduced state funding for the joint venture, however, continued to hamper progress in installing more facilities to capture gas rather than burn it off.

DELIVERING THE ENERGY OF NATURAL GAS

As global demand for energy rises – along with concern over emissions from burning oil or coal – countries are increasingly turning to the cleaner-burning resource of natural gas. But much of the world's gas is found far from the cities and towns where it is most needed.

In the Middle Eastern state of Qatar, two Shell projects that will help to provide many millions of people with energy and hydrocarbon products from natural gas took major steps forward in 2007.

In February, the foundation stone was laid for Pearl GTL, which will be the world's largest plant for converting natural gas into a range of liquid products, including GTL Fuel, a cleaner diesel. It will build on Shell's experience in operating our first GTL plant at Bintulu in Malaysia, which opened in 1993.

At Pearl, the gas will be piped ashore for conversion from a vast field located around 60 kilometres off the coast of Qatar. Fuel produced from the GTL process is virtually sulphur-free and when burnt emits far fewer polluting exhaust particles than ordinary diesel. Other GTL products include naphtha for chemical feedstock, kerosene for jet fuel and oils for lubricants.

When it opens around the end of the decade Pearl GTL will produce 140,000 barrels a day of GTL products, as well as 120,000 barrels of oil equivalent a day of condensate, liquefied petroleum gas (LPG) and ethane for industrial processes. It is being built by Shell under a development and production-sharing agreement with Qatar Petroleum.

Liquefied natural gas (LNG) is another way we move natural gas to where it is most in demand. Chilling the gas to –162°C shrinks its volume 600 times and turns it into a readily-transportable liquid. LNG accounts for an increasing share of global natural gas consumption.

In July, Shell and Qatar Petroleum formed a joint venture, Qatargas 4 (Shell share 30%), to manage the production of around 1.4 billion cubic feet per day of natural gas, including LPG and condensate, and 7.8 million tonnes a year of LNG. The project will start operations around the end of the decade, supplying key markets including North America in a fleet of LNG carriers specially built by the Qatari shipping company Nakilat.

FUELS FOR THE FUTURE

With the number of vehicles on the roads continuing to soar, demand for fuel will go on rising. As a result, the need is increasing to develop fuels that can reduce dependency on oil while helping to slow the growth of carbon dioxide (CO_2) or polluting emissions from road transport.

Shell is developing several of these fuels – biofuels; cleaner diesel made from natural gas and biomass; and hydrogen. In 2007, we brought them under one business unit to help accelerate their commercial and technical development. The same unit co-ordinates Shell's activities in managing CO_2 emissions.

Governments in a number of countries encourage the production of conventional or first-generation biofuels through mandates and incentives. In meeting these obligations, Shell has become the world's largest distributor of these biofuels. But we are also working hard on better biofuels.

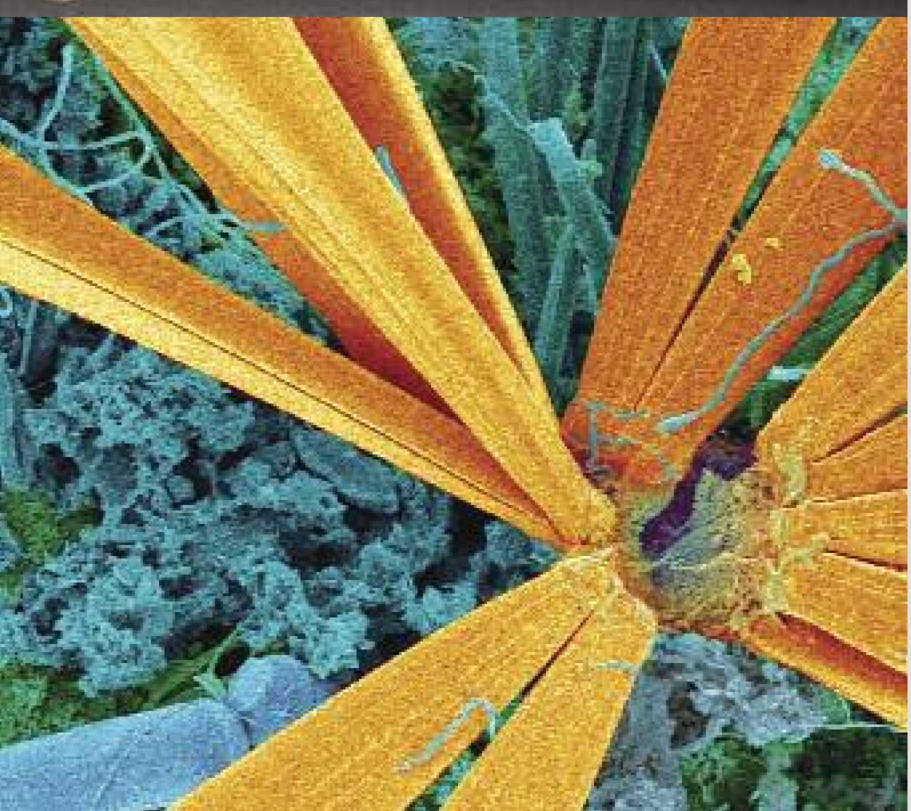
The CO_2 benefits of first-generation biofuels vary depending on how they are produced. And since they are made from crops – ethanol from sugar cane, corn or wheat, and diesel from oily plants like rapeseed, palm and soya – producing them can lead to competition for fertile land.

Through biofuel suppliers, Shell is pressing for environmental and social safeguards, partly through discussions with supplier companies and specific clauses in contracts. We also advocate the development of internationally recognised standards in the biofuels supply chain.

Moreover, we are investing in the development of next-generation biofuels that do not compete for land and potentially produce less CO_2.

Converting natural gas to cleaner liquid transport fuel is another way of reducing dependence on oil. Gas to liquids fuel is colourless, odourless and virtually sulphur-free, and produces fewer polluting emissions from the exhaust than conventional diesel. Shell produces GTL Fuel at our 14,700 barrels-a-day Bintulu plant in Malaysia. With Qatar Petroleum, we are also constructing the world's biggest GTL plant, Pearl GTL, which will start operations around the end of the decade.

In hydrogen, Shell opened new refuelling sites in the USA and Asia in 2007 and also has outlets in Europe. We are investing in research and development with partners to help make hydrogen a viable alternative fuel.



NEXT-GENERATION BIOFUELS HOLD PROMISE

As global demand for transport fuel rises, one constraint on the potential of conventional biofuels is that they are made from food crops. If biofuels are to help meet future demand without competing for land, a new generation needs to be developed from non-food raw materials using alternative conversion technologies.

Shell is helping to lead the development of next-generation biofuels. They can be made from non-food organic material, such as straw or wood residue. The benefits of such next-generation biofuels look promising. For example, carbon dioxide (CO_2) emissions produced at our two partnership demonstration plants are around 90% less over their production life cycles than those of conventional petrol or diesel.

To accelerate our development of biofuels, Shell has a team of technology specialists across research centres in the USA, UK, Netherlands and India. We also work closely with partners on fundamental research and commercial application.

Shell is a partner with a Canadian company, Iogen, to develop ethanol from lignocellulose – in this case from straw – through a process using enzymes. Cellulose ethanol can be blended with petrol. Iogen and its partners have operated a demonstration plant since 2004 and are now assessing the design and feasibility of a full-scale commercial plant.

We are also a partner with a German firm, CHOREN, to produce a high-performance synthetic fuel – that can be blended with diesel – from the lignocellulose of wood chips through a gasification and Fischer-Tropsch process. The world's first commercial demonstration plant is due to open in Freiberg, Germany, in 2008.

In 2007 we announced two new partnerships. One is with US company Codexis to develop new "super enzymes" that can convert non-food biomass more efficiently into high-performance biofuels.

The other is the construction of a pilot plant in Hawaii to grow marine algae and produce vegetable oil for conversion into biofuel in a joint venture, called Cellana, with HR Biopetroleum. Algae grow rapidly and are rich in vegetable oil. They can be cultivated in ponds of seawater, minimising the use of fertile land and fresh water.

SCOOPING UP A RICH RESOURCE

Canada's oil sands are thought to be the world's second-largest potential source of oil after Saudi Arabia, with some 175 billion barrels estimated to be recoverable. Much of it, though, is costly and technically difficult to extract.

In 2007 Shell acquired the remaining 22% of shares it had not previously owned in Shell Canada as part of our global strategy of integrating both our technology and expertise in exploration and production, and our refining operations. With the decline of easy-to-access oil from more conventional sources, oil sands are part of our plans to build up output from so-called unconventional resources.

The oil sands lie beneath an area of 140,000 square kilometres in Alberta. Shell has interests in all three major oil deposits there.

The Athabasca Oil Sands Project (a joint venture, Shell share 60%) produces 155,000 barrels of synthetic crude oil a day. Shovels capable of lifting 100-tonne weights scoop up a mixture of heavy, tar-like oil (bitumen), sand and clay from close to the earth's surface. We then crush and mix it into a froth with warm water to separate the bitumen from the sand and clay, before diluting it with a solvent and piping it to the Scotford Upgrader, where it is turned into a range of synthetic crude oil products for refineries. Construction is under way to expand output to 255,000 barrels of synthetic crude a day by the turn of the decade, and there are plans to expand eventually to more than 500,000 barrels a day.

Shell also produces bitumen at Peace River and Cold Lake, using steam to heat and thin the bitumen in the ground before it is pumped to the surface.

Today less than 5% of Shell's production comes from oil sands and other unconventional sources. This is likely to rise to around 15% by 2015. With an increase in production from oil sands, emissions of carbon dioxide (CO_2) will go up too. This underscores our ambition to develop a leading ability in managing CO_2 in a number of ways, including technological innovation and increased efficiency. For example, the first stage of expansion will employ a new technology that cleans the bitumen froth more efficiently, saving energy and water and cutting CO_2 emissions by 40,000 tonnes a year.

BUILDING A STRONGER SAFETY CULTURE

Producing secure, responsible energy to help meet growing demand means working in some of the world's most challenging environments. Our business involves operating oil platforms at sea in hurricane-prone regions, onshore rigs in desert regions, large refineries and chemicals plants, trucks which cover millions of kilometres every year and ships which travel the oceans. In all, our first concern is the safety of our staff, contractors and those living near our operations.

In 2007 we took steps to further strengthen our safety culture across the company. We also brought in new, simpler safety policies to clarify the standards we expect from employees and contractors.

We held two special safety days, when employees and contractors across the world pinpointed ways to improve their safety performance. Whether they were working in remote oil fields, on ships or in offices in London, Houston or Bangalore, teams identified key safety risks. Then they worked out better ways of making sure that basic rules and practices – put in place to guard against these risks – are followed.

And we introduced Goal Zero, a phrase which represents a shift in the way we approach and think about safety. It focuses on the way people who work for Shell – staff and contractors – conduct their everyday business to ensure that no one is hurt. Despite the often-hostile conditions in which we operate, Goal Zero reflects our aim to achieve zero fatalities, zero accidents and zero significant incidents.

We also launched new safety standards for our areas of operation that pose the highest risks. These strengthen and clarify what we expect from those who work for us, making it easier to check compliance. They ensure that our people and our facilities are as safe as they can be: well-designed, well-maintained and safely operated.

Road accidents, for example, claim the lives of more people working for Shell than any other single activity. Our new company-wide standards cover a range of requirements such as mandatory driver training, correct route planning and the use of seat belts at all times.

A similar campaign has been under way for several years among the 20,000 people who work on the Sakhalin II gas project in the remote far east of Russia. Before the extensive campaign began, serious injuries and deaths from accidents were common. Today, the number of serious accidents has halved.

PAVING THE WAY TO BETTER ROADS

With the number of vehicles expected to soar in developing countries in the coming decades – China alone is expected to have 150 million cars on the road by 2020, up from its current 40 million – the need for more, improved roads will continue to rise.

The Philippines, for example, has 155,000 kilometres of unpaved roads, putting schools, hospitals and shops beyond easy reach for many families. And many of India's rural households are only reachable by poorly-made tracks, with much of its vast road network unusable in bad weather. The World Bank says that a dollar spent on improving roads in the developing world boosts local economies more effectively than a dollar spent on irrigation.

A vital ingredient of building roads is the bitumen produced at refineries from heavier crude oils. Bitumen binds and waterproofs the asphalt that makes the road, but the processes involved are heat- and energy-intensive. Shell is the world's largest supplier of bitumen, with 85% of it used for road-building.

To help make better, all-weather roads more affordable, Shell has developed an alternative to gravel or concrete roads, Shell Instapave Solution. This involves mixing specially-prepared bitumen with locally-available stone chips on site at ambient temperature and applying it in layers. After the final layer the road can be ready to take traffic in just 30 minutes. This process is now in use in the Philippines and, in a pilot scheme, in Central America. It is expected to go on trial in India in 2008.

Shell has also developed a process that saves energy and produces fewer emissions than conventional asphalt production. Shell WAM Foam Solution is a blend of two bitumen grades that can be mixed and laid at up to 50°C below conventional processes. Evidence from its use in Italy showed that its production process emitted at least 30% less carbon dioxide and fewer gases such as nitrogen oxides and sulphur dioxide. Energy consumption also went down 30%, and it generated less dust and fewer airborne particulates when produced. The process is used in Europe and we have sold licences for its use in Australia and Canada.

REFINERY EXPANSION BOOSTS COMMUNITY

Response to Shell's decision to invest in a huge expansion of the Motiva Port Arthur Refinery in Texas, USA, told its own story. Once, people living near the refinery often complained about its impact on local air quality. But when Shell confirmed that its capacity would more than double to around 600,000 barrels a day, the community's reaction was broadly positive. The response reflected our efforts to develop the refinery responsibly – without community support, we would not have received approval to expand.

The expansion will make the refinery – a 50:50 joint venture with Saudi Aramco – one of the biggest in the world. As the strongest boost to US refining capacity in more than 30 years, it will increase the country's energy security at a time when its imports of oil are on the rise, and create thousands of jobs. The decision to expand Port Arthur from its current 275,000 barrels-a-day of petrol, diesel and jet fuel fits Shell's belief that large, complex refineries will be better-placed to meet growing global energy demands. When its expansion is complete around the turn of the decade, the refinery will be able to process a broader range of crude oil, including sulphur-rich heavier grades.

The expansion will create around 300 permanent jobs, and 4,500 construction jobs, with many workers coming from nearby residential areas.

To build better relations with the community, the joint venture, Motiva Enterprises, has worked closely with local groups to meet concerns. A panel of residents meets regularly with refinery management to discuss environmental and safety issues. Since 1997, more efficient pollution control equipment has considerably reduced emissions. The expansion will further cut many types of emissions per barrel of oil refined by installing more energy-efficient advanced technology in new sections and replacing existing systems. Emissions of ozone-forming chemicals such as nitrogen oxides will fall from today's levels.

Motiva Enterprises is also working to ease local unemployment and help improve the nearby community. It has helped set up a youth training academy and contributes funds to provide scholarships, summer job programmes and intern placements for young people. Motiva is donating a total of $2 million towards a fund to help revitalise the area immediately bordering the refinery.

NURTURING TALENT FOR THE FUTURE

While the number of technical graduates in the West has fallen in recent years, India is producing around 400,000 a year. Many in India now seek careers with large international companies with bases in their home country rather than follow the traditional route of moving to the USA, UK or Australia.

Shell's newest technology centre, Shell Technology India (STI), is part of our drive to "Grow East" – and to tap into that stream of technical talent. Technology is increasingly vital in meeting the challenges of the energy industry today, such as finding and producing oil and gas as easy-to-access supplies decline. A steady flow of young technical talent is essential if technology is to thrive.

Since being set up in 2006, STI has grown as one of our key technology centres alongside those in North America and Europe.

Almost half STI's staff work for Shell Exploration & Production projects taking place in Malaysia, Brunei, Australia, New Zealand, Gabon and the Middle East. Around 200 work for our technical services organisation, Shell Global Solutions, supporting the company's refinery and petrochemical operations and projects.

By the end of 2007, STI employed nearly 400 technical staff, many of them graduates taken on directly from India's Institutes of Technology in a series of recruitment campaigns focused on the top colleges. Others are experienced professionals. Shell is on track to recruit a further 100-plus in 2008, with our target being to employ up to 900 technical staff by the end of 2011.

EXECUTIVE COMMITTEE EXTENDED

In October, 2007 we further strengthened executive accountability by adding three new members to the Executive Committee who are all directors of functions. They are Roxanne Decyk, Corporate Affairs Director; Beat Hess, Legal Director; and Hugh Mitchell, Human Resources Director. They are not Executive Directors.

They joined Jeroen van der Veer, Chief Executive; Peter Voser, Chief Financial Officer; Malcolm Brinded, Executive Director Exploration & Production; Linda Cook, Executive Director Gas & Power, Shell Trading, Global Solutions and Technology; and Rob Routs, Executive Director Oil Sands, Oil Products and Chemicals. The Executive Committee operates under the direction of the Chief Executive and is responsible for Royal Dutch Shell's overall business and affairs.

STANDING *(left to right)*
Hugh Mitchell,
Rob Routs,
Malcolm Brinded,
Roxanne Decyk,
Beat Hess

SEATED *(left to right)*
Linda Cook,
Jeroen van der Veer,
Peter Voser

SUMMARY OPERATING AND FINANCIAL REVIEW

Telegram dated February 15, 1907 confirming agreement to amalgamate Royal Dutch and Shell Transport.

Shell and Qatar Petroleum sign development and production-sharing agreement in 2004 to build Pearl GTL.

SUMMARY OF RESULTS

RESULTS	
Earnings	$31,926 million
Hydrocarbon production	3,315 thousand boe per day
Capital investment	$27,072 million

EARNINGS 2007 COMPARED TO 2006 AND 2005

Shell businesses delivered strong operational and financial performance in 2007, with earnings of $31.9 billion. Shell's healthy financial position allowed us to return $13.4 billion to shareholders, through dividends and share repurchases, while capital investment reached $27.1 billion.

Earnings in 2007 were up 21% from 2006, which were in line with 2005. The increase in 2007 reflected higher oil and gas prices, the positive impact of increasing crude prices on our inventory, improved chemicals margins and substantially higher interest and investment income; although these were offset by lower production volumes, lower realised refining margins and lower trading contribution.

Exploration & Production earnings were $14.7 billion compared with $14.5 billion in 2006 and $13.6 billion in 2005. Earnings reflected the impact of higher oil and gas prices partly offset by lower production volumes, higher exploration expenses and higher costs, reflecting current industry conditions. In addition, earnings were lower as Shell's share of earnings in the Sakhalin II project were reduced following the partial divestment of the project in April 2007 (from 55% to 27.5%).

Gas & Power earnings were up 6% reaching $2.8 billion, compared to $2.6 billion in 2006 and $1.4 billion in 2005. The 2007 higher earnings reflected increased liquefied natural gas (LNG) sales volumes, strong LNG and gas to liquids (GTL) prices, and a net gain of $275 million mainly related to the sale of common units in Enterprise Products Partners LP. LNG sales volumes in 2007 were up 9% on 2006 due to growth in Nigeria.

Oil Sands earnings were $582 million in 2007, compared to $651 million in 2006 and $661 million in 2005. Earnings in 2007 decreased compared to 2006 due to an unplanned shutdown in September and a fire in November at the Scotford Upgrader, higher operating and maintenance costs, and increased royalty expenses. These were partly offset by the impact of higher oil prices and a favourable tax adjustment of $94 million. Bitumen production levels for 2007 were in line with 2006.

Oil Products earnings were $10.4 billion, 47% higher than 2006 which in turn were 29% lower than 2005. The 2007 earnings increase reflected higher marketing margins and benefited from the impact of increasing crude prices on our inventory of $3.5 billion. However, earnings were impacted by lower realised refining margins, a lower trading contribution and higher operating costs.

Chemicals earnings were $2.1 billion compared to $1.0 billion in 2006 and $991 million in 2005. The increase earnings in 2007 reflected higher margins, higher earnings from equity-accounted investments and lower fixed costs, which were partly offset by a reduced trading contribution.

BALANCE SHEET AND CAPITAL INVESTMENT

Shell's strategy to invest in the development of long-term growth projects, primarily in the upstream businesses, explains the most significant changes to the balance sheet in 2007. Property, plant and equipment and equity-accounted investments increased by almost $9 billion in 2007, as capital investment increased by over 9% in 2007 compared with 2006, reaching $27.1 billion. This was partly offset by depreciation, depletion and amortisation of $13.2 billion. $19.5 billion of this capital investment went to upstream projects that will primarily deliver organic growth over the long term.

The capital investment programme in 2007 was primarily funded internally, either from cash from operations of $34.5 billion or with proceeds from divestments of $9.9 billion, with net debt increasing by $1.7 billion to a year-end balance of $8.4 billion. Total equity increased by $11.0 billion in 2007 resulting in a year-end balance of $126 billion.

RESERVES[A]

Total reserves attributable to Royal Dutch Shell shareholders at end 2007 were 11.9 billion boe, essentially unchanged from end 2006. On a consolidated basis, organic reserves additions for 2007, excluding acquisitions, divestments and year-end price effects, were 1.5 billion boe, compared to 1.2 billion boe of production, and reserves replacement was 124%. Organic reserves replacement, including year-end price effects, was 109%.

[A] Total of proved oil and gas reserves and proven minable oil sands reserves.

UPSTREAM

Exploration & Production

EXPLORATION & PRODUCTION	
Segment earnings	$14,686 million
Hydrocarbon production	3,234 thousand boe per day
Capital investment	$15,919 million

GAS & POWER	
Segment earnings	$2,781 million
LNG sales volume (tonnes)	13.18 million
Capital investment	$3,532 million

EARNINGS

Exploration & Production reported earnings in 2007 of $14.7 billion, 1% higher than in 2006 and 8% higher than in 2005. The increase in 2007 from 2006 was mainly driven by the impact of higher realised oil and gas prices on revenues partly offset by lower production volumes, higher exploration expenses and higher costs (reflecting current industry conditions).

Earnings included a net gain of $1.1 billion in 2007 – compared with net gains of $521 million in 2006 and $1.7 billion in 2005 – comprising mainly divestment gains partly offset mainly by a charge resulting from the challenges we continued to face in Nigeria with regard to funding and the security situation.

OUTLOOK AND STRATEGY

In 2007, the business environment for the exploration and production industry continued to be characterised by increasing oil prices and activity levels and, associated with these, tightness in the supply of oilfield goods and services, cost escalation and strong competition for new opportunities. Looking forward, we believe that the world will continue to experience a strong growth in energy demand due to population growth and economic development, and that after 2015 supplies of easy-to-access oil and gas will be increasingly challenged to keep up with demand.

The Exploration & Production strategy pursued consistently for the last four years remains unchanged and delivery is on track. We recognise that access to new resources continues to become more difficult as a result of host government requirements and strong competition for more conventional resources. Our strategy has four portfolio themes: sustaining our heartlands; focusing on new oil and gas projects where technology is a differentiator; building integrated gas opportunities; and unlocking unconventional resources.

We will continue to pursue an aggressive exploration programme in selected basins and targeting under-explored areas with significant potential to add more acreage in support of these themes. We will also invest in organic growth, open up new positions and make selective acquisitions, divestments and asset swaps as a means to expand and revitalise our asset portfolio. In terms of our existing portfolio, we will continue to focus on production and project delivery, cost performance and the reliability and integrity of our production facilities.

EXPLORATION AND PRODUCTION

During 2007, we participated in drilling 314 successful exploratory wells and made 11 notable discoveries.

Hydrocarbon production (excluding production from oil sands) was 3,234 thousand boe per day, 5% lower than in 2006 and 6% lower than in 2005. The underlying production trend was down 2% (excluding divestments, the impact of one-off contractual settlements and the effect of higher oil and gas prices on production volumes shared with partners). Production was impacted by field declines, lower seasonal gas demand in north-west Europe and operational performance of non-operated ventures. These effects were partly offset by production from new fields.

A chest of Shell products accompanied Scott on his 1910 expedition to the Antarctic.

Aerial view of the LUN-A platform in ice, Sakhalin 2007.

CAPITAL INVESTMENT AND PORTFOLIO ACTIONS

We continued to invest in important new projects to secure our future, spending $15.6 billion (excluding the contribution of our minority partners in Sakhalin II of $0.3 billion) in 2007. We also sustained momentum in the management of our portfolio by selling assets that do not fit our strategy. We added acreage to our portfolio mainly from new exploration licences in Australia, Canada, China, Colombia, Gabon, Germany, Syria, Tunisia and the USA (Gulf of Mexico, onshore and Alaska). Overall, our acreage in 2007 decreased slightly when compared with 2006 mainly due to a combination of divestments, relinquishments and licence expiry of acreage in various countries, largely offset by the acreage additions in locations noted above.

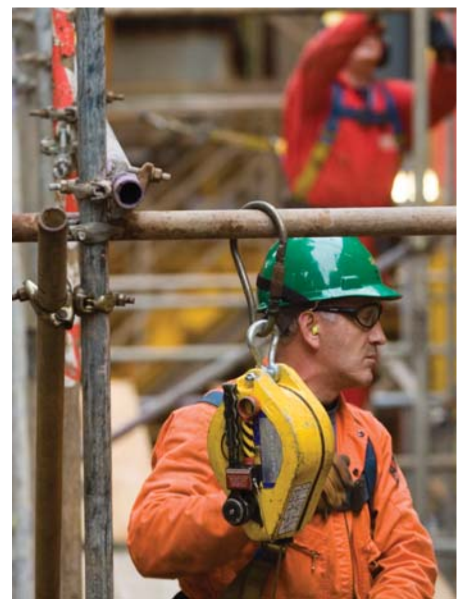
Important milestones were achieved in the development of our growing portfolio of deep-water projects. We announced the go-ahead of the Gumusut-Kakap project (Shell interest 33%), our first deep-water project in Malaysia. In the USA, production started from the Deimos field (Shell interest 71.5%) in the Gulf of Mexico with Phase-1 expected peak production of 30,000 boe per day. Good progress continued on Perdido (Gulf of Mexico) and BC-10 (Brazil) deep-water projects.

We also continued to leverage our focus on technology in other areas. Onshore in Oman we began development of the Qarn Alam project (Shell interest 34%), one of the largest thermal enhanced oil recovery projects in the world. In China, we added additional production volumes from tight gas when commercial production and gas delivery started from the Changbei field (Shell interest 50%).

Our strong position in the gas business was further consolidated following the production of first gas from the Ormen Lange field in Norway (Shell interest 17%) where we also assumed responsibility for operations: Production is expected to reach a peak of 70 million standard cubic metres per day - enough to meet as much as 20% of the UK's gas needs. In New Zealand, we achieved first offshore gas production from the Pohokura field (Shell interest 48%).

We continued our programme of portfolio rationalisation. In Norway, we completed the sale of our 28% equity interests in the undeveloped Skarv and Idun fields. We also completed the divestment of our 25% equity holding in Austrian oil and gas producer, Rohöl-Aufsuchungs AG. In the USA, Shell completed the sale of leases in Barnett Shale and of the Wilcox properties in Texas and the Arkoma Basin leases and wells in Arkansas. In April 2007, Shell and its partners Mitsui and Mitsubishi, completed the sale to OAO Gazprom of 50% of their interest plus one share in the Sakhalin II project in Russia, reducing our interest in the project from 55% to 27.5%.

In early 2008, the international members of the Kashagan consortium agreed to sell their participating interests proportionally (if the sale is concluded, Shell interest would decrease from 18.52% to 16.81%), allowing Kazakhstan's national oil company, KazMunaiGas's stake to increase to match that of the four major shareholders. The agreement provides for the future continuity and stability of the project.



Crew working on a drilling rig on the Ras Gharib oil field in Eqypt in 1956.

Fifty years on, crew working on the UK's Brent Delta platform.

Gas & Power

EARNINGS

Gas & Power earnings in 2007 were $2.8 billion, 6% up on 2006 earnings, which in turn were 91% up on 2005 earnings. The earnings in 2007 included net gains of $275 million, mainly related to the sale of common units in Enterprise Products Partners LP. Excluding these items, earnings decreased by 5% from 2006, mainly due to lower earnings from marketing and trading activities as result of less favourable overall trading conditions in both Europe and North America. This was partly offset by higher earnings from record LNG sales volumes, as well as strong LNG and GTL prices reflecting high crude oil and natural gas prices.

LNG sales volumes in 2007 of 13.18 million tonnes were a record, an increase of 9% from 2006, driven mainly by higher volumes at Nigeria LNG (Shell interest 26%).

OUTLOOK AND STRATEGY

The business environment for natural gas remains robust. We expect natural gas demand growth to remain at around 2–3% per annum over the medium term, reflecting moderate economic growth. Demand weakness, if it occurred, would likely be the result of a severe economic downturn. LNG demand is expected to continue to grow at around 8–10% per annum for the next few years with growth in all major markets. We anticipate LNG prices in Asia Pacific to remain strong in the foreseeable future due to strong demand from traditional markets such as Japan and Korea and growing demand from the emerging markets in China and India. Concerns over the cost, security, diversity and environmental impact of conventional energy supply will continue to drive increasing interest in alternative sources of energy, including clean coal and wind.

Our strategy remains unchanged. We seek to build our position as one of the world's largest natural gas producers and suppliers of LNG, with a significant presence in the key markets of North America, Asia Pacific and Europe. We aim to access and monetise new natural gas resources by offering competitive value propositions to our customers and major resource holders.

CAPITAL INVESTMENT AND PORTFOLIO ACTIONS

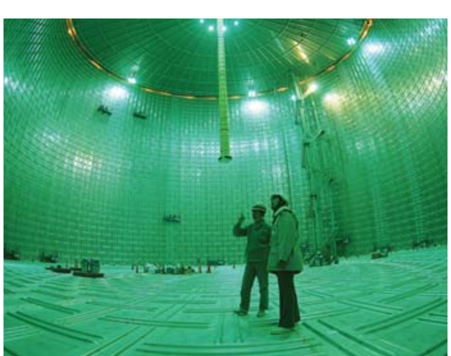
Capital investment in 2007 of $3.5 billion was 50% higher than the $2.4 billion of capital investment in 2006. The capital investment increase from 2006 is mainly due to higher spending on the Qatar Pearl GTL project following the final investment decision in July 2006. Investment also continued on LNG plants including Nigeria LNG Train 6, North West Shelf Train 5, Sakhalin II Trains 1 and 2 and Qatargas 4, as well as the 164-megawatt Mount Storm Phase I wind energy project in the USA.

In Australia, Woodside Petroleum Ltd (Shell interest 34%) formally launched the development of the Pluto I LNG project in North West Australia. State and Federal environmental approvals were granted for the Pluto I LNG project in October 2007.

In April 2007, Shell and its partners completed the divestment to OAO Gazprom of 50% of their interest plus one share in Sakhalin Energy Investment Company Ltd in Russia. Gazprom acquired a 50% interest plus one share, and Shell retains a 27.5% interest, with Mitsui and Mitsubishi holding 12.5% and 10% interest respectively.

In the USA, as part of a long-term structured exit strategy, we concluded the sale of Shell's participation in Enterprise Product Partners LP. Also in the USA, the final investment decision was taken in the fourth quarter on the 100-megawatt expansion of the Mount Storm wind project in the USA (Shell interest 50%).

In Europe, Shell and ExxonMobil agreed to sell their joint interest in the German gas transportation business of BEB to N.V. Nederlandse Gasunie. Completion of the sale is expected in 2008.



Inside the cathedral-like vault of one of Sodegaura's LNG storage tanks in Japan (1988).

At our gas to liquids plant at Bintulu, Malaysia, we turn natural gas into synthetic hydrocarbon products, including cleaner diesel.

In November 2007, Shell entered into an agreement for the sale of an LNG vessel. This was completed in early 2008.

During the year, Shell completed the divestment of its rural solar businesses in India and Sri Lanka.

NEW BUSINESS DEVELOPMENT

In Australia, the North West Shelf venture (Shell direct and indirect interest 22%) completed the renewal of long-term LNG purchase commitments with eight Japanese customers, totalling 4.3 million tonnes per annum (100%) over 6 to 8 years as from 2009.

Shell and Petrochina concluded a binding heads of agreement for the supply of 1 million tonnes per annum of LNG for 20 years from the Gorgon project in North West Australia (Shell interest 25%), conditional on a final investment decision being taken by the Gorgon joint venture partners.

In Qatar, Shell and Qatar Petroleum announced the formation of Qatar Liquefied Gas Company Limited (4), a joint venture between Qatar Petroleum (70%) and Shell (30%), which signed a sale and purchase agreement with Shell as the buyer of all the LNG volumes (up to 7.8 mtpa) produced by the joint venture. An agreement was also signed with Qatargas Transport Company Limited (Nakilat), in which Shell was appointed as the shipping and maritime services provider for Nakilat's fleet of at least 25 newly built liquefied natural gas carriers.

Shell and Gazprom signed an agreement under which Gazprom will supply 250 million cubic metres of natural gas per annum from 2007 until 2021 to Shell in Turkey. The agreement follows a gas contract release tender organised by Botas, the Turkish natural gas and pipeline company, that formed part of the gas market liberalisation process in Turkey.

In Russia, final contracts were signed with further customers for LNG supply from the Sakhalin II project (Shell interest 27.5%). Total firm sales over the plateau period amount to 9.4 million tonnes per annum, representing 98% of the nameplate capacity of the plant.

Oil pioneer "Colonel" Edwin L. Drake (right) at the original Drake well in Pennsylvania, USA, in 1861.

The Cutter monotower in the North Sea uses wind and solar technologies to produce natural gas (2007).

DOWNSTREAM

OIL SANDS	
Segment earnings	$582 million
Capital investment	$1,931 million

OIL PRODUCTS	
Segment earnings	$10,439 million
Capital investment	$3,856 million

CHEMICALS	
Segment earnings	$2,051 million
Capital investment	$1,419 million

Oil Sands

EARNINGS

Segment earnings in 2007 were $582 million, compared to $651 million in 2006 and $661 million in 2005. The decrease in 2007 from 2006 was largely due to an unplanned shutdown in September and a fire in November at the Scotford Upgrader, as well as higher operating and maintenance costs and increased royalties. Gains from a Canadian tax rate change were $94 million in 2007, down from $120 million in 2006.

OUTLOOK AND STRATEGY

The business environment for Oil Sands continued to be intense in 2007, dominated by the rapid growth of multiple major projects and rising capital and operating costs. Despite high oil prices, a stronger Canadian dollar and widening domestic light/heavy differentials – driven by increased heavy oil production – have created substantial market risk for Canadian bitumen producers. The Alberta Provincial Government has announced its intention to change its royalty system, with effect from 2009, to create a graduated scale dependent on oil prices.

The extent of proposed greenhouse gas legislation in Canada as a whole, that will require a reduction in CO_2 emissions, remains uncertain. However, Alberta Provincial Government has introduced, and the Canadian federal government intends to introduce, legislation that requires reductions in allowable emissions of CO_2 in relation to all production of oil sands. Reductions in allowable emissions could have an impact on current production and future expansions.

In 2008, we expect that the business environment will include increasing cost pressures and increased competition for skilled workers. While overall production levels and human resource requirements are expected to grow throughout 2008, it is not expected to be at the pace anticipated at this time last year.

Our strategy is to be the leading oil sands operator in the industry by continuing to focus on operational and project execution excellence, and leveraging Shell's extensive, high quality land positions to drive profitable growth.

CAPITAL INVESTMENT AND PORTFOLIO ACTIONS

Capital investment was $1.9 billion in 2007, up from $865 million in 2006. Our main investments centred on the first expansion phase (Expansion 1) of the Athabasca Oil Sands Project. Other investments were made on projects designed to increase the efficiencies of base operations.

Expansion 1, a fully integrated 100,000 barrels per day (Shell share 60%) expansion of oil sands mining and upgrading facilities is well under way.

Construction was completed on the new Albian Village, a state-of-the-art facility built to house 2,500 Expansion 1 workers at the mine site.

Shell gasoline is delivered to hardware and general stores in north-west California (1912).

Shell tanker truck on the road in Houston, USA (2004).

Oil Products

EARNINGS

Segment earnings in 2007 were $10.4 billion, 47% higher than 2006 and 5% higher than 2005. Segment earnings benefited from the impact of increasing crude oil prices on our inventory by $3.5 billion in 2007, by $0.1 billion in 2006 and by $2.5 billion in 2005.

After taking into account the impact of increasing crude oil prices on our inventory, earnings from our Manufacturing business were lower than 2006, largely due to lower realised refining margins in the second half of the year. Refining earnings were adversely impacted by higher unplanned downtime of 5.7%, (controllable unplanned downtime 5.4%) compared to 4.9% in 2006. In Marketing, earnings improved, mainly driven by higher marketing margins in Retail and finished lubricants.

Earnings in 2007 included net gains of $327 million from divestments, including the non-operational benefit of the Los Angeles refinery sale, and tax rate changes in Germany and Canada, partly offset by a number of legal and environmental provisions.

OUTLOOK AND STRATEGY

Industry refining margins remained strong in 2007, particularly in the USA, amid robust global product demand growth. In the absence of any major disruptions, refining margins are expected to trend lower in 2008 than 2007 with new conversion capacities expected to come on-stream and the prospect for potentially slower global economic growth. However, the eventual levels are uncertain and will be strongly influenced by the pace of global economic growth, the effect of persistently high oil prices on product demand and start-up timing of expected refinery expansions.

Marketing margins will continue to be influenced by oil price volatility, exchange rates and intense competition.

To remain a global leader in the downstream business, our strategy is to:

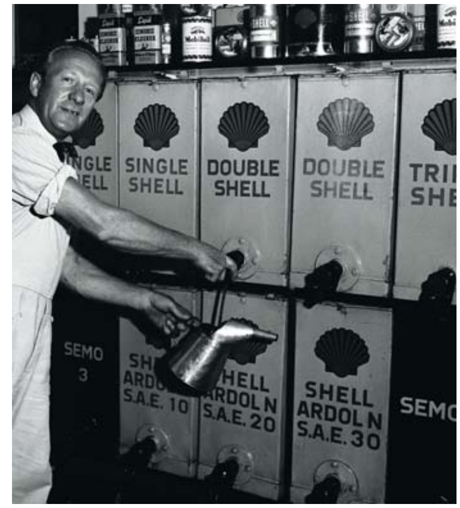
- Ensure continued asset integrity and operational safety;
- Continue reshaping our portfolio by investing selectively in key markets and divesting non-strategic assets;
- Enhance focus on delivering operational excellence and being a cost leader in the downstream businesses;
- Reinforce our leading global brand position across the downstream businesses by focusing on initiatives such as differentiated fuels and second-generation biofuels;
- Continue to maximise the value of our integrated hydrocarbon supply chain by more tightly integrating the Oil Products and Chemicals businesses;
- Discipline our capital spending; and
- Continue to develop our people.

CAPITAL INVESTMENT AND PORTFOLIO ACTIONS

Capital investment was $3.9 billion in 2007 of which $1.7 billion was Refining, $2 billion was Marketing and $185 million was new equity and loans in equity-accounted investments. Our main investments were in our Refining and Retail businesses. We continued to focus on divesting non-strategic assets and redeploying capital to strategic growth regions.

In the USA, Shell completed the sale to Tesoro Corporation of the Los Angeles Refinery, Wilmington Products Terminal and around 250 retail sites and supply agreements in and around Los Angeles and San Diego. Also in the USA, Shell announced, through Motiva Enterprises (Shell share 50%), the final investment decision to proceed with a 325,000 barrels per day capacity expansion at the Motiva Port Arthur Refinery.

In France, Shell signed an agreement for the sale of its Berre-l'Etang refinery site complex and associated infrastructure and businesses for $700 million (including the Chemicals-related activities and business). Also in France, we received an offer for the sale – for around $875 million – of the Petit Couronne and Reichstett Vendenheim refineries.



Dispensing Shell lubricating oil at a Shell service station in Sweden (1949).

Helix lubricants at a retail site in Turkey (2007).

We acquired the Shell Canada minority interest, which resulted in the full integration of the Canadian Oil Products business to the downstream organisation.

We acquired 100% of shares in Conoco Jet (Malaysia) Sdn Bhd, a wholly-owned subsidiary of ConocoPhillips, comprising 44 ProJet branded retail service stations and 14 vacant land sites in the key growth markets of Malaysia.

In Scandinavia, Shell signed an agreement in the third quarter of 2007 that will result in the re-branding of 269 service stations across Norway, Sweden and Denmark.

Chemicals

EARNINGS
Segment earnings were $2.1 billion in 2007, compared to $1.1 billion in 2006 and $991 million in 2005.

Earnings in 2007 were $987 million higher than 2006, mainly due to improved reliability at our plants, higher margins and improved earnings from equity-accounted investments.

OUTLOOK AND STRATEGY
The Chemicals strategy remains unchanged and continues to focus on our portfolio of crackers and selected first-line derivatives, which supply bulk petrochemicals to large industrial customers. Our strategy is to strengthen our asset base in the Americas and Europe, and to achieve profitable growth in Asia Pacific and in the Middle East.

Our focus will be on continuing to exploit synergies between Chemicals, Oil Products, Oil Sands and our upstream business to increase advantaged cracker feed; on driving our global standards and processes; on fully leveraging technology investment; and on optimising our global market positions.

CAPITAL INVESTMENT AND PORTFOLIO ACTIONS
Capital investment in 2007 was $1.4 billion, up from $877 million in 2006. Capital expenditure increased by $594 million from 2006, reflecting increased investments in portfolio growth projects, in particular at the Shell Eastern Petrochemicals Complex in Singapore.

In addition to the initial cracker and mono-ethylene glycol plant, the final investment decision was taken to proceed with the construction of a new butadiene extraction unit on Pulau Bukom. These projects combine to represent Shell's largest-ever chemicals investment in Singapore and are on schedule for start-up in 2009/2010.

The Nanhai petrochemical complex in China, a joint venture between China National Offshore Oil Corporation and Shell Petrochemicals Company Limited (Shell interest 50%) which started-up in 2006, enjoyed a full year of commercial operation. Asset performance and corresponding sales volumes have been strong.

As part of our strategy to improve long-term potential and competitiveness of our European assets, we have taken an investment decision to increase the polyol capacity at the Pernis manufacturing complex in the Netherlands. Capacity will go from 155,000 tonnes to 255,000 tonnes per year and is expected to be on-stream by mid-2008. We also announced a significant investment to improve the integration of the Pernis-Moerdijk refinery and chemicals complex in the Netherlands. This project will concentrate on supplying hydro wax from the Pernis refinery, and other Shell refineries in Europe, to Moerdijk which will consequently benefit from lower feedstock costs.

We have signed a sale and purchase agreement for the sale of the Berre-l'Etang refinery site complex and associated infrastructure and businesses. A price of $700 million (including Oil Products) has been agreed.

Corporate

EARNINGS AND INVESTMENT
Corporate segment earnings were $1.4 billion in 2007, compared to $294 million in 2006 and a loss of $328 million in 2005. Total capital investment in 2007 was $415 million.

Net interest and investment income increased by $799 million during 2007 compared to 2006 and included gains from the sale of the equity portfolio held by the Shell insurance companies of $404 million. Currency exchange results improved during 2007 and 2006.

Other earnings in Corporate increased by $202 million in 2007 compared to 2006 and included a gain of $55 million, related to the sale of property, higher insurance underwriting results and lower tax credits.

Countless everyday items owe their existence to the materials produced by the petrochemical industry.

Exercising with hula hoops made of polyethylene in 1958 (far left) and, decades later, girls bouncing on space hoppers.

Risk factors

Royal Dutch Shell has a single risk-based control framework, the Shell Control Framework, to identify and manage risks (see page 43).

Shell's operations and earnings are subject to risks from changing conditions in competitive, economic, political, legal, regulatory, social, industry, business and financial fields. These risks are more thoroughly discussed in our Annual Report and Form 20-F. Investors are urged to read our Form 20-F prior to making an investment decision. Investors should carefully consider these risks. They could have a material adverse effect separately or in combination on Shell's results from operations and/or our financial condition.

Fluctuating prices for oil, natural gas, oil products and chemicals.
Our ability to deliver large-scale projects and replace oil and gas and minable oil sands reserves.
Competition from within the energy industry and other industries.
Loss of business reputation due to real or perceived failure to follow the Shell General Business Principles.
The impact of climate change and any resulting challenges from society and governments.
Health, safety, security and environment risks.
Doing business in politically sensitive or unstable countries.
Inability to control or influence the operations, behaviours, and performance of our partners and ventures.
Information technology failures.
Lack of access to technology and inadequate innovation.
Challenge of resourcing skilled employees.
Changes in legislation, fiscal and regulatory policies and to policies on re-nationalisation and the seizure of property.
Currency fluctuations and exchange controls.
Political or economic instability pose a risk to economic and financial market conditions.
The estimation of reserves of oil and gas and minable oil sands involves subjective judgements and determinations and may change based on new information. It is not an exact calculation.
Limitations on shareholder remedies. Provisions of our articles of association may affect the ability of shareholders to obtain monetary or other relief, including in respect of securities law claims.
Antitrust and competition law fines.
US Government sanctions regarding investments in Iran, Syria and Sudan.
Exposure to property and liability risks.
Trading and treasury risks, including movement in commodity prices, interest rates and foreign exchange rates.
Appropriate valuation and funding of pension obligations is required to meet future liabilities.
In international disputes cultural and political factors play a significant role in judicial outcomes contrary to local and international law.
Compliance with US Foreign Corrupt Practices Act.

Key performance indicators

OVERALL PERFORMANCE – SCORECARD

Shell uses a number of key performance indicators to evaluate the overall performance of Shell from a financial, operational, social and sustainable development perspective. In addition, Shell monitors and manages the businesses by means of detailed parameters. Shell's future oil and gas production depends on the success of very large projects that require significant human and capital resources over long periods of time of up to 10 to 30 years. The key performance indicators and parameters do not necessarily reflect the long-term performance of Shell although these might provide an impression of performance. The scorecard highlights four key performance factors which together provide a summarised overview of Shell's performance. The four key performance indicators are measured on a quarterly basis. As explained on page 44, in the Summary Directors' Remuneration Report, the scorecard is also used to determine remuneration for staff, Senior Management and Executive Directors.

TOTAL SHAREHOLDER RETURN (25% SCORECARD WEIGHTING)

Total shareholder return (TSR) is measured as the sum of the difference between the share price at the start of the year and the share price at the end of the year plus the cash value of dividends paid during the calendar year (gross and reinvested quarterly). The TSR is compared against other major integrated oil companies and provides therefore a benchmark of how Shell is performing against its industry peers.

CASH FLOW FROM OPERATING ACTIVITIES (25% SCORECARD WEIGHTING)

Cash flow from operating activities is a measure that reflects Shell's ability to generate funding from operations for its investing and financing activities and is representative of the realisation of value for shareholders from Shell operations. The cash flow statement on page 50 shows the components of cash flow. In 2007, the cash flow from operating activities for scorecard purposes is adjusted for taxes paid on divestments.

Liquidity and capital resources

OPERATIONAL EFFICIENCY (30% SCORECARD WEIGHTING)
Within each of the different businesses, operational performance is measured by means of detailed parameters that are combined into a business dashboard. Operational excellence of Exploration & Production, Gas & Power, Oil Products and Chemicals is measured quarterly. The four key indicators for the businesses are production, including oil sands, for Exploration & Production, LNG sales for Gas & Power, refining controllable unplanned downtime for Oil Products and technical plant availability for Chemicals.

SUSTAINABLE DEVELOPMENT (20% SCORECARD WEIGHTING)
As well as measuring financial performance and efficiency, Shell uses various indicators to evaluate Shell's contribution to Sustainable Development. This Review discusses on pages 34-35 the priorities with regards to staff and highlights key performance indicators such as greenhouse gas emissions, use of flaring and energy use in its businesses and assets. Safety remains a key topic for Shell and is measured by the number of injuries and fatal accidents, as discussed on page 34. It is Shell's aim to work closely with customers, partners and policymakers to advance more efficient and sustainable uses of energy and natural resources.

OVERALL PERFORMANCE – OTHER INDICATORS
In addition to the four key performance indicators that determine the scorecard, additional financial indicators are used to evaluate Shell's performance. These financial indicators include income for the period, return on average capital employed, and gearing.

The most significant factors affecting year-to-year comparisons of cash flow provided by operating activities are: changes in realised prices for crude oil and natural gas; crude oil, natural gas and oil sands (bitumen) production levels; and refining and marketing margins. These factors are also the most significant affecting income. Acquisitions, divestments and other portfolio changes can affect the comparability of cash flows in the year of the transaction.

In the longer term, reserve replacement of oil and gas and minable oil sands reserves will affect the ability of Shell to continue to maintain or increase production levels in Exploration & Production and Oil Sands, which in turn will affect our cash flow provided by operating activities and income. We will need to take measures to maintain or increase production levels and cash flows in future periods, which measures may include developing new fields and mines, continuing to develop and apply new technologies and recovery processes to existing fields and mines, and making selective focused acquisitions. Our goal is to offset declines from production and increase reserves. However, reserve and/or production increases are subject to a variety of risks and other factors, including the uncertainties of exploration, operational interruptions, geology, frontier conditions, availability of new technology and engineering capacity, availability of skilled resources, project delays and potential cost overruns as well as fiscal, regulatory and political changes.

It is our intention to continue to divest and, where appropriate, make selective acquisitions as part of active portfolio management. The number of companies or assets divested will depend on market opportunities.

STATEMENT OF CASH FLOWS
Cash flow from operating activities reached a record level of $34.5 billion in 2007 compared with $31.7 billion in 2006 and $30.1 billion in 2005. The increased cash flow from operations was driven mainly by the growth in income to $31.9 billion in 2007 from $26.3 billion in 2006 and 2005 as well as a reduction in taxation paid in 2007 compared to 2006.

FINANCIAL CONDITION AND LIQUIDITY
Shell's financial position is robust, and we returned over $13.4 billion to our shareholders through dividends and buybacks in 2007. Cash and cash equivalents amounted to $9.7 billion at the end of 2007 (2006: $9.0 billion). Total short and long-term debt rose $2.3 billion in the year. Total debt at the end of 2007 amounted to $18.1 billion.

CREDIT RATINGS
On October 1, 2007, Moody's Investors Services (Moody's) affirmed the "Aa1" long-term issuer rating of Royal Dutch Shell plc with stable outlook, as well as the guaranteed programmes/outstanding debt securities of its issuance subsidiary Shell International Finance B.V. On October 8, 2007, Standard & Poor's Ratings Services (S&P) revised its outlook on Royal Dutch Shell plc and its related subsidiaries to positive from stable and reaffirmed the "AA" long-term corporate credit rating. Short-term credit ratings of the commercial paper programmes remain unchanged at "Prime-1" and "A-1+" from Moody's and S&P respectively.

CAPITAL INVESTMENTS AND DIVIDENDS
After servicing outstanding debt, Shell's first priority for applying its cash is payment of the dividend. Up to and including the fourth quarter 2006 interim dividend, the dividend was declared in euro, and per share increases in dividends were grown at least in line with European inflation over time. On February 1, 2007 Shell announced that, effective from the

SHELL SCORECARD

	2007	2006
1 Total shareholder return	23.8%	10.9%
2 Cash flow from operations ($ billion)	36	32
3 Operational efficiency		
– oil and gas production (thousand boe per day)[A]	3,315	3,473
– LNG sales (million tonnes)	13.2	12.1
– refining controllable unplanned downtime	5.4%	4.9%
– chemical plant availability	92.6%	90.2%
4 Sustainable development (TRCF)[B]	2.2	2.3

[A] Combined Exploration & Production and Oil Sands production.
[B] Shell's standard safety measure – total recordable case frequency (TRCF).

first quarter 2007, dividends would be declared in US dollars.

Royal Dutch Shell's dividend policy of growing the dividend at least in line with inflation over a number of years has not changed. The inflation level will be based on inflation levels in global, developed, economies. Dividend growth in the future will be measured in US dollars.

Shell's capital expenditure, exploration expense and new investments in equity-accounted investments increased by $2.2 billion to $27.1 billion in 2007.

After dividends and capital investment, the priority for cash generated is to maintain a strong and flexible balance sheet. Both the medium and long-term focus will remain on improving the underlying operational performance in order to continue to deliver consistently strong cash flows.

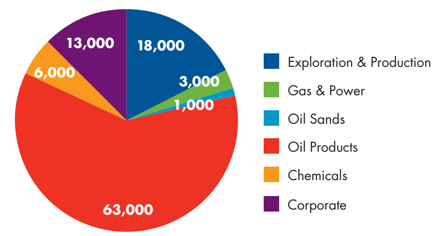
Share buyback plans will be reviewed periodically, and are subject to market conditions and the capital requirements of the company.

Shell manages its business to deliver strong cash flows to fund investment and growth based on cautious assumptions relating to crude oil prices.

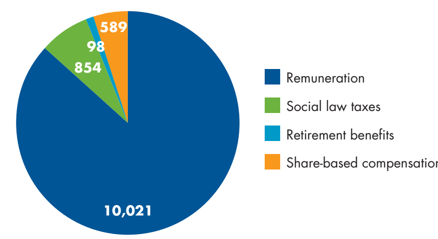
Our people

Shell employs 104,000 people in more than 110 countries and territories worldwide. Our people are central to the delivery of the Shell business strategy of More Upstream, Profitable Downstream. In 2007 we continued to advance our people strategy, which focuses mainly on recruiting, developing skills and improving employee performance.

2007 EMPLOYEES BY BUSINESS SEGMENT
Average numbers rounded to nearest thousand



2007 EMPLOYEE EMOLUMENTS **11,562**
In $ million



DEVELOPING OUR PEOPLE

In 2007 we achieved high levels of professional development, in line with the increased recruitment of graduates and experienced hires in 2006 and 2007. Other factors contributing to the increased focus on professional development included the changing demographics of staff, particularly in Europe and the USA; our drive for excellence in technology; and increasing industry demand for compliance and assurance of skills development.

The Shell Project Academy and Commercial Academy continue to accelerate the development of project management and commercial skills. Around 1,500 people attended Project Academy-related activities during 2007, with nearly 1,000 attending Commercial Academy learning events.

Blended learning, which offers employees a combination of workplace assignments, traditional classroom events, e-learning and informal coaching is becoming a Shell standard for delivering development programmes. These programmes are available through the Shell Open University portal for employees, increasingly our main resource for formal learning.

RESOURCING FOR THE FUTURE

Recruiting, developing and deploying highly skilled people remain essential to our business. In 2007, we recruited nearly 5,000 people worldwide. This comprised 1,150 graduates and 3,780 experienced professionals – over half from technical disciplines and from more than 95 countries. We maintained our reputation as the energy employer of choice in key target markets, in particular in India, China, the Netherlands, UK, Malaysia and the USA as confirmed by independent surveys, such as that conducted by Universum Incorporated.

Our focus continued to be on recruiting talent where we aim to grow our business. We hired more graduates and experienced professionals in Asia than in any other region in 2007. We also demonstrated that we can recruit in challenging regions like the Middle East and Nigeria, where demand exceeds supply. For our Nigerian business, we recruited nearly 200 graduates and 300 experienced professionals, both from within the country and by attracting Nigerians working abroad.

We continue to strengthen diversity through recruitment. Women make up 31% of all our professional hires, and 20% of recruits for technical roles, and we aim to continuously improve these rates. The range of nationalities in our senior ranks is also growing.

In addition to building local talent, our ability to deploy people quickly to major projects around the world remains one of our strengths.

Environment and society

COMMUNICATION AND INVOLVEMENT

We involve our people in the planning and direction of their work, drawing on a wide range of communication methods. These include regular letters to staff from the Chief Executive on business performance and global priorities, published on our employee intranet. We also have targeted webcasts, briefings, publications and face-to-face engagement sessions on specific business activities. We encourage safe and confidential reporting of feedback and concerns about our processes and practices. Our global telephone helpline and website, which have been in place since 2005, enable employees to report breaches of our Code of Conduct and the Shell General Business Principles, confidentially and anonymously.

The biennial Shell People Survey provides valuable insights into employees' views about working for the company. Action plans to address concerns and to further enhance employee engagement across Shell are in place. From 2008 the survey will be conducted annually and earlier in the year to enable results to be taken into account in business planning for each year.

DIVERSITY AND INCLUSION

Shell has a long-standing commitment to the integration of diversity and inclusion into our operations and culture. Our intention is to provide equal opportunity in recruitment, career development, promotion, training and reward for all employees, including those with disabilities.

By the end of 2007, the proportion of women in senior leadership positions had risen to 12.9%, compared to 11.6% in 2006. In 33% of countries, local nationals filled more than half the senior leadership positions, compared to 25% in 2006.

In 2006, the Shell People Survey showed that 64% of employees perceived workplace inclusion as favourable. Much work was done in 2007 to address areas for improvement such as a review of flexible working options and childcare provisions, as well as the expansion of existing training programmes to promote inclusion.

We recognise that our continuing business success depends on finding environmentally and socially responsible ways to help meet the world's growing energy needs. This includes keeping the trust of a wide range of stakeholders. To achieve this we must do many things, including behaving with integrity at all times, in line with the Shell General Business Principles (Business Principles) and Code of Conduct; operating our facilities safely; being a good neighbour; contributing to development in the societies where we operate; and helping to find effective solutions to the problem of growing carbon dioxide (CO_2) emissions.

STANDARDS AND COMMITMENTS

Our Business Principles include our commitment to contribute to sustainable development. This involves providing economically, socially and environmentally responsible energy. It includes reducing environmental impacts from our operations and products and being a good neighbour in communities where we operate. All companies and joint ventures we control must also apply these standards.

All major new investments must include the expected future costs of emitting CO_2 in their project design and decision-making. We require an integrated environmental, health and social impact assessment to be carried out before we begin significant work on a project or at an existing facility.

OPERATING SAFELY

We are investing to prevent incidents such as spills, fires and accidents that place our people, the environment and our facilities at risk. In 2007, we simplified and tightened our safety requirements further, introducing new process safety and road safety standards to make it easier to understand the requirements and check they are being implemented. We also launched "Goal Zero" which aims to achieve zero fatalities, zero accidents and zero significant incidents. We held two company-wide safety days to recognise the importance of safe behaviour.

Sadly, however, two employees and 26 contractors lost their lives in confirmed incidents at work in 2007. This was nine fewer than in 2006. More than 60% of these fatalities occurred on the road, where we have less oversight and safety depends especially on the behaviour of individuals. Three lives were lost due to assaults in Nigeria.

CLIMATE CHANGE

We were one of the first energy companies to acknowledge the threat of climate change, to call for action, and to take action ourselves. We are working to meet our target for greenhouse gas (GHG) emissions in 2010 to be 5% below 1990 levels, while growing our business, mainly through our efforts to end continuous flaring of natural gas and by improving the energy efficiency of our facilities.

In 2007, Shell-operated facilities emitted 92 million tonnes of GHGs, (measured on a CO_2 equivalent basis), about 6 million lower than the previous year, and nearly 25% below 1990 levels.

Most of the reduction in 2007 was due to reduced flaring in our Exploration & Production business, largely because a number of normally high-flaring wells in Nigeria were shut, in part because of Shell Petroleum Development Company's strategy to reduce use of wells with a high gas content, and in part because of violence.

Since 2002, our energy efficiency programmes have reduced our GHG emissions by approximately 1.7 million tonnes a year and saved us a combined $180 million annually at our refineries and chemical plants. Over the past two years these improvement trends have reversed, mainly because we have had more shutdowns at refineries and chemicals plants.

As a major buyer and distributor of first-generation biofuels, we are working to help develop industry-wide sustainability standards for biofuel production. We have clauses in supplier contracts stating that their production should not be linked to human rights abuses or recent clearing of habitats, and have appointed a team to check compliance.

We are also investing to build a commercially material business in at least one alternative energy technology. In 2007 we quadrupled our rate of investment in second-generation transport biofuels, adding projects with Codexis (faster enzymes) and HR Biopetroleum (fuel from algae) to our existing partnerships with Iogen (cellulosic ethanol) and CHOREN (biodiesel from waste wood). We continued to work with glassmaker St Gobain to develop advanced solar power technology. Construction continues on the first phase of the Mount Storm wind project in the USA, which has a capacity of 164 MW (Shell share 50%). In late 2007, a final investment decision was made to expand this project by a further 100 MW.

We see potential business opportunities and competitive advantage from providing cost-effective solutions for CO_2, including its capture and underground storage on a large scale. We continue to build our technical capability in this area.

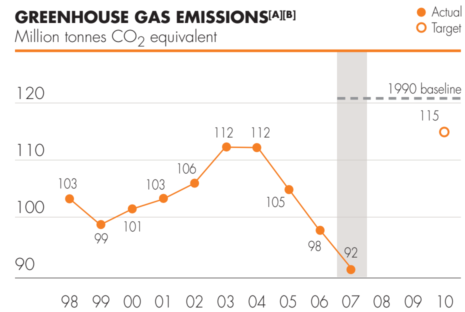
We have stepped up our efforts to actively inform and support governments in their efforts to develop an international policy framework for responding to climate change. We actively promote the use of emission trading systems for heavy industry and the power sector.

For the transport sector, we are appealing to governments to introduce fuel standards that compare all fuels on a standard wells-to-wheels basis, and reward those with a lower CO_2 impact and that also have the best chance of becoming cost competitive.

PROTECTING BIODIVERSITY

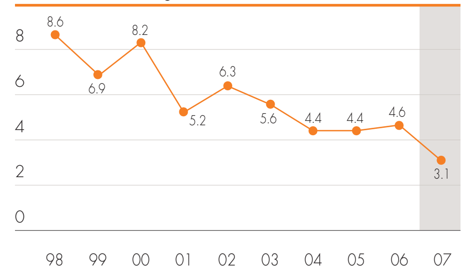
We recognise the importance of protecting biodiversity. We were the first energy company to adopt a Biodiversity Standard, and we work with more than 100 scientific and conservation organisations to reduce biodiversity impacts around our projects and to support conservation. We have also signed strategic partnerships with the World Conservation Union (IUCN) and Wetlands International. We have committed to not exploring or drilling for oil or gas in certain ecologically-sensitive locations (natural World Heritage sites).

GREENHOUSE GAS EMISSIONS[A][B]
Million tonnes CO_2 equivalent



[A] Petroleum Industry Guidelines for Greenhouse Gas Estimation, December 2003. (API, IPIECA, OGPI) indicate that uncertainty in greenhouse gas measurements can be significant depending on the methods used.
[B] Target and baseline adjusted to reflect portfolio changes.

SAFETY – Fatal Accident Rate
Per 100 million working hours



Biodiversity checks are also part of our project impact assessments, so that risks are identified and addressed early.

A GOOD NEIGHBOUR

We are committed to being a good neighbour. This means not only running our facilities cleanly and safely but working with local people to help them benefit from our activities, as well as supporting wider development in the country.

Our company-wide approach is based on social performance plans which are in place at all our major manufacturing sites and chemicals facilities, and at all our upstream operations where social impacts could be high. We run social investment programmes and we encourage governments to spend the taxes and royalties we pay them to support development and reduce poverty.

The Board of Royal Dutch Shell plc

Jorma Ollila R N

Chairman

Born August 15, 1950. A Finnish national, appointed Chairman of Royal Dutch Shell as from June 1, 2006. Previously he was Vice-President of International Operations of Nokia in 1985. In 1986 he was appointed Vice-President Finance of Nokia and served between 1990 and 1992 as President of Nokia Mobile Phones. Between 1992 and 1999 he was President and Chief Executive Officer of Nokia and from 1999 to June 1, 2006 he was Chief Executive Officer of Nokia. Prior to joining Nokia, he started his career in banking at Citibank in London and Helsinki. Currently he is Chairman of the Board of Nokia, a Non-executive Director of Ford Motor Company, and Vice Chairman of UPM-Kymmene Corporation and Otava books and magazines Ltd.

Lord Kerr of Kinlochard GCMG R N

Deputy Chairman and Senior Independent Non-executive Director

Born February 22, 1942. A British national, appointed a Non-executive Director of Royal Dutch Shell in October 2004. He was a Non-executive Director of Shell Transport from 2002 to 2005. A member of the UK Diplomatic Service from 1966 to 2002, he was UK Permanent Representative to the EU, British Ambassador to the USA, and Foreign Office Permanent Under Secretary of State. He was Secretary-General of the European Convention (2002–2003), and in 2004 became an independent member of the House of Lords, sitting on its EU Select Committee. He is a Non-executive Director of Rio Tinto plc and the Scottish American Investment Company plc, a Scottish Power Advisory Board member, Chairman of Imperial College, and a Trustee of the National Gallery and of the Rhodes, Fulbright, and Carnegie Trusts.

Jeroen van der Veer

Chief Executive

Born October 27, 1947. A Dutch national, appointed Chief Executive of Royal Dutch Shell in October 2004. He was appointed President of Royal Dutch in 2000, having been a Managing Director of Royal Dutch since 1997 and was a Board member of Royal Dutch until the merger of the company on December 21, 2005. He was a Director of Shell Canada Limited from April 24, 2003 until April 29, 2005. Joined Shell in 1971 in refinery process design and held a number of senior management positions around the world. He is a Non-executive Director of Unilever (which includes Unilever N.V., Unilever plc and Unilever Holdings Ltd.).

Peter Voser

Chief Financial Officer

Born August 29, 1958. A Swiss national, appointed Chief Financial Officer of Royal Dutch Shell in October 2004. He was appointed a Managing Director of Shell Transport and Chief Financial Officer in October 2004. In 2002 he joined the Asea Brown Boveri (ABB) Group of Companies, based in Switzerland as Chief Financial Officer and Member of the ABB Group Executive Committee. Originally joined the Shell group in 1982 where he held a variety of finance and business roles in Switzerland, UK, Argentina and Chile, including Chief Financial Officer of Oil Products. He was a member of the supervisory board of Aegon N.V. from 2004 until April 25, 2006. He is a member of the supervisory board of UBS AG and a member of the Swiss Federal Auditor Oversight Authority.

Maarten van den Bergh S

Non-executive Director

Born April 19, 1942. A Dutch national, appointed a Non-executive Director of Royal Dutch Shell in October 2004. He was a member of the Royal Dutch supervisory board from 2000 to July 4, 2005. Managing Director of Royal Dutch from 1992 to 2000 and President from 1998 to 2000. He was Chairman of the Board of Directors of Lloyds TSB from 2001 to May 11, 2006. He is a member of the Boards of Directors of BT Group plc and British Airways plc and Chairman of the supervisory board of Akzo Nobel N.V.

Nina Henderson S

Non-executive Director

Born July 6, 1950. A US national, appointed a Non-executive Director of Royal Dutch Shell in October 2004. She was a Non-executive Director of Shell Transport from 2001 to 2005. Previously President of a major division and Corporate Vice-President of Bestfoods, a major US foods company, responsible for worldwide core business development. Non-executive Director of Pactiv Corporation, AXA Financial Inc., Del Monte Foods Company and Visiting Nurse Service of New York.

Sir Peter Job KBE R

Non-executive Director

Born July 13, 1941. A British national, appointed a Non-executive Director of Royal Dutch Shell in October 2004. He was a Non-executive Director of Shell Transport from 2001 to 2005. Previously he was Chief Executive of Reuters Group plc. He is a Non-executive Director of Schroders plc and TIBCO Software Inc. and a member of the supervisory board of Deutsche Bank AG.

Wim Kok S N

Non-executive Director

Born September 29, 1938. A Dutch national, appointed a Non-executive Director of Royal Dutch Shell in October 2004. He was a member of the Royal Dutch supervisory board from 2003 to July 4, 2005. Chaired the Confederation of Dutch trade unions (FNV) before becoming a member of the Lower House of Parliament and parliamentary leader of the Partij van de Arbeid (Labour Party). Appointed Minister of Finance in 1989 and Prime Minister in 1994, serving for two periods of government up to July 2002. Member of the supervisory boards of ING Groep N.V., KLM N.V. and TNT N.V.

Malcolm Brinded CBE FREng

Executive Director Exploration & Production

Born March 18, 1953. A British national, appointed an Executive Director of Royal Dutch Shell in October 2004. He was previously a Managing Director of Shell Transport since March 2004 and prior to that a Managing Director of Royal Dutch since 2002. Joined Shell in 1974 and has held various positions around the world including in Brunei, the Netherlands and Oman. He was also Country Chair for Shell in the UK, and Director of Planning, Environment and External Affairs at Shell International Ltd. Member of the Nigerian Presidential Honorary International Investor Council, Russian Foreign Investment Advisory Council, the Foreign Investors Council of Kazakhstan, the Council of the Royal Academy of Engineering and a Trustee of The Prince of Wales International Business Leaders Forum.

Linda Cook

Executive Director Gas & Power, Shell Trading, Global Solutions and Technology

Born June 4, 1958. A US national, appointed an Executive Director of Royal Dutch Shell in October 2004. She was appointed a Managing Director of Royal Dutch in August 2004 and was a Board member of Royal Dutch until the merger of the company on December 21, 2005. She was President and Chief Executive Officer and a member of the Board of Directors of Shell Canada Limited from August 2003 to July 2004. Joined Shell Oil Company in Houston in 1980, and worked for Shell Oil Company in Houston and California in a variety of technical and managerial positions. Member of the Society of Petroleum Engineers and a Non-executive Director of The Boeing Company.

Rob Routs

Executive Director Oil Sands, Oil Products and Chemicals

Born September 10, 1946. A Dutch national, appointed Executive Director of Royal Dutch Shell in October 2004. He was a Managing Director of Royal Dutch from 2003 to July 4, 2005. Joined Shell in 1971. Held various positions in the Netherlands, Canada and the USA. Previously President and Chief Executive Officer of Shell Oil Products USA, President of Shell Oil Company and Country Chair for Shell in the USA and Chief Executive of Equilon. He is a member of the Board of Directors of Shell Canada Limited since April 29, 2005 and a Director of INSEAD.

On March 12, 2008 the Nomination and Succession Committee recommended the appointment of Dr Josef Ackermann as a Director of the Company. The Board adopted this recommendation and a resolution will be submitted to the 2008 Annual General Meeting proposing the election of Dr Ackermann as a Director of the Company with effect from May 21, 2008. Dr Ackermann's biographical details will be given in the 2008 Notice of Meeting.

Nick Land A

Non-executive Director

Born February 6, 1948. A British national, appointed a Non-executive Director of Royal Dutch Shell as from July 1, 2006. He qualified as an accountant in 1970 and was a partner of Ernst & Young LLP from 1978 until June 30, 2006. He was Chairman of Ernst & Young LLP and a member of the Global Executive Board of Ernst & Young Global LLP from 1995 until June 30, 2006. He is a Non-executive Director of BBA Aviation plc, Ashmore Group plc and Vodafone Group plc, Chairman of the Practice Advisory Board of the Institute of Chartered Accountants of England and Wales, and of the Board of Trustees of Farnham Castle, and a member of the Finance and Audit Committees of the National Gallery.

Christine Morin-Postel A

Non-executive Director

Born October 6, 1946. A French national, appointed a Non-executive Director of Royal Dutch Shell in October 2004. She was a member of the Royal Dutch supervisory board from July 2004 and was a Board member of Royal Dutch until the merger of the company on December 21, 2005. Formerly she was Chief Executive of Société Générale de Belgique, Executive Vice-President and member of the Executive Committee of Suez S.A., Chairman and CEO of Credisuez plc from 1996 to 1998 and Non-executive Director of Pilkington plc and Alcan Inc. She is a Non-executive Director of 3i Group plc and British American Tobacco PLC.

Lawrence Ricciardi A

Non-executive Director

Born August 14, 1940. A US national, appointed a Non-executive Director of Royal Dutch Shell in October 2004. He was appointed a member of the Royal Dutch supervisory board in 2001 and was a Board member of Royal Dutch until the merger of the company on December 21, 2005. Previously he was President of RJR Nabisco, Inc. and subsequently Senior Vice-President and General Counsel of IBM. He is Senior Advisor to the IBM Corporation as well as to Jones Day and to Lazard Frères & Co, and Trustee of the Andrew W. Mellon Foundation and the Pierpoint Morgan Library.

Company Secretary

Michiel Brandjes

Born December 14, 1954. A Dutch national, appointed as Company Secretary of Royal Dutch Shell in February 2005. Previously Company Secretary of Royal Dutch and Group general counsel corporate. Joined the Group in 1980 as a Legal Adviser.

A Audit Committee
R Remuneration Committee
S Social Responsibility Committee
N Nomination and Succession Committee

Summary Report of the Directors

PRINCIPAL ACTIVITIES
Royal Dutch Shell is a holding company which owns, directly or indirectly, investments in the numerous companies constituting the group. Shell is engaged worldwide in the principal aspects of the oil and natural gas industry. Shell also has interests in chemicals as well as interests in power generation and renewable energy.

BUSINESS REVIEW
The information relating to the Business Review can be found in the Chairman's message on page 2, the Chief Executive's review on page 3 and also in the Summary Operating and Financial Review on pages 23 to 35, all of which are incorporated in this report by way of reference. Throughout this report the Board aims to present a balanced and understandable assessment of Royal Dutch Shell's position and prospects in its financial reporting to shareholders and other interested parties.

RECENT DEVELOPMENTS AND POST BALANCE SHEET EVENTS
Since December 31, 2007, additional purchases of shares have been made under the buyback programme. As at February 26, 2008 an additional 21,280,000 Class A shares (representing 0.3% of Royal Dutch Shell's entire issued share capital at December 31, 2007) had been purchased for cancellation at a total cost of $796 million including expenses. In addition, Note 5 to the Summary Consolidated Financial Statements on page 51 discloses post balance sheet events.

FINANCIAL STATEMENTS
The Summary Consolidated Statement of Income and Summary Consolidated Balance Sheet are available on pages 48 and 49.

BOARD OF DIRECTORS
The Directors during the year were Maarten van den Bergh, Malcolm Brinded, Linda Cook, Nina Henderson, Sir Peter Job, Lord Kerr of Kinlochard, Wim Kok, Nick Land, Aarnout Loudon (retired May 15, 2007), Christine Morin-Postel, Jorma Ollila, Lawrence Ricciardi, Rob Routs, Jeroen van der Veer and Peter Voser. Since the year end to March 12, 2008 there have been no changes in the membership of the Board of Directors.

ELECTION AND RE-ELECTION OF DIRECTORS
The Directors seeking re-election at the 2008 Annual General Meeting are Peter Voser, Sir Peter Job and Lawrence Ricciardi. Shareholders will also be asked to vote on the election of Dr Ackermann as a Director of the Company.

The biographies of all Directors are on pages 36 and 37 and, for those seeking election or re-election, also in the Notice of the Annual General Meeting. Details of the Executive Directors' service contracts can be found on page 46 and copies are available for inspection from the Company Secretary. Furthermore, a copy of the form of these contracts has been filed with the US Securities and Exchange Commission as an exhibit.

The interests (in shares or calculated equivalents) of the Directors in office at the end of the financial year, including any interests of a "connected person" (as defined in the Disclosure and Transparency Rules) of the Directors are set out below:

DIRECTORS' INTERESTS

	January 1, 2007 [A]		December 31, 2007 [B]	
	Class A	Class B	Class A	Class B
Maarten van den Bergh	8,000	–	8,000	–
Malcolm Brinded	14,432	22,885	14,432	28,472
Linda Cook	27,484[C]	–	27,484[C]	–
Nina Henderson	–	4,584[D]	–	4,584[D]
Sir Peter Job	–	1,492	–	3,077
Lord Kerr of Kinlochard	–	4,000	–	7,500
Wim Kok	500	–	1,750	–
Nick Land	–	3,074	–	3,074
Christine Morin-Postel	1,960	–	8,485	–
Jorma Ollila	4,000	–	21,000	–
Lawrence Ricciardi	20,000[E]	–	20,000[E]	–
Rob Routs	1,023	–	1,023	–
Jeroen van der Veer	46,175	–	50,000	–
Peter Voser	2,000	–	2,000	–

[A] Excludes interests in shares or options awarded under the Long-term Incentive Plan, the Deferred Bonus Plan and the Share option plans as at January 1, 2007.
[B] Excludes interests in shares or options awarded under the Long-term Incentive Plan, the Deferred Bonus Plan and the Share option plans as at December 31, 2007.
[C] Held as 13,742 ADRs (RDS.A ADR). One RDS.A ADR represents two RDS A ordinary shares.
[D] Held as 2,292 ADRs (RDS.B ADR). One RDS.B ADR represents two RDS B ordinary shares.
[E] Held as 10,000 ADRs (RDS.A ADR). One RDS.A ADR represents two RDS A ordinary shares.

There were no changes in Directors' share interests during the period from December 31, 2007 to March 12, 2008 except that Wim Kok purchased 2,250 Royal Dutch Shell Class A shares on February 1, 2008.

The terms and conditions of appointment of Non-executive Directors are set out in their letters of appointment with Royal Dutch Shell which, in accordance with the Combined Code, are available for inspection from the Company Secretary. No Director is, or was, materially interested in any contract subsisting during or at the end of the year that was significant in relation to Royal Dutch Shell's business.

QUALIFYING THIRD-PARTY INDEMNITIES

Royal Dutch Shell has entered into a deed of indemnity with each of the Directors. The terms of these deeds are identical and reflect the statutory provisions on indemnities introduced by the Companies (Audit, Investigations and Community Enterprise) Act 2004. Under the terms of each of these deeds, Royal Dutch Shell has indemnified each of the Directors, to the widest extent permitted by the applicable laws of England and Wales, against any and all liability, howsoever caused (including by that Director's own negligence), suffered or incurred by that Director in the course of that Director acting as a Director or employee of Royal Dutch Shell, any Shell group member and/or certain other entities.

SHARE CAPITAL STRUCTURE

The Company's authorised and issued share capital as at December 31, 2007, is set out in Note 11 to the Parent Company Financial Statements in the Annual Report and Form 20-F. Disclosure requirements pursuant to The Takeover Directive can be found on pages 84 and on pages 173 to 181.

SHARE PURCHASES

On May 15, 2007, shareholders approved an authority, expiring at the end of the next Annual General Meeting, for Royal Dutch Shell to purchase its own shares up to a maximum of 10% of the issued share capital (excluding share purchases for employee share benefit plans). During 2007, 112,275,000 Class A shares with a nominal value of €7.9 million (representing 1.8% of Royal Dutch Shell's entire issued share capital at December 31, 2007) had been purchased for cancellation for a total cost of $4,413 million, including expenses, at an average price of $39.31 per Class A share. Since the year end additional purchases have been made (see "Recent developments and post balance sheet events"). At February 26, 2008 a further 21,280,000 Class A shares (representing 0.3% of Royal Dutch Shell's entire issued share capital at December 31, 2007) had been purchased for cancellation for a total cost of $796 million, including expenses, at an average price of $37.38 per Class A share.

The Board continues to regard the ability to repurchase issued shares in suitable circumstances as an important part of the financial management of Royal Dutch Shell. A resolution will be proposed to the forthcoming Annual General Meeting to renew the authority for Royal Dutch Shell to purchase its own share capital up to specified limits for another year. More detail of this proposal is given in the Notice of the Annual General Meeting.

SIGNIFICANT CONTRACTS AND TAKEOVER DIRECTIVE INFORMATION

Shell does not have contracts or other arrangements which individually are essential to the business nor does it have any significant agreements that would take effect, alter or terminate upon a change of control of the company following a takeover bid. There are no significant restrictions on the transfer of securities.

Shell operates two primary employee share ownership trusts, a Dutch Stichting and an American Rabbi Trust. The shares in the Stichting are voted by the Stichting Board, and the shares in the Rabbi Trust are voted by the Voting Trustee, U.S. Trust Company, N.A. Both the Stichting Board and the Voting Trustee are independent of Royal Dutch Shell.

In addition, the following plans have separate related share ownership trusts, namely the Shell All Employee Share Ownership Plan ("SAESOP") and the Global All Employee Share Purchase Plan ("GESPP"). Shares held for the SAESOP are voted by its trustee, Halifax Corporate Trustees Limited, as directed by the participants. Shares held for the GESPP may be voted by its trustee, Halifax EES International Limited.

SUBSTANTIAL SHAREHOLDINGS

As at February 26, 2008, Royal Dutch Shell had been notified by the following investors of their interests in 3% or more of the Company's shares. These interests are notified to the Company pursuant to Disclosure and Transparency Rule 5.

INVESTOR	Class A shares	Class B shares
Barclays PLC	1.83%	2.39%
Legal & General Group Plc	4.38%	5.04%
The Capital Group Companies Inc	4.52%	2.91%

AUDITORS

PricewaterhouseCoopers LLP have signified their willingness to continue in office, and a resolution for their re-appointment will be submitted to the Annual General Meeting.

ANNUAL GENERAL MEETING

The Annual General Meeting will take place on May 20, 2008 and will be held in the Circustheater, Circusstraat 4, The Hague, the Netherlands with a satellite link to The Barbican Centre, London, UK. An audio-visual link will permit active two-way participation by persons physically present in the UK and the Netherlands. Details of the business to be put to shareholders at the Annual General Meeting can be found in the Notice of the Annual General Meeting.

By Order of the Board
Michiel Brandjes
Company Secretary
March 12, 2008

Summary corporate governance

CORPORATE GOVERNANCE
Royal Dutch Shell is committed to the highest standards of corporate governance. We believe that such standards are essential to business integrity and performance. This report sets out the policies and practices of the Company that have been applied during the year. The Board confirms that during the year the Company complied with the principles and provisions set out in Section 1 of the 2006 Combined Code save that for part of the year only two of the three members of the Remuneration Committee were deemed to be wholly independent (the third member being the Chairman of the Board who was deemed wholly independent upon appointment to the Board, however such a test thereafter is not appropriate in relation to the Chairman). In March 2008, Dr Ackermann, a wholly independent Non-executive Director, was appointed a member of the Committee with effect from the close of business of the 2008 Annual General Meeting (AGM), subject to his election as a Director of the Company at the AGM. In addition to complying with the corporate governance requirements in the UK, the Company must follow the rules of the Euronext Stock Exchange as well as Dutch securities laws due to its listing on this exchange. It must also follow US securities laws and the New York Stock Exchange (NYSE) rules and regulations due to registration of its securities in the USA and the listing of its securities on the NYSE.

In accordance with the NYSE rules for foreign private issuers the Company follows home country practice in relation to corporate governance. However, foreign private issuers are required to have an audit committee that satisfies the requirements of US Securities and Exchange Act Rule 10A-3 and our Audit Committee satisfies such requirements. The NYSE also requires a foreign private issuer to provide certain written affirmations and notices to the NYSE as well as a summary of the ways in which their corporate governance practices significantly differ from those followed by domestic US companies under NYSE listing standards. Our summary is available at www.shell.com/investor.

SHELL GENERAL BUSINESS PRINCIPLES
The Shell General Business Principles define how Shell companies are expected to conduct their affairs. These principles include, among other things, the commitment of Shell to support fundamental human rights and to contribute to sustainable development and can be found on www.shell.com/sgbp.

SHELL CODE OF CONDUCT
Employees are required to comply with the Shell Code of Conduct which is intended to help individual employees put our business principles into practice through the basic rules and standards we expect them to follow and the behaviour we expect of them. The Shell Code of Conduct is available online at www.shell.com/codeofconduct. The Compliance Programme supports the embedding of the Code of Conduct through values and knowledge-based training.

CODE OF ETHICS
Executive Directors and Senior Financial Officers of the Shell group must also comply with a Code of Ethics. The Code of Ethics is specifically intended to meet the requirements of Section 406 of the Sarbanes-Oxley Act and the listing requirements of the NYSE. The Code of Ethics can be found on the website www.shell.com/codeofethics.

WHISTLE-BLOWING
Shell employees may raise ethics and compliance concerns through the Shell Global Helpline. The Shell Global Helpline is a worldwide reporting mechanism, operated by a third party, which is open 24 hours a day, seven days a week through local telephone numbers and through the internet at www.shell.com or www.compliance-helpline.com/shell.

BOARD STRUCTURE AND COMPOSITION
For the period up to May 2007, the Board comprised the Chairman, Jorma Ollila, five Executive Directors including the Chief Executive, Jeroen van der Veer, and nine Non-executive Directors, including the Deputy Chairman and Senior Independent Non-executive Director, Lord Kerr of Kinlochard. Mr Aarnout Loudon, a Non-executive Director stood down at the 2007 Annual General Meeting. A list of current Directors, with their biographies, is on pages 36 and 37 of this Review.

ROLE OF DIRECTORS
The roles of the Chairman, a non-executive role, and the Chief Executive are separate and the Board has agreed their respective responsibilities. The Chairman, Jorma Ollila, is responsible for the leadership and management of the Board and for ensuring that the Board and its committees function effectively. The Chief Executive, Jeroen van der Veer, bears overall responsibility for the implementation of the strategy agreed by the Board, the operational management of Royal Dutch Shell and the business enterprises connected with it. He is supported in this by the Executive Committee, which he chairs (see page 41).

NON-EXECUTIVE DIRECTORS
The Non-executive Directors bring a wide range of skills and international business experience to Shell. They also bring independent judgement on issues of strategy, performance and risk through their contribution to Board meetings and to the Board's committee meetings. The Chairman and the Non-executive Directors meet routinely without the Executive Directors to discuss, among other things, the performance of individual Directors. All the Non-executive Directors as at the end of 2007 are considered by the Board to be wholly independent of any personal business connection with the Company or Shell companies, with the exception of Maarten van den Bergh who receives pensions from Shell pension funds. The standard by which Directors' independence is determined can be found online at www.shell.com/investor within the terms of reference of the Nomination and Succession Committee.

SIGNIFICANT COMMITMENTS OF THE CHAIRMAN
The other significant commitments of the Chairman are given in his biography on page 36.

BOARD ACTIVITIES DURING THE YEAR
The Board met eight times during the year and all but one meeting were held in The Hague, the Netherlands. The agenda for each meeting comprises a number of regular items, including

reports from each of the Board Committees, reports from both the Chief Executive and the Chief Financial Officer and business reports from each of the other Executive Directors. At most meetings the Board also considered a number of investment proposals. In accordance with matters specifically reserved for the Board, during the year the Board considered numerous strategic issues and approved each of the quarterly financial results and dividend announcements. The Board received regular reports from the various functions, including Corporate Affairs (which includes Health, Safety and Environment), Human Resources, Legal and Finance (which includes Investor Relations).

INDUCTION AND TRAINING

Following appointment to the Board, Directors receive a comprehensive induction tailored to their individual needs. This includes meetings with senior management to enable them to build up a detailed understanding of Shell's business and strategy, and the key risks and issues that we face. During the year however there were no new appointments to the Board. Throughout the year, regular updates on developments in legal matters, governance and accounting are provided to Directors. The Board regards site visits as an integral part of ongoing Director training. Additional training is available so that Directors can suitably update their skills and knowledge as appropriate.

Attendance during the year for all Board, Executive Committee and Board Committee meetings are given in the table below.

ATTENDANCE AT MEETINGS[A]

	Board	Executive Committee	Audit Committee	Nomination & Succession Committee	Remuneration Committee	Social Responsibility Committee
Maarten van den Bergh	8/8					4/4
Malcolm Brinded	8/8	30/31				
Linda Cook	8/8	31/31				
Nina Henderson	8/8					4/4
Sir Peter Job	7/8				6/6	
Lord Kerr of Kinlochard	8/8			7/7	6/6	
Wim Kok	8/8			4/4		4/4
Nick Land	8/8		5/5			
Aarnout Loudon	5/5			3/3	2/2	
Christine Morin-Postel	7/8		5/5			
Jorma Ollila	8/8			7/7	4/4	
Lawrence Ricciardi	8/8		5/5			
Rob Routs	8/8	31/31				
Jeroen van der Veer	8/8	31/31				
Peter Voser	8/8	31/31				

[A] The first figure represents attendance and the second figure the possible number of meetings. For example 6/8 signifies attendance at six out of a possible eight meetings. Where a director retired or was appointed to a Board Committee during the year, only meetings before retirement or after the date of appointment are shown.

EXECUTIVE COMMITTEE

The Executive Committee comprises:

Executive Directors

- Chief Executive – Jeroen van der Veer;
- Exploration & Production – Malcolm Brinded;
- Gas & Power, Shell Trading, Global Solutions and Technology – Linda Cook;
- Oil Sands, Oil Products and Chemicals – Rob Routs; and
- Chief Financial Officer – Peter Voser.

Directors of Functions During the year, the following were appointed as members of the Executive Committee:

- Corporate Affairs Director – Roxanne Decyk;
- Legal Director – Beat Hess; and
- Human Resources Director – Hugh Mitchell.

The Executive Committee operates under the direction of the Chief Executive and is responsible for Royal Dutch Shell's overall business and affairs. The Chief Executive has final authority in all matters of management that are not within the duties and authorities of the Board or of the Annual General Meeting. The Executive Committee supports the Chief Executive and implements all Board resolutions and supervises all management levels in Royal Dutch Shell.

AUDIT COMMITTEE

The members of the Audit Committee are Lawrence Ricciardi (chairman of the Committee), Nick Land and Christine Morin-Postel, all of whom are financially literate, independent, Non-executive Directors. For the purposes of the 2006 Combined Code, Christine Morin-Postel qualifies as a person with "recent and relevant financial experience" and for the purposes of US securities laws is an "audit committee financial expert". In March 2008, it was agreed that Lawrence Ricciardi, having served a three year period as Chairman of the Committee, would step down as Chairman with effect from the close of business of the 2008 Annual General Meeting and would be succeeded by Christine Morin-Postel. It was agreed that Lawrence Ricciardi would continue to serve as a member of the Committee. The Committee met five times during the year and Committee Members' attendances are shown on this page.

The key responsibilities of the Audit Committee are to assist the Board in fulfilling its responsibilities in relation to internal control and financial reporting, to carry out certain oversight functions on behalf of the Board and to monitor compliance with applicable external legal and regulatory requirements, the Shell General Business Principles, the Shell Code of Conduct, and the Code of Ethics for Executive Directors and Senior Financial Officers. The Audit Committee reviews and assesses the remit of the internal audit function. It monitors and discusses whether our risk management and internal control system is effective, including any significant matters arising from the audits which are discussed with, as appropriate, the Chief Internal Auditor, management or the external auditors, PricewaterhouseCoopers LLP.

The Audit Committee monitors the qualifications, expertise, resources and independence of both the internal and external auditors and assesses each year the auditors' performance and effectiveness. The Audit Committee also has established and monitors policies related to pre-approval of all services the external auditors provide. The Committee has established and monitors the implementation of procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls, auditing or other matters, including mechanisms for the confidential or anonymous submission of related concerns by employees. These include facilities to enable employees to submit concerns confidentially or anonymously, and to ensure independent investigation with follow-up action where suitable.

NOMINATION AND SUCCESSION COMMITTEE

The members of the Nomination and Succession Committee are Jorma Ollila (chairman of the Committee), Lord Kerr of Kinlochard and Wim Kok (with effect from May 16, 2007). During the year Aarnout Loudon retired as a committee member and as a Director of the Company at the AGM. The Committee met seven times during the year and Committee Members' attendances are shown on page 41.

The Committee keeps under review the leadership needs of Royal Dutch Shell. It identifies and nominates suitable candidates for the Board's approval to fill vacancies as and when they arise. The Committee also makes recommendations on who should be appointed chairman of the Audit Committee, the Remuneration Committee and the Social Responsibility Committee and, in consultation with the relevant chairman, on the appointment of committee members. It makes recommendations on corporate governance guidelines for Royal Dutch Shell, monitors compliance with corporate governance requirements and makes recommendations on disclosures connected to corporate governance and its appointment processes.

During the year, the Committee handled a number of matters, including general succession planning in respect of the Board and its Committees. The Committee also discussed the Board evaluation process, reviewed the independence of the Non-executive Directors and recommended to the Board a revised policy in respect of external directorships by Executive Directors.

REMUNERATION COMMITTEE

The members of the Remuneration Committee are Sir Peter Job (chairman of the Committee – with effect from May 16, 2007), Lord Kerr of Kinlochard and Jorma Ollila (with effect from June 20, 2007). During the year Aarnout Loudon retired as chairman of the Committee and as a Director of the Company at the AGM. In March 2008, it was agreed to appoint Dr Ackermann a member of the Committee with effect from the close of business of the 2008 AGM, subject to his election as a Director of the company at the AGM. The Committee met six times during the year. Committee Members' attendances are shown on page 41.

The Committee determines and agrees with the Board the remuneration policy for the Chairman, the Chief Executive and Executive Directors and within the terms of this policy, determines the individual remuneration package for the Chairman, the Chief Executive and the Executive Directors. The Committee also considers and advises on the terms of any contract to be offered to a Director. It monitors the remuneration for other senior executives and makes recommendations.

During the year, the Committee recommended individual remuneration packages for the Chief Executive, and, in consultation with the Chairman and the Chief Executive, other Executive Directors. The Board also agreed with the Committee performance targets for the remuneration of the Chief Executive and other Executive Directors. Further information on the work of the Committee and details of the remuneration of all the Directors for the year ended December 31, 2007 are set out in the Directors' Remuneration Report.

SOCIAL RESPONSIBILITY COMMITTEE

The members of the Social Responsibility Committee are Wim Kok (chairman of the Committee), Maarten van den Bergh and Nina Henderson. The Committee met four times during the year, and Committee Members' attendance is shown on page 41.

The main role of the Committee is to review on behalf of the Board the policies and conduct of Shell companies with respect to the Shell General Business Principles, the Shell Code of Conduct, the Health, Safety and Environment Policy, the principles relating to Sustainable Development and other major issues of public concern. The Committee does this by receiving reports and reviewing with management Shell's overall HSE and social performance, on Shell's annual performance against the Code of Conduct, on the management of social and environmental impacts at major projects and operations and on emerging social and environmental issues. It also provides input on and reviews the Shell Sustainability Report, including meeting face-to-face with the report's External Review Committee.

In addition to regular meetings, the Committee also visits Shell locations, meeting with local staff and external stakeholders to understand the community at first hand, with interested NGOs and with governments at the local and national levels, as relevant to the project. In particular, the Committee observes how Shell's standards are being implemented in practice and where in its judgement there might be areas for increased focus. In 2007, it visited the Athabasca Oil Sands Project in Alberta, Canada and the Sakhalin II project in Russia. The Committee chairman also visited Nigeria. After each visit, the Committee reports its observations to the Executive Director responsible for that project or site and to the full Board. The Committee reports on these topics and on its own conclusions and recommendations to executive management and the full Board.

BOARD EVALUATION

During the year, the Board carried out a performance evaluation of the Board, the Board committees, the Chairman and each of the Directors. As in previous years, this was an internal exercise led by the Nomination and Succession Committee. Previously the Board has conducted a detailed and comprehensive evaluation process by a combination of written survey questionnaires and one-to-one interviews, followed by a series of discussions. The outcome of these evaluations showed that Directors were in general positive about the performance and processes of the Board and the Board Committees, however they also indicated that Directors would like to see a greater involvement by the Board in both group strategy and succession matters. Both these issues were subsequently followed up with action plans and included the introduction of a Group Strategy Day and regular update reports from the Nomination and Succession Committee.

In view of the detailed and comprehensive evaluation conducted in 2006 and the relatively recent implementation of the action plans, the Board considered it unnecessary to conduct such an extensive process in 2007 and therefore agreed to conduct the process in 2007 by interview only. These interviews were structured and conducted on a one-to-one basis in accordance with the table below. This was followed by a discussion by the full Board of the results of the evaluation of the Board and Board Committees, whilst the results of the evaluation of the Chairman, the Chief Executive and Executive Directors were discussed by the Non-executive Directors. The outcome of this evaluation process showed that Directors were generally positive about the performance and processes of the Board and the Board committees and there was agreement that the action plans introduced after previous evaluation processes had brought about the desired changes in relation to group strategy and succession matters.

PERFORMANCE EVALUATIONS

Body to be evaluated	Interview arrangement
Board	Chairman to interview Non-executive Directors Chief Executive to interview Executive Directors
Chairman	Deputy Chairman to consult all other Directors and to interview Chairman
Non-executive Directors	Chairman to interview Non-executive Directors
Executive Directors	Chief Executive to interview Executive Directors
Board Committees	Committee Chairman to interview Committee Members

RESULTS PRESENTATIONS AND ANALYSTS MEETINGS

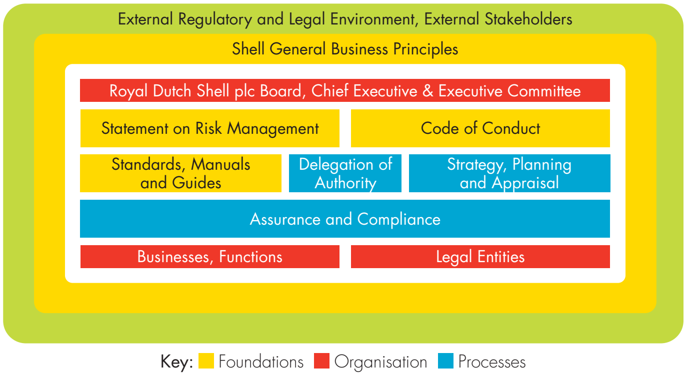
The quarterly and annual results presentations and all major analysts meetings are announced in advance on the Shell website and through a regulatory release. These presentations can be followed live via webcasting or tele-conference. Other meetings with analysts or investors are not normally announced in advance, nor can they be followed by webcast or any other means. Discussions in such meetings are always limited to information already in the public domain. This is in line with the requirement to ensure that all shareholders and other parties in the financial market have equal and simultaneous access to information that may influence the share price of Royal Dutch Shell. The Chairman, the Deputy Chairman, the Chief Executive, the Chief Financial Officer and the Executive Vice-President Investor Relations of Royal Dutch Shell report regularly to the Directors on the views of major shareholders.

GOING CONCERN

The Directors consider that, taking into account the assets and income of Shell, Royal Dutch Shell has adequate resources to continue in operational existence for the foreseeable future. For this reason the Directors adopt the going concern basis for the Financial Statements contained in this Review.

CONTROLS AND PROCEDURES

The Board is responsible for Shell's system of internal control and for reviewing its effectiveness and has delegated authority to the Audit Committee to assist it in fulfilling its responsibilities in relation to internal control and financial reporting. A single overall control framework is in place which is designed to manage rather than eliminate the risk of failure to achieve business objectives, and only provides reasonable and not absolute assurance against material misstatement or loss. The Shell Control Framework applies to all wholly owned Shell companies and to those ventures and other companies where Royal Dutch Shell, directly or indirectly, has a controlling interest. The following diagram, which has been updated during the year, illustrates the Control Framework's key components: Foundations, Organisation and Processes. In "Foundations" we state the objectives, principles and rules that underpin and establish boundaries for Shell's activities. "Organisation" sets out how the various legal entities involved relate to each other and how their business activities are organised and managed. "Processes" concerns the more material processes, including how authority is delegated, how strategy is set and plans are made and how performance and compliance are monitored, appraised and assured. All control activities relate to one or more of these components.



The Board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by Shell, which has been in place throughout the year and up to the date of this report, is regularly reviewed by the Board and accords with the guidance for directors, known as the Turnbull Guidance. Shell has a variety of processes for obtaining assurance on the adequacy of risk management and internal control. It has a structured process to identify and review risks to the achievement of Shell's objectives. The Executive Committee and the Audit Committee regularly consider group-level risks and associated control mechanisms. The Board has conducted its annual review of the effectiveness of Shell's system of risk management and internal controls which cover financial, operational and compliance controls.

FURTHER INFORMATION

The following is available on www.shell.com/investor:

- the terms of reference of the Board Committees explaining their roles and the authority the Board delegates to them;
- the full list of matters reserved to the Board for decision;
- Shell General Business Principles;
- Shell Code of Conduct;
- Code of Ethics for Executive Directors and Senior Financial Officers; and
- Memorandum and Articles of Association.

Summary Directors' Remuneration Report

This is a summary of the full Directors' Remuneration Report which can be found in the Annual Report and Form 20-F for the year ended December 31, 2007 and on the Shell website www.shell.com/annualreport.

EXECUTIVE DIRECTORS' REMUNERATION

The Remuneration Committee (REMCO) is committed to the principles of pay for performance, competitiveness, shareholding, consistency and compliance. It bases remuneration policies and decisions for Executive Directors on these principles.

The Executive Directors' compensation package is made up of base salary, annual bonus, long-term incentives, pension and other benefits.

ACTUAL TOTAL COMPENSATION OF EXECUTIVE DIRECTORS IN OFFICE DURING 2007 €

	Jeroen van der Veer	Malcolm Brinded	Linda Cook	Rob Routs	Peter Voser
Earnings	4,692,909	2,766,517	2,601,749	2,488,780	2,398,793
Release of LTIP awards	0	0	0	0	0
Release of Deferred Bonus Plan awards	0	0	0	0	0
Share option gains	389,564	300,352	–	–	–
Pension benefits	1,421,000	68,678	1,063,792	420,000	451,818
Total compensation in euro	6,503,473	3,135,547	3,665,541	2,908,780	2,850,611
in US dollar	8,963,732	4,321,722	5,052,213	4,009,170	3,928,995
in sterling	4,473,283	2,156,723	2,521,269	2,000,746	1,960,735

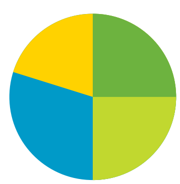
EXECUTIVE DIRECTORS' 2007 EARNINGS

Base salary levels are set with reference to appropriate market levels as benchmarked against a comparator group comprising companies of comparable size, complexity and scope.

The current grouping consists of the oil majors (BP, Chevron, ExxonMobil and Total) and a selection of top European-based companies, including a selection from the FTSE and AEX. In 2007, REMCO endorsed Executive Directors' base salary increases as follows: Jeroen van der Veer 8.8%, Malcolm Brinded 4.2%, Linda Cook 5.4%, Rob Routs 4.7% and Peter Voser 5.4%. These increases sustain competitive market positions, recognising normal market movements.

The annual bonus is designed to reward Executive Directors for achieving results that further Shell's objectives and is determined in accordance with stretching but realistic financial, operational and sustainable development targets in the Shell Scorecard. At the end of the financial year, results are translated into an overall score between a minimum of zero and a maximum of two. Bonus awards are based on this score multiplied by the target bonus level. REMCO uses its judgement to make a final determination.

SHELL SCORECARD COMPONENTS



- 25% Total Shareholder Return (TSR) against major integrated oil companies
- 25% Operational cash flow
- 30% Operational excellence in each of the businesses
- 20% Sustainable development[A]

[A] Primarily based on number of reported cases of work-related injury, but also including other Sustainable Development measures, details of which can be found in the Shell Sustainability Report.

EARNINGS OF EXECUTIVE DIRECTORS IN OFFICE DURING 2007 (This table has been audited) €

	Jeroen van der Veer 2007	Jeroen van der Veer 2006	Malcolm Brinded 2007	Malcolm Brinded 2006	Linda Cook 2007	Linda Cook 2006	Rob Routs 2007	Rob Routs 2006	Peter Voser 2007	Peter Voser 2006
Salary	1,775,000	1,625,000	1,097,500	1,062,500	960,000	885,112[A]	977,500	940,000	960,000	892,500
Bonus[B]	2,886,000	2,040,000	1,601,600	1,290,000	1,408,550	1,122,000	1,430,000	1,146,000	1,408,550	1,122,000
Cash benefits[C]	15,000	15,840	7,500	8,340	154,674	173,814	43,100	42,903	22,219	16,428
Total cash	4,676,000	3,680,840	2,706,600	2,360,840	2,523,224	2,180,926	2,450,600	2,128,903	2,390,769	2,030,928
Car benefit	–	–	24,443	22,049	20,929	24,006	31,506	35,108	–	–
Other benefits[D]	16,909	13,371	35,474	28,457	57,596	56,302	6,675	5,157	8,024	17,513
Total in euro	4,692,909	3,694,211	2,766,517	2,411,346	2,601,749	2,261,234	2,488,781	2,169,168	2,398,793	2,048,441
Total in US dollar	6,468,233	4,672,739	3,813,088	3,050,066	3,585,989	2,860,192	3,430,284	2,743,740	3,306,254	2,591,035
Total in sterling	3,227,923	2,518,173	1,902,893	1,643,703	1,789,561	1,541,378	1,711,857	1,478,621	1,649,961	1,396,327

[A] The 2006 salary was calculated from euro to US dollar allocations. The equivalent value would have been €892,500.
[B] The annual bonus figures are shown in the table in their related performance year and not in the following year in which they are paid.
[C] Includes representation allowances, employer contributions to health insurance plan, school fees, car allowances and tax compensation.
[D] Comprises social security premiums paid by the employer as well as provisions for company-provided transport for home to office commuting, and exceptional use of the corporate aircraft.

The aggregate amount of emoluments paid to or receivable by Executive Directors of Royal Dutch Shell and other Shell companies for services in all capacities during the fiscal year ended December 31, 2007 was €14,948,749 (2006: €12,584,400).

The target level of the 2007 bonus was 120% of base salary for the Chief Executive and 110% of base salary for Executive Directors. The maximum bonus for the Chief Executive and Executive Directors was 240% and 220%, respectively. Taking into account the 2007 Shell Scorecard result of 1.3, REMCO determined that the annual bonuses payable to the Chief Executive and the Executive Directors for 2007 would be 156% and 143% of base salary, respectively.

LONG-TERM INCENTIVES

Long-term incentives ensure a closer link between Executive Directors' pay and Shell's performance compared to its peers. REMCO continues to review long-term incentive measures. To date relative Total Shareholder Return (TSR) has been regarded as the performance test that most closely aligns the interests of Executive Directors with those of shareholders. Awards are subject to performance over a period of three years.

Under the Long-term Incentive Plan (LTIP) and Deferred Bonus Plan (DBP) conditional performance and performance-related matching shares are released if the performance condition is met and if the participant remains in employment during the performance period (subject to certain exceptions, including retirement). REMCO will retain discretion to adjust the levels of release depending on its judgement of the underlying performance of Shell as determined by the achievement of the annual Shell Scorecard targets.

Under the LTIP an award of performance shares is made conditionally once a year. Awards have a face value between zero and two and a half times base salary. The current schedule of awards is as follows:

TSR RANK	FINAL NUMBER OF PERFORMANCE SHARES
1st	2 x award
2nd	1.5 x award
3rd	0.8 x award
4th or 5th	Nil

During 2007, the face value of conditional awards made were 2.4 times base salary for the Chief Executive and 2.2 times base salary for the other Executive Directors. The actual number of shares received in 2010 will depend on TSR performance over the period 2007 to 2009.

The DBP encourages share ownership by allowing Executive Directors to invest part of their annual bonus in Royal Dutch Shell shares. Under the DBP, Executive Directors can choose to invest up to 50% of their annual bonus in deferred bonus shares. From the 2006 financial year, Executive Directors have been required to defer a minimum of 25% of their bonus into deferred bonus shares. Any dividends payable on these deferred bonus shares are accrued as dividend shares. Provided the Executive Director remains employed by Shell for three years following the year in which the bonus was earned, he or she will receive one matching share for every four deferred bonus and dividend shares.

Additional performance-related matching shares can be earned consistent with the LTIP as follows:

TSR RANK	NUMBER OF PERFORMANCE-RELATED MATCHING AND DIVIDEND SHARES (per every 4 deferred bonus shares)
1st	3
2nd	2
3rd	1
4th or 5th	Nil

The deferred bonus shares, dividend shares and matching shares are released three years after the end of the year in which the annual bonus was earned. Jeroen van der Veer, Malcolm Brinded and Linda Cook elected to defer 50%, Rob Routs 40% and Peter Voser 25% of their 2007 bonuses, respectively.

For the performance period January 1, 2005 to December 31, 2007 REMCO used its discretion to release 65% of the LTIP award and 65% of one DBP performance-related matching share.

The aggregate expected value of shares awarded to the Executive Directors under the LTIP during 2007 was $14,635,494 and the aggregate gains derived from exercising share options during the year was $994,389.

PENSIONS

There is no mandatory retirement age for Executive Directors. REMCO will agree retirement schedules with Executive Directors to retire as appropriate to plan effective executive leadership succession, taking into account applicable legislation and the individual's preferences.

Retirement benefit arrangements for Executive Directors are based on local market practices. Under these arrangements only the base salary is pensionable except in relation to Linda Cook. In line with standard US market practice, under the US plans Linda Cook's annual bonus is also pensionable. Contribution rates for Executive Directors are the same as for other employees under these plans.

During 2007, Jeroen van der Veer, Malcolm Brinded, Linda Cook, Rob Routs and Peter Voser accrued retirement benefits under defined benefit plans. Linda Cook also received defined contribution benefits under US plans.

SHAREHOLDINGS

Executive Directors are expected to build up shareholdings to the value of two times their base salary over five years. Until the targets are met, they are required to, in the course of the relevant year, acquire shares to the value of at least 50% of the after tax gain arising from any awards vesting from 2008 onwards pursuant to the Company's executive share incentive plans. Once the targets have been met, they are required to hold the shares and maintain that level for the full period of their appointment as Executive Directors.

EXECUTIVE DIRECTORS' CONTRACTS OF SERVICE

Contracts for Executive Directors are governed by Dutch law. They contain similar terms and conditions and are consistent with those for other Netherlands-based senior executives. Under Dutch law, their contracts entitle them to the statutory notice period that applies for employees in the Netherlands. This is one month for an employee and up to a maximum of four months for the employer, depending on the duration of the employment contract concerned at the time of termination.

Jeroen van der Veer's and Rob Routs's contracts have been extended to June 30, 2009 and December 31, 2008 respectively. As is the case with Rob Routs, Jeroen van der Veer will receive a lump sum payment representing the net present value of the difference in the pension accrued under the prevailing pension fund rules and the amount which he would have accrued by June 30, 2009 had he retired as originally scheduled, at age 60.

Peter Voser will stand for re-election at the AGM of 2008, Jeroen van der Veer is scheduled to stand for re-election at the AGM of 2009 and Malcolm Brinded and Linda Cook are scheduled to stand for re-election at the AGM of 2010.

Standard Executive Director contracts do not contain any predetermined settlements for early termination. REMCO will recommend terms and conditions for any situation that arises where severance payment is appropriate, taking into consideration applicable law and corporate governance provisions. Temporary severance arrangements may be agreed to help the recruitment process if Executive Directors are appointed from outside Shell.

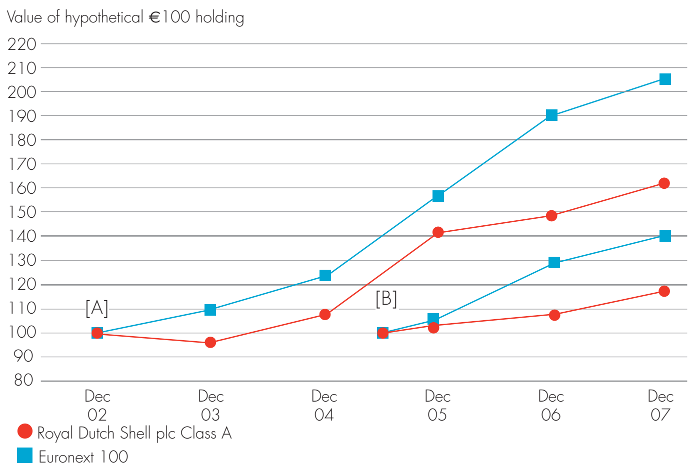
PERFORMANCE GRAPHS

The graphs below compare, on the basis required by Schedule 7A of the Companies Act 1985, the TSR of Royal Dutch Shell and that of the companies comprising the Euronext 100 share index and the FTSE 100 share index.

The Board regards the Euronext 100 and the FTSE 100 share indices as an appropriate broad market equity index for comparison, as they are the leading market indices in Royal Dutch Shell's home markets.

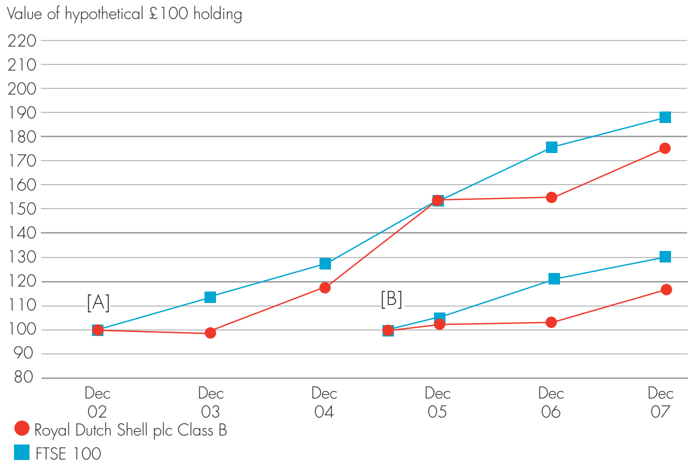
HISTORICAL TSR PERFORMANCE OF ROYAL DUTCH SHELL plc CLASS A

Growth in value of a hypothetical €100 holding [A] over five years and [B] since unification on July 20, 2005.
Euronext 100 comparison based on 30 trading day average values.



HISTORICAL TSR PERFORMANCE OF ROYAL DUTCH SHELL plc CLASS B

Growth in value of a hypothetical £100 holding [A] over five years and [B] since unification on July 20, 2005.
FTSE 100 comparison based on 30 trading day average values.



NON-EXECUTIVE DIRECTORS

REMUNERATION POLICY

The Board determines the fees payable to Non-executive Directors of Royal Dutch Shell, within a limit specified by the Articles of Association. The annual limit was set at £2,500,000.
In 2007, the total amount of fees to Royal Dutch Shell Non-executive Directors was £1,360,678 ($2,726,578).

From 2007, Non-executive Directors' fees have been set in euro. The 2007 fee level for the Chairman of the Board was €750,000. All Non-executive Directors of Royal Dutch Shell were paid an annual fee of €105,000. The Senior Independent Director, Lord Kerr of Kinlochard, received an additional fee of €45,000.

ADDITIONAL ANNUAL COMMITTEE FEES OF NON-EXECUTIVE DIRECTORS as at December 31, 2007 €

Committee name	Chairman's fee[A]	Member's fee
Audit Committee	37,500	22,500
Remuneration Committee	30,000	17,250[B]
Social Responsibility Committee	30,000	17,250
Nomination and Succession Committee	22,500[B]	12,000

[A] The chairman of a committee of the Board does not receive an additional fee for membership of that committee.
[B] Jorma Ollila receives no additional payments for chairing the Nomination and Succession Committee and for being a member of the Remuneration Committee. He does have the use of an apartment when on business in The Hague.

EARNINGS OF NON-EXECUTIVE DIRECTORS OF ROYAL DUTCH SHELL IN OFFICE DURING 2007 (This table has been audited)

Royal Dutch Shell Non-executive Directors	2007 £	2007 €	2007 $	2006 £	2006 €	2006 $
Maarten van den Bergh	84,087	122,250	168,497	77,858	114,219	144,473
Nina Henderson	108,849	158,250	218,116	117,133	171,836	217,353
Sir Peter Job	92,107	133,910	184,568	81,351	119,344	150,956
Lord Kerr of Kinlochard	123,293	179,250	247,060	119,282	174,989	221,341
Wim Kok[A]	99,396	144,507	199,173	84,845	124,469	157,439
Nick Land	88,303	128,379	176,944	42,725	62,679	79,281
Aarnout Loudon[B]	38,295	55,675	76,737	97,821	143,506	181,518
Christine Morin-Postel	87,698	127,500	175,733	84,845	124,469	157,439
Jorma Ollila	515,872	750,000	1,033,724	292,771	429,501	543,268
Lawrence Ricciardi	122,778	178,500	246,026	115,867	169,979	215,003

[A] Includes a compulsory company contribution to Dutch medical insurance.
[B] Aarnout Loudon retired from the Board of Royal Dutch Shell on May 15, 2007.

Committee chairman and committee fees for 2007 and 2008 are shown in the table above. Non-executive Directors are paid an additional fee of €4,500 for any Board meeting involving intercontinental travel, although there will be no payment for one meeting per year requiring intercontinental travel, held in a location other than The Hague.

NON-EXECUTIVE DIRECTORS' PENSION INTEREST

Non-executive Directors do not accrue any retirement benefits as a result of their Non-executive Directorships with the Company. During his service as an employee and a Managing Director, Maarten van den Bergh accrued retirement benefits under the Stichting Shell Pensioenfonds and the Shell Petroleum Company Limited Managing Directors' Pension Scheme.

APPOINTMENTS

In accordance with the Combined Code, Non-executive Directors are appointed for specified terms of office, subject to the provisions of the Articles of Association regarding their election and re-election at the Annual General Meeting. Sir Peter Job and Lawrence Ricciardi will stand for re-election at the AGM of 2008.

Non-executive Directors' appointments are subject to three months' notice and there is no compensation provision for early termination.

A copy of the standard letter of appointment for Non-executive Directors can be obtained from the Company Secretary.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

Compensation of $36,524,815 was paid and/or accrued for services in all capacities provided by Directors and Senior Management of Royal Dutch Shell during the fiscal year ended December 31, 2007. A further amount of $7,075,010 (excluding inflation) was accrued to provide pension, retirement and similar benefits.

Signed on behalf of the Board

Michiel Brandjes
Company Secretary
March 12, 2008

Summary Consolidated Financial Statements

These Summary Consolidated Financial Statements are an abridged version of the Consolidated Financial Statements of the Royal Dutch Shell group and of the Directors' Remuneration Report for 2007. They do not contain sufficient information to allow for a full understanding of the results and the state of affairs of the Royal Dutch Shell Group, and of its policies and of arrangements concerning Directors' remuneration. The auditors' report on the Consolidated Financial Statements and the auditable part of the Directors' Remuneration Report was unqualified. For further information consult the full 2007 Annual Report and Form 20-F at www.shell.com/annualreport, or request a free copy from the address on the back cover.

SUMMARY CONSOLIDATED STATEMENT OF INCOME			**$ million**
	2007	2006	2005
Revenue			
Exploration & Production	14,963	16,750	22,865
Gas & Power	15,982	16,035	14,014
Oil Sands	1,069	1,159	1,105
Oil Products	282,665	248,581	237,210
Chemicals	41,046	36,306	31,018
Corporate	57	14	519
Total	355,782	318,845	306,731
Cost of sales	296,697	262,989	252,622
Gross profit	59,085	55,856	54,109
Selling, distribution and administrative expenses	16,621	16,616	15,482
Exploration	1,712	1,562	1,286
Share of profit of equity-accounted investments	8,234	6,671	7,123
Interest and other income	2,698	1,428	1,171
Interest expense	1,108	1,149	1,068
Income before taxation	50,576	44,628	44,567
Taxation	18,650	18,317	17,999
Income from continuing operations	31,926	26,311	26,568
Income/(loss) from discontinued operations	–	–	(307)
Income for the period	31,926	26,311	26,261
Income attributable to minority interest	595	869	950
Income attributable to shareholders of Royal Dutch Shell plc	31,331	25,442	25,311
Research and development expenditure included in cost of sales	1,201	885	588

EARNINGS PER SHARE			**$**
	2007	2006	2005
Basic earnings per share	5.00	3.97	3.79
Continuing operations	5.00	3.97	3.84
Discontinued operations	–	–	(0.05)
Diluted earnings per share	4.99	3.95	3.78
Continuing operations	4.99	3.95	3.83
Discontinued operations	–	–	(0.05)

The Notes on page 51 are an integral part of these Summary Consolidated Financial Statements.

SUMMARY CONSOLIDATED BALANCE SHEET		$ million
	Dec 31, 2007	Dec 31, 2006
ASSETS		
Non-current assets		
Intangible assets	5,366	4,808
Property, plant and equipment	101,521	100,988
Investments:		
equity-accounted investments	29,153	20,740
financial assets	3,461	4,493
Deferred tax	3,253	2,968
Prepaid pension costs	5,559	3,926
Other	5,760	5,468
	154,073	143,391
Current assets		
Inventories	31,503	23,215
Accounts receivable	74,238	59,668
Cash and cash equivalents	9,656	9,002
	115,397	91,885
Total assets	269,470	235,276
LIABILITIES		
Non-current liabilities		
Debt	12,363	9,713
Deferred tax	13,039	13,094
Retirement benefit obligations	6,165	6,096
Other provisions	13,658	10,355
Other	3,893	4,325
	49,118	43,583
Current liabilities		
Debt	5,736	6,060
Accounts payable and accrued liabilities	75,697	62,556
Taxes payable	9,733	6,021
Retirement benefit obligations	426	319
Other provisions	2,792	1,792
	94,384	76,748
Total liabilities	143,502	120,331
Equity attributable to shareholders of Royal Dutch Shell plc	123,960	105,726
Minority interest	2,008	9,219
Total equity	125,968	114,945
Total liabilities and equity	269,470	235,276

/s/ Peter Voser

Peter Voser
Chief Financial Officer, for and on behalf of the Board of Directors
March 12, 2008

The Notes on page 51 are an integral part of these Summary Consolidated Financial Statements.

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

$ million

	Equity attributable to shareholders of Royal Dutch Shell plc	Minority interest	Total equity
At January 1, 2005	86,866	5,313	92,179
Income for the period	25,311	950	26,261
Income/(expense) recognised directly in equity	(4,366)	106	(4,260)
Dividends paid	(10,556)	(293)	(10,849)
Other changes	(6,331)	924	(5,407)
At December 31, 2005	90,924	7,000	97,924
Income for the period	25,442	869	26,311
Income/(expense) recognised directly in equity	4,671	38	4,709
Dividends paid	(8,142)	(289)	(8,431)
Other changes	(7,169)	1,601	(5,568)
At December 31, 2006	105,726	9,219	114,945
Income for the period	31,331	595	31,926
Income/(expense) recognised directly in equity	4,933	27	4,960
Dividends paid	(9,001)	(203)	(9,204)
Other changes	(9,029)	(7,630)	(16,659)
At December 31, 2007	123,960	2,008	125,968

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

$ million

	2007	2006	2005
Cash flow from operating activities:			
Income for the period	31,926	26,311	26,261
Adjustment for:			
Current taxation	20,076	17,338	19,435
Interest (income)/expense	550	716	632
Depreciation, depletion and amortisation	13,180	12,615	11,981
(Profit)/loss on sale of assets	(3,349)	(571)	(1,313)
Decrease/(increase) in net working capital	(6,206)	(4,052)	(5,664)
Share of profit of equity-accounted investments	(8,234)	(6,671)	(7,123)
Dividends received from equity-accounted investments	6,955	5,488	6,709
Deferred taxation and other provisions	(773)	1,833	(1,515)
Other	(801)	(266)	(47)
Cash flow from operating activities (pre-tax)	53,324	52,741	49,356
Taxation paid	(18,863)	(21,045)	(19,243)
Cash flow from operating activities	34,461	31,696	30,113
Cash flow from investing activities:			
Capital expenditure	(24,576)	(22,922)	(15,904)
Investments in equity-accounted investments	(1,852)	(851)	(705)
Proceeds from sale of assets	8,566	1,611	2,310
Proceeds from sale of equity-accounted investments	1,012	282	4,313
Proceeds from sale of/(additions to) financial assets	1,055	22	362
Interest received	1,225	997	863
Cash flow from investing activities	(14,570)	(20,861)	(8,761)
Cash flow from financing activities:			
Net increase/(decrease) in debt with maturity period within three months	(455)	75	(956)
Other debt:			
New borrowings	4,565	4,263	2,130
Repayments	(2,796)	(2,232)	(2,656)
Interest paid	(1,235)	(1,296)	(1,124)
Change in minority interest	(6,757)	1,434	1,143
Net issue/(repurchase) of shares	(4,387)	(8,047)	(4,988)
Dividends paid to:			
Shareholders of Royal Dutch Shell plc	(9,001)	(8,142)	(10,556)
Minority interest	(203)	(289)	(293)
Payments to former Royal Dutch shareholders	–	–	(1,651)
Treasury shares: net sales/(purchases) and dividends received	876	493	378
Cash flow from financing activities	(19,393)	(13,741)	(18,573)
Currency translation differences relating to cash and cash equivalents	156	178	(250)
Increase/(decrease) in cash and cash equivalents	654	(2,728)	2,529
Cash and cash equivalents at January 1	9,002	11,730	9,201
Cash and cash equivalents at December 31	9,656	9,002	11,730

The Notes on page 51 are an integral part of these Summary Consolidated Financial Statements.

Notes to the Summary Consolidated Financial Statements

1
NATURE OF THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The Summary Consolidated Financial Statements have been derived from the Consolidated Financial Statements of Royal Dutch Shell plc and its subsidiaries (collectively known as the "Shell group"). These financial statements give retroactive effect for all periods presented to the Unification whereby, on July 20, 2005 Royal Dutch Shell plc became the parent company of Royal Dutch Petroleum Company and The "Shell" Transport and Trading Company, p.l.c.

The Consolidated Financial Statements have been prepared in accordance with the provisions of the Companies Act 1985, Article 4 of the International Accounting Standards (IAS) Regulation and with International Financial Reporting Standards (IFRS) as adopted by the European Union. As applied to Royal Dutch Shell, there are no material differences with IFRS as issued by the International Accounting Standards Board (IASB).

The Consolidated Financial Statements have been prepared in accordance with IFRS as issued by the IASB.

The Consolidated Financial Statements are presented in US dollars ("dollars") and include the accounts of Royal Dutch Shell plc and of those companies in which it, either directly or indirectly, has control either through a majority of the voting rights or the right to exercise a controlling influence or to obtain the majority of the benefits and be exposed to the majority of the risks. Investments in companies over which Shell has the right to exercise significant influence but not control are classified as associated companies and are accounted for on the equity basis. Interests in jointly controlled entities are also recognised on the equity basis. Interests in jointly controlled assets are recognised by including the Shell share of assets, liabilities, income and expenses on a line-by-line basis.

Assets and liabilities of non-dollar Shell companies are translated to dollars at year-end rates of exchange, while their statements of income and cash flows are translated at quarterly average rates. Translation differences arising on consolidation are taken directly to a currency translation differences account within equity. Upon divestment or liquidation of an entity, cumulative currency translation differences related to that entity are taken to income.

2
SEGMENT EARNINGS

SEGMENT EARNINGS			$ million
	2007	2006	2005
Exploration & Production	14,686	14,544	13,577
Gas & Power	2,781	2,633	1,378
Oil Sands	582	651	661
Oil Products	10,439	7,125	9,982
Chemicals	2,051	1,064	991
Corporate	1,387	294	(328)
Income for the period	31,926	26,311	26,261

With effect from 2007, wind and solar activities, which were previously reported within Other industry segments, are reported within the Gas & Power segment and Oil Sands activities, which were previously reported within the Exploration & Production segment, are reported as a separate segment. Prior period financial statements have been reclassified accordingly. During 2007, the hydrogen and CO_2 coordination activities were moved from Other industry segments to the Oil Products segment and all other activities within Other industry segments are now reported within the Corporate segment.

3
DIVIDENDS

DIVIDENDS			$ million
	2007	2006	2005
Interim dividends paid: $1.405 per Class A share (2006: $1.225; 2005: $1.52) [A]	5,154	4,726	6,241
Interim dividends paid: $1.405 per Class B share (2006: $1.225; 2005: $1.55) [A]	3,847	3,416	4,315
Total	9,001	8,142	10,556

[A] Dividends for 2006 and 2005 were declared in euro and have been translated, for comparison purposes, to US dollars (based on conversion of dollar dividend in respect of American Depository Receipts (ADR) in the applicable period; one ADR is equal to two ordinary shares).

4
DIRECTORS AND SENIOR MANAGEMENT COMPENSATION

DIRECTORS AND SENIOR MANAGEMENT COMPENSATION			$ million
	2007	2006	2005
Short-term employee benefits [A]	27.6	15.9	14.4
Retirement benefits [B]	3.1	2.1	4.3
Other long-term benefits [C]	5.3	4.1	2.3
Share-based compensation [D]	18.0	12.5	4.9
Realised gains on exercise of share options	3.5	1.5	0.2

[A] In addition to salaries and fees, this includes annual bonus (shown in the related performance year and not in the following year in which they are paid), cash benefits, car benefits and other benefits such as medicare contributions and social law taxes.
[B] The amounts contributed by Shell to pension funds. 2005 includes a one-off payment of $2.6 million made on behalf of Peter Voser to the Shell Swiss Expatriate Pension Fund.
[C] The annual bonus deferred under the Deferred Bonus Plan.
[D] Cost to Shell of Directors and Senior Management participation in share-based payment plans.

There were five members of Senior Management in 2007 compared to one in 2006. In 2005, Directors and Senior Management comprised the Executive and Non-executive Directors of Royal Dutch Shell.

There were no termination benefits in 2007, 2006 and 2005.

Aggregate Directors' emoluments in respect of qualifying services to Royal Dutch Shell are $23.3 million (2006: $18.2 million; 2005: $7.9 million).

5
POST BALANCE SHEET EVENTS

Since December 31, 2007, additional purchases of shares have been made under the Company's buyback programme. At February 26, 2008, a further 21,280,000 Class A shares (representing 0.3% of Royal Dutch Shell's issued share capital at December 31, 2007) had been purchased for cancellation at a total cost of $796 million including expenses, at an average price of €25.23 and 1,892.73 pence per Class A share.

Independent Auditors' Statement to the members of Royal Dutch Shell plc

We have examined the Summary Consolidated Financial Statements which comprise the Summary Consolidated Statement of Income, the Summary Consolidated Balance Sheet, the Summary Consolidated Statement of Changes in Equity, the Summary Consolidated Statement of Cash Flows and the Notes to the Summary Consolidated Financial Statements together with the Summary Directors' Remuneration Report.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the Annual Review and Summary Financial Statements in accordance with United Kingdom law.

Our responsibility is to report to you our opinion on the consistency of the Summary Consolidated Financial Statements with the full annual Consolidated Financial Statements, the Report of the Directors and the Directors' Remuneration Report, and its compliance with the relevant requirements of section 251 of the Companies Act 1985 and the regulations made thereunder.

We also read the other information contained in the Annual Review and Summary Financial Statements and consider the implications for our statement if we become aware of any apparent misstatements or material inconsistencies with the Summary Consolidated Financial Statements.

This statement, including the opinion, has been prepared for and only for the company's members as a body in accordance with section 251 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this statement is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

BASIS OF OPINION

We conducted our work in accordance with Bulletin 1999/6, 'The auditors' statement on the summary financial statement' issued by the Auditing Practices Board. Our report on the company's full annual Consolidated Financial Statements describes the basis of our audit opinion on those financial statements and the Directors' Remuneration Report.

OPINION

In our opinion the Summary Consolidated Financial Statements are consistent with the full annual Consolidated Financial Statements, the Report of the Directors and the Directors' Remuneration Report of Royal Dutch Shell plc for the year ended December 31, 2007 and complies with the applicable requirements of section 251 of the Companies Act 1985, and the regulations made thereunder.

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
March 12, 2008

NOTES

The maintenance and integrity of the Royal Dutch Shell plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the full annual financial statements or the summary financial statement since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Supplementary information

PROVED OIL AND NATURAL GAS RESERVES[A] (At December 31)			million barrels of oil equivalent[B]
	2007	2006	2005
Shell subsidiaries	6,686	8,452	7,761
Shell share of equity-accounted investments	4,140	3,355	3,705

PROVEN AND PROBABLE MINABLE OIL SANDS RESERVES (At December 31)			million barrels
	2007	2006	2005
Shell subsidiaries			
Net proven reserves [A]	1,111	1,134	746
Net probable reserves [B]	362	341	119

[A] Proven minable oil sands reserves are computed from dimensions revealed in drill holes and the bitumen grades are computed from the results of detailed sampling. The sites for inspection, sampling, and measurement are spaced so closely and the geological character is so well defined that size, shape, depth, and bitumen content of the reserves are well established.
[B] Probable minable oil sands reserves are computed from information similar to that used for proven reserves, however, the sites for inspection, sampling, and measurement are farther apart or are otherwise less adequately spaced. Although the degree of assurance is less than that for proven reserves, it is sufficient to assume continuity between points of observation.

CAPITAL INVESTMENT			$ million
	2007	2006	2005
Exploration & Production	15,919	17,079	11,772
Gas & Power	3,532	2,351	1,656
Oil Sands	1,931	865	274
Oil Products	3,856	3,457	2,844
Chemicals	1,419	877	599
Corporate	415	267	291
Total	27,072	24,896	17,436

OPERATIONAL DATA

CRUDE OIL AND NATURAL GAS LIQUIDS PRODUCTION			
(including equity-accounted investments and excluding oil sands)			thousand barrels/day
	2007	2006	2005
Europe	423	496	541
Middle East, Africa, CIS and Asia Pacific	992	1,036	1,044
USA	324	322	333
Canada, Latin America	79	94	80
Total	1,818	1,948	1,998

NATURAL GAS PRODUCTION AVAILABLE FOR SALE			
(including equity-accounted investments)			million standard cubic feet/day
	2007	2006	2005
Europe	3,350	3,523	3,659
Middle East, Africa, CIS and Asia Pacific	3,239	3,167	2,955
USA	1,130	1,163	1,150
Canada, Latin America	495	515	499
Total	8,214	8,368	8,263

LIQUEFIED NATURAL GAS (LNG)			
			million tonnes
	2007	2006	2005
Equity LNG sales volume	13.2	12.1	10.7

MINED OIL SANDS NET PRODUCTION[A]			
			thousand barrels/day
	2007	2006	2005
Athabasca Oil Sands Project	81	82	95

[A] Volumes represent Shell's share of production (60%) net of royalty payments.

REFINERY PROCESSING INTAKE			
			thousand barrels/day
	2007	2006	2005
Europe	1,731	1,732	1,804
Middle East, Africa, CIS and Asia Pacific	811	808	849
USA	879	956	953
Canada, Latin America	358	366	375
Total	3,779	3,862	3,981

OIL SALES			
			thousand barrels/day
	2007	2006	2005
Gasolines	2,178	2,206	2,404
Kerosines	756	749	811
Gas/diesel oils	2,295	2,106	2,296
Fuel oil	704	747	844
Other products	692	677	702
Total	6,625	6,485	7,057

CHEMICAL SALES VOLUMES BY MAIN CATEGORY			
			thousand tonnes
	2007	2006	2005
Base chemicals	12,968	14,146	13,710
First-line derivatives	9,577	8,964	8,891
Other	10	27	225
Total	22,555	23,137	22,826

Shareholder information

ANNUAL GENERAL MEETING

The Annual General Meeting of Royal Dutch Shell plc will be held at the Circustheater, Circusstraat 4 in The Hague, The Netherlands at 11.00 a.m. (Dutch time) on May 20, 2008, with an audio-visual link to a satellite meeting place at The Barbican Centre, London, UK at 10.00 a.m. (UK time).

CLASS A AND CLASS B SHARES

Royal Dutch Shell has two classes of shares – Class A shares and Class B shares. The Class A shares and Class B shares have identical rights except in relation to the dividend source. Dividends having a Dutch source are intended to be paid to holders of Class A shares and dividends having a UK source are intended to be paid to holders of Class B shares.

ROYAL DUTCH SHELL LISTING INFORMATION

	CLASS A SHARES	CLASS B SHARES
Ticker symbol – London	RDSA	RDSB
Ticker symbol – Amsterdam	RDSA	RDSB
Ticker symbol – New York (ADR[A])	RDS.A	RDS.B
ISIN Code	GB00B03MLX29	GB00B03MM408
CUSIP	G7690A100	G7690A118
SEDOL Number – London	B03MLX2	B03MM40
SEDOL Number – Euronext	B09CBL4	B09CBN6
Weighting on FTSE as at 31/12/07	4.953%	3.777%
Weighting on AEX as at 31/12/07	18.897%	not included

[A] One ADR is equal to two underlying shares.

SHARE PRICES

RDSA AND ROYAL DUTCH ORDINARY SHARES – AMSTERDAM[A] €

	RDSA			Royal Dutch ordinary shares		
	2007	2006	2005 (Jul 20 to Dec 31)	2005[B] (Jan 1 to Sep 30)	2004	2003
High	31.35	28.53	27.67	28.38	22.02	22.29
Low	23.72	24.32	24.12	20.92	18.30	16.68
Year end	28.75	26.72	25.78	25.80	21.18	20.90

RDSB – AMSTERDAM €

	2007	2006	2005 (Jul 20 to Dec 31)	2004	2003
High	32.20	30.04	28.90	–	–
Low	23.64	25.18	25.41	–	–
Year end	28.46	26.66	27.08	–	–

RDSA – LONDON pence

	2007	2006	2005 (Jul 20 to Dec 31)	2004	2003
High	2,152	1,974	1,894	–	–
Low	1,611	1,661	1,633	–	–
Year end	2,111	1,785	1,771	–	–

RDSB AND SHELL TRANSPORT ORDINARY SHARES – LONDON[E] pence

	RDSB			Shell Transport Ordinary Shares		
	2007	2006	2005 (Jul 20 to Dec 31)	2005 (Jan 1 to Jul 19)	2004	2003
High	2,173	2,071	1,968	1,991	1,570	1,531
Low	1,600	1,686	1,717	1,528	1,205	1,154
Year end	2,090	1,790	1,858	1,838	1,545	1,446

RDS CLASS A ADRs AND ROYAL DUTCH NEW YORK SHARES – NEW YORK[C] $

	RDS Class A ADRs			Royal Dutch ordinary shares		
	2007	2006	2005 (Jul 20 to Dec 31)	2005[D] (Jan 1 to Sep 30)	2004	2003
High	88.31	72.38	68.08	67.45	57.79	52.70
Low	62.71	60.17	57.79	55.37	45.79	36.69
Year end	84.20	70.79	61.49	62.80	57.38	52.39

RDS CLASS B ADRs AND SHELL TRANSPORT ADRs – NEW YORK[F] $

	RDS Class B ADRs			Shell Transport ADRs		
	2007	2006	2005 (Jul 20 to Dec 31)	2005 (Jan 1 to Jul 19)	2004	2003
High	87.94	74.93	70.94	69.86	59.98	52.42
Low	62.20	62.75	60.69	57.75	45.38	37.45
Year end	83.00	71.15	64.53	64.56	59.63	52.24

[A] Pursuant to the terms of the unification, holders of Royal Dutch ordinary shares received two Royal Dutch Shell plc Class A ordinary shares for each Royal Dutch ordinary share. To assist comparison, the historical prices of the Royal Dutch ordinary shares have been divided by 2 to reflect such exchange ratio.
[B] Royal Dutch ordinary shares continued to trade on Euronext Amsterdam following the completion of the unification until such shares were delisted on September 30, 2005.
[C] Pursuant to the terms of the unification, holders of Royal Dutch New York Shares received one Royal Dutch Shell plc Class A ADR for each Royal Dutch New York Share. Each Royal Dutch Shell plc Class A ADR represents two Royal Dutch Shell plc Class A ordinary shares.
[D] The New York Stock Exchange halted trading in the Royal Dutch New York Shares on October 3, 2005, following delisting in Amsterdam, and resumed trading in the Royal Dutch New York Shares on October 31, 2005, following the joint public announcement by Royal Dutch Shell and Royal Dutch of the definitive terms of the legal merger between Royal Dutch and its wholly owned subsidiary Shell Petroleum N.V., in which all outstanding Royal Dutch shares were exchanged for €52.21 (or the equivalent in loan notes). The table excludes trading in Royal Dutch New York Shares for the period from October 3, 2005 through their delisting on November 21, 2005.
[E] Pursuant to the terms of the unification, holders of Shell Transport Ordinary Shares (including Shell Transport Ordinary Shares to which holders of Shell Transport bearer warrants were entitled) received 0.287333066 Royal Dutch Shell plc Class B ordinary shares for each Shell Transport Ordinary Share. To assist comparison, the historical prices of the Shell Transport Ordinary Shares have been divided by 0.287333066 to reflect such exchange ratio.
[F] Pursuant to the terms of the unification, holders of Shell Transport ADRs received 0.861999198 Royal Dutch Shell plc Class B ADRs for each Shell Transport ADR. To assist comparison, the historical prices of the Shell Transport ADRs have been divided by 0.861999198 to reflect such exchange ratio. Each Royal Dutch Shell plc Class B ADR represents two Royal Dutch Shell plc Class B ordinary shares.

CAPITAL GAINS TAX

For the purposes of UK capital gains tax, the market values of the company's shares were:

HISTORICAL INFORMATION RELATING TO:	£	
	March 31, 1982	July 20, 2005
Royal Dutch Petroleum Company (N.V. Koninklijke Nederlandsche Petroleum Maatschappij) which ceased to exist on December 21, 2005.	1.1349	17.6625
The "Shell" Transport and Trading Company, p.l.c. which delisted on July 19, 2005.	1.4502	N/A

Share prices have been restated where necessary to reflect all capitalisation issues since the relevant date. This includes the change in the capital structure following the unification of Royal Dutch and Shell Transport where one Royal Dutch share was exchanged for two Royal Dutch Shell plc Class A ordinary shares and where one Shell Transport share was exchanged for 0.287333066 Royal Dutch Shell plc Class B ordinary shares.

DIVIDENDS

CLASS A AND B SHARES						$
			Class A			Class B
	2007	2006	2005	2007	2006	2005
Q1	0.36	–	–	0.36	–	–
Q2	0.36	–	–	0.36	–	–
Q3	0.36	–	–	0.36	–	–
Q4	0.36	–	–	0.36	–	–
Total	1.44	–	–	1.44	–	–

CLASS A SHARES			€
	2007[A]	2006	2005
Q1	0.26	0.25	0.23[B]
Q2	0.26	0.25	0.23
Q3	0.25	0.25	0.23
Q4	0.24	0.25	0.23
Total declared during the year	1.01	1.00	0.92
Amount paid during the year	1.02	0.98	1.21

CLASS B SHARES[C]			pence
	2007	2006	2005
Q1	18.09	17.13	15.84[B]
Q2	17.56	17.08	15.89
Q3	17.59	16.77	15.64
Q4	18.11	16.60	15.64
Total declared during the year	71.35	67.58	63.01
Amount paid during the year	69.84	66.62	84.61

CLASS A ADRs			$
	2007	2006	2005
Q1	0.72	0.63	0.59[B]
Q2	0.72	0.63	0.55
Q3	0.72	0.63	0.56
Q4	0.72	0.65	0.56
Total declared during the year	2.88	2.54	2.26
Amount paid during the year	2.81	2.45	3.04

[A] Euro equivalent.
[B] Historical data converted to Royal Dutch Shell equivalents.
[C] Sterling equivalent.

CLASS B ADRs			$
	2007	2006	2005
Q1	0.72	0.63	0.57[B]
Q2	0.72	0.63	0.55
Q3	0.72	0.63	0.56
Q4	0.72	0.65	0.56
Total declared during the year	2.88	2.54	2.24
Amount paid during the year	2.81	2.45	3.10

Royal Dutch Shell intends to pay quarterly dividends and to grow the dividend at least in line with inflation over a number of years. On February 1, 2007 the Board announced that going forward the inflation level will be based on inflation levels in global developed economies, rather than a blend of European inflation rates. Dividend growth going forward will be measured in US dollars.

On February 1, 2007 the Board also announced that, effective from the first quarter 2007, dividends will be declared in dollars rather than euros. The company will announce the euro and pound sterling equivalent amounts at the same time as the US dollar declaration, using an exchange rate from the day before the declaration date.

Dividends declared on A shares are paid by default in euros, although holders of A shares are able to elect to receive dividend in pounds sterling. Dividends declared on B shares are paid by default in pound sterling, although holders of B shares are able to elect to receive dividend in euros. Dividends declared on ADRs are paid in US dollars. Eligible shareholders must make currency elections by the day before the declaration date.

It is expected that holders of Class B ordinary shares will receive dividends through the dividend access mechanism applicable to such shares.

DIVIDEND REINVESTMENT PLAN (DRIP)

A DRIP is offered on both classes of shares and, depending on how an investor holds shares, is offered by either Equiniti (formerly Lloyds TSB Registrars) or ABN AMRO. DRIPs for ADRs traded on the NYSE are offered by The Bank of New York Mellon.

EQUINITI

The DRIP operated by Equiniti is available to investors in respect of shares held directly in the Royal Dutch Shell Nominee Service or on the Royal Dutch Shell plc share register. You will be liable for tax on dividends reinvested on the same basis as if you had received the cash and arranged the purchase of shares yourself.

ABN AMRO

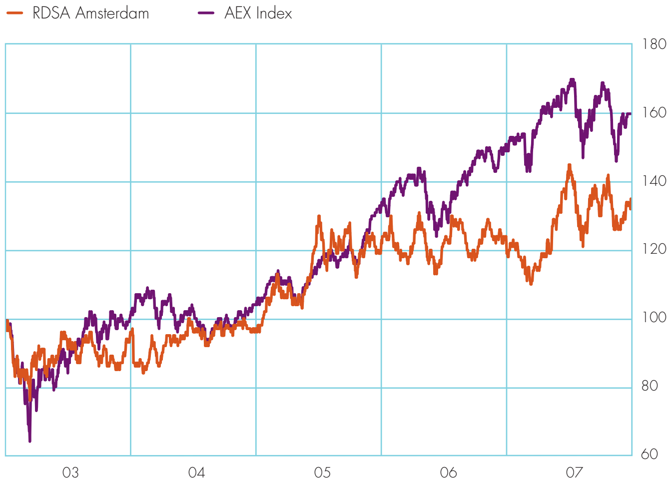
The DRIP operated by ABN AMRO is available to shareholders who hold their shares via Euroclear Nederland through an admitted institution of Euroclear Nederland and are expecting to receive the dividend in the default currency for Class A ordinary and Class B ordinary shares.

THE BANK OF NEW YORK MELLON

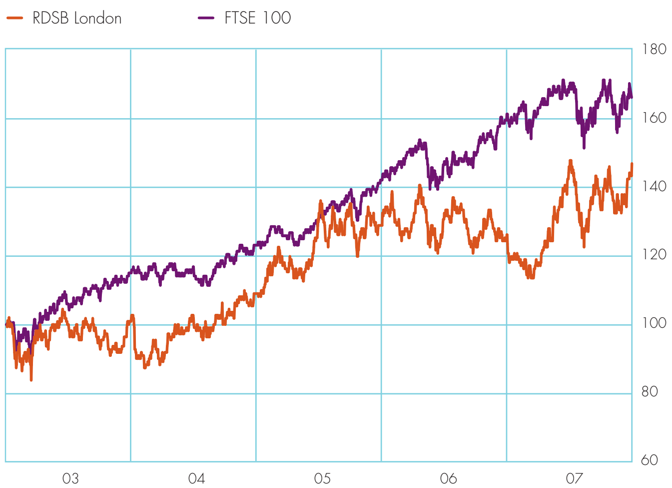
The Bank of New York maintains a (Global BuyDIRECT[sm]) plan for the Royal Dutch Shell Class A ADRs, available to registered holders and first time investors and a DRIP for the Class B ADRs available to registered ADR holders. Tax consequences of participation in the plan may vary depending upon the tax residence of the shareholder and the class of shares held. Holders of Class A ordinary shares should note that it is the net dividend that will be reinvested.

To participate, or if you have any further questions, please call your bank or broker if your shareholding is through Euroclear Nederland, The Bank of New York Mellon if enquiries relate to ADRs and Equiniti for all other shareholders.

INDEXED SHARE PRICE



Index: December 31, 2002 = 100



Index: December 31, 2002 = 100

FINANCIAL CALENDAR

Financial year ends	December 31, 2007

ANNOUNCEMENTS

Full year results for 2007	January 31, 2008
First quarter results for 2008	April 29, 2008
Second quarter results for 2008	July 31, 2008
Third quarter results for 2008	October 30, 2008

DIVIDENDS – ORDINARY SHARES CLASS A AND CLASS B INCLUDING ADRS

2007 Fourth quarter interim[A]

Announced	January 31, 2008
Ex-dividend date	February 6, 2008
Record date	February 8, 2008
Payment date	March 12, 2008

2008 First quarter interim

Announced	April 29, 2008
Ex-dividend date	May 14, 2008
Record date	May 16, 2008
Payment date	June 11, 2008

2008 Second quarter interim

Announced	July 31, 2008
Ex-dividend date	August 6, 2008
Record date	August 8, 2008
Payment date	September 10, 2008

2008 Third quarter interim

Announced	October 30, 2008
Ex-dividend date	November 5, 2008
Record date	November 7, 2008
Payment date	December 10, 2008

ANNUAL GENERAL MEETING	May 20, 2008

[A] The Directors do not propose to recommend any further distribution in respect of 2007.

ABOUT THIS REVIEW In this Review "Shell", "Shell group" and "Royal Dutch Shell" are sometimes used for convenience where references are made to Royal Dutch Shell 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 Review refer to companies in which Royal Dutch Shell either directly or indirectly has control, by having either a majority of the voting rights or the right to exercise a controlling influence. The companies in which Shell has significant influence but not control are referred to as "associated companies" or "associates" and companies in which Shell has joint control are referred to as "jointly controlled entities". In this Review, associates and jointly controlled entities are also referred to as "equity-accounted investments".

The term "Shell interest" is used for convenience to indicate the direct and/or indirect equity interest held by Shell in a venture, partnership or company (i.e., after exclusion of all third-party interests).

Except as otherwise specified, the figures shown in the tables in this Review represent those in respect of subsidiaries only, without deduction of minority interests. However, where figures are given specifically for oil production (net of royalties in kind), natural gas production available for sale, and both the refinery processing intake and total oil product sales volumes, the term "Shell share" is used for convenience to indicate not only the volumes to which subsidiaries are entitled (without deduction in respect of minority interests in subsidiaries) but also the portion of the volumes of equity-accounted investments to which Shell is entitled or which is proportionate to the Shell interest in those companies.

The Summary Consolidated Financial Statements contained in this Review are an abridged version of the Consolidated Financial Statements prepared in accordance with the provisions of the Companies Act 1985, Article 4 of the International Accounting Standards (IAS) Regulation and with both International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and IFRS as adopted by the European Union. IFRS as defined above includes International Financial Reporting Interpretations Committee ("IFRIC") interpretations.

The Consolidated Financial Statements of Royal Dutch Shell and its subsidiaries have been prepared using the carry-over basis to account for the Unification and on the basis that the resulting structure was in place throughout the periods presented.

Except as otherwise noted, the figures shown in this Review are stated in US dollars. As used herein all references to "dollars" or "$" are to the US currency.

The Summary Operating and Financial Review, an extract of the "full OFR", and other sections of this Review contain 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", "intend", "may", "plan", "objectives", "outlook", "probably", "project", "will", "seek", "target", "risks", "goals", "should" 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 Review, 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) reserve estimates; (f) loss of market 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 potential litigation and regulatory effects arising from recategorisation of reserves; (k) economic and financial

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market conditions in various countries and regions; (l) political risks, including the risks of expropriation and renegotiation of the terms of contracts with governmental entities, delays or advancements in the approval of projects and delays in the reimbursement for shared costs; and (m) changes in trading conditions. All forward-looking statements contained in this Review 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. Each forward-looking statement speaks only as of the date of this Review. Neither Royal Dutch Shell 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 Review.

This Review contains 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.

DOCUMENTS ON DISPLAY Documents concerning Royal Dutch Shell, or its predecessors for reporting purposes, which are referred to in this Review have been filed with the SEC and may be examined and copied at the public reference facility maintained by the SEC at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. For further information on the operation of the public reference room and the copy charges, please call the SEC at (800) SEC-0330. All of the SEC filings made electronically by Shell are available to the public at the SEC website at www.sec.gov (commission file number 001-32575). This Review, as well as a Dutch language version of it, and the Annual Report and Form 20-F, are also available, free of charge, at www.shell.com/annualreport or at the offices of Royal Dutch Shell in The Hague, the Netherlands and London, UK. You may also obtain copies of this Review, free of charge, by mail.

The Annual Review and Summary Financial Statements is an abridged version of the Annual Report and Form 20-F of Royal Dutch Shell plc. The Review contains additional information derived from the Report of the Directors included in the Annual Report and Form 20-F of Royal Dutch Shell plc, it does not contain the full content of that report. For further information consult the full unabridged document at www.shell.com/annualreport or request a free copy from the address on the back cover.

The United States Securities and Exchange Commission (SEC) permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. We use certain terms in this Review, such as "resources", that the SEC's guidelines strictly prohibit us from including in filings with the SEC. US Investors are urged to read and consider closely the disclosure in our Form 20-F, File No 1-32575, available on the SEC website www.sec.gov. You can also obtain these forms from the SEC by calling 1-800-`SEC-0330.

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Annual Review and Summary Financial Statements 2007
A summarised overview of Shell.

www.shell.com/annualreport

Jaaroverzicht en verkorte jaarrekening 2007
Dutch language version.

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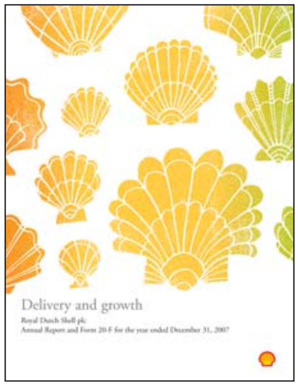
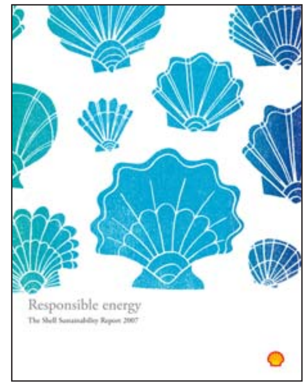


Annual Report and Form 20-F for the year ended December 31, 2007
A comprehensive overview of Shell.

www.shell.com/annualreport

Financial and Operational Information 2003-2007 (available May 2008)
Five years' financial and operational information, including maps of exploration and production activities.

www.shell.com/faoi



Shell Sustainability Report 2007 (available May 2008)
Report on progress in contributing to sustainable development.

www.shell.com/responsibleenergy

OTHER PUBLICATIONS

Shell Technology Report
An overview of 27 advanced technologies.

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Shell General Business Principles
Fundamental principles that govern how each Shell company conducts its affairs.

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