



SHELL INTERNATIONAL FINANCE B.V.

*(incorporated with limited liability in The Netherlands
and having its statutory domicile in The Hague)*

as Issuer

ROYAL DUTCH SHELL PLC

(incorporated with limited liability in England)

as Issuer and Guarantor

U.S.\$10,000,000,000 DEBT SECURITIES PROGRAMME

Arranger

UBS INVESTMENT BANK

Dealers

**ABN AMRO
CITIGROUP
DEUTSCHE BANK
JPMORGAN CAZENOVE
MORGAN STANLEY**

**BARCLAYS CAPITAL
CREDIT SUISSE FIRST BOSTON
HSBC
MERRILL LYNCH INTERNATIONAL
UBS INVESTMENT BANK**

An investment in Notes issued under the Programme involves certain risks. For information on this see “Risk Factors”.

This Information Memorandum is not being, and must not be, mailed or otherwise forwarded, distributed or sent in or into Canada or Japan (each a “Restricted Country”) and persons receiving such documents must not distribute or send them in, into or from a Restricted Country.

An Issuer may, by written notice, vary or disapply the prohibition contained in the immediately preceding paragraph.

The date of this Information Memorandum is 22 July 2005

Shell International Finance B.V. (“**Shell Finance**”) and Royal Dutch Shell plc (“**RDS**”) (each, an “**Issuer**” and together, the “**Issuers**”) have established a programme (the “**Programme**”) to facilitate the issuance of notes and other debt securities (the “**Notes**”) guaranteed (in the case of Notes issued by Shell Finance) by RDS (the “**Guarantor**”). The aggregate principal amount of Notes outstanding and guaranteed will not at any time exceed U.S.\$10,000,000,000 (or the equivalent in other currencies).

Application has been made to the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 (the “**UK Listing Authority**”) for Notes issued under the Programme up to the expiry of 12 months from the date of this Information Memorandum to be admitted to the official list of the UK Listing Authority (the “**Official List**”) and to the London Stock Exchange plc (the “**London Stock Exchange**”) for such Notes to be admitted to trading on the London Stock Exchange’s Gilt Edged and Fixed Interest Market.

References in this Information Memorandum to Notes being “**listed**” (and all related references) shall mean that such Notes have been admitted to the Official List and have been admitted to trading on the London Stock Exchange’s Gilt Edged and Fixed Interest Market. The London Stock Exchange’s Gilt Edged and Fixed Interest Market is a regulated market for the purposes of Directive 93/22/EEC (the “**Investment Services Directive**”). However, Notes may be issued pursuant to the Programme on an unlisted basis or may be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation systems as may be agreed between the relevant Issuer, the Guarantor (in the case of Notes issued by Shell Finance) and the relevant Dealer (as defined below). The relevant Final Terms (as defined on page 4) in respect of the issue of any Notes will specify whether or not such Notes will be admitted to listing on the Official List and to trading on the London Stock Exchange (or any other listing authority, stock exchange and/or quotation system, if applicable).

Copies of each Final Terms relating to the Notes will be available from the registered office of the relevant Issuer and from the specified office set out below of each of the Paying Agents (as defined below).

This Information Memorandum comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the “**Prospectus Directive**”).

The information contained in this Information Memorandum applies to all Notes issued after the date of this Information Memorandum.

Each Tranche (as defined below) of Notes having an original maturity of more than one year will be represented upon issue by a temporary Global Note (as defined below). Each Tranche of Notes having an original maturity of one year or less will be represented upon issue by a permanent Global Note. In each case, the temporary Global Note or the permanent Global Note, as the case may be, will be deposited (a) in the case of a Tranche intended to be cleared through Euroclear (as defined below) and/or Clearstream, Luxembourg (as defined below), on the issue date with a common depositary on behalf of Euroclear Bank S.A./N.V. as operator of the Euroclear System (“**Euroclear**”) and Clearstream Banking, société anonyme, Luxembourg (“**Clearstream, Luxembourg**”) and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear or Clearstream, Luxembourg or delivered outside a clearing system, as agreed between the relevant Issuer and the relevant Dealer. Except in the case of issues of Swiss Franc Domestic Notes (as defined in “**Summary of Programme**” below) which are subject to an exemption from the certification requirements under U.S. tax regulations, interests in a temporary Global Note will only be exchangeable for interests in a permanent Global Note or, if so stated in the relevant Final Terms (and subject to such notice period as is specified in the relevant Final Terms), for definitive Notes on and after the first business day (the “**Exchange Date**”, which date shall be determined by the Agent (as defined herein)) following the expiry of 40 days after the later of (i) the issue date of the Notes of the relevant Tranche and (ii) the completion of the distribution of the Notes of such Tranche, upon certification as to non-U.S. beneficial ownership.

Notes issued under the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Each of Shell Finance and RDS (each an “**Obligor**” and together the “**Obligors**” and the “**Responsible Persons**”) accepts responsibility for the information contained in this Information Memorandum. To the

best of the knowledge of the Obligors (having taken all reasonable care to ensure that such is the case), the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person has been authorised to give any information or to make any representation other than those contained in this Information Memorandum in connection with the issue or sale of any Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Obligors or any of the Dealers (as named under “Summary of the Programme” below). Subject to the paragraph entitled “Information Memorandum supplement” on page 16, none of the Obligors or the Dealers accepts any responsibility, express or implied, for updating this Information Memorandum. Neither the delivery of this Information Memorandum nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of either of the Obligors since the date of this Information Memorandum or that there has been no adverse change in the financial position of the Obligors since the date of this Information Memorandum or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Information Memorandum and the offering or sale of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Information Memorandum comes are required by the Obligors and the Dealers to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Information Memorandum, see “Subscription and Sale” below.

This Information Memorandum does not constitute an offer of, or an invitation by or on behalf of the Obligors or the Dealers to subscribe for, or purchase, any Notes.

Neither the Dealers nor the Trustee (as described on pages 6 and 7) have separately verified the information contained in this Information Memorandum. None of the Dealers and the Trustee makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Information Memorandum. Neither this Information Memorandum nor any other financial statements are intended to provide the basis of any credit, taxation or other evaluation and should not be considered as a recommendation by any Obligor, the Dealers or the Trustee that any recipient of this Information Memorandum or any other financial statements should purchase any Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Information Memorandum and its purchase of Notes should be based upon such investigation as it deems necessary. Each potential purchaser of Notes is advised to consult a professional adviser in connection therewith. None of the Dealers undertakes to review the financial condition or affairs of the Obligors during the life of the arrangements contemplated by this Information Memorandum nor to advise any investor or potential investor in any Notes of any information coming to the attention of any of the Dealers.

In connection with the issue of any Tranche of Notes under the Programme, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes (provided that, in the case of any Tranche of Notes to be admitted to trading on the London Stock Exchange, the aggregate principal amount of Notes allotted does not exceed 105 per cent. of the aggregate principal amount of the relevant Tranche) or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes.

Until Directive 2003/6/EC is implemented in The Netherlands, such stabilising, when conducted by a Dutch Stabilising Manager anywhere in the world or by a non-Dutch Stabilising Manager in The Netherlands will be conducted in accordance with the rules of the Further Conduct of Business Regulation to the Dutch Securities Market Supervision Act (*Nadere Regeling gedragstoezicht effectenverkeer 2002*) and will in any

event be discontinued within 30 days after the Issue Date. Stabilisation transactions conducted on the stock market of Euronext Amsterdam N.V. must be conducted by a member of Euronext Amsterdam.

In this Information Memorandum, unless otherwise specified or the context otherwise requires, references to “U.S.\$” and “U.S. Dollars” are to the lawful currency of the United States, to “Swiss Francs” are to the lawful currency of Switzerland, to “euro” or “€” are to the lawful currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended, and to “pounds sterling”, “sterling” and “£” are to the lawful currency of the United Kingdom.

ISSUE OF NOTES

Notes will be issuable on a continuous basis in series (each a “Series”), such Notes having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “Tranche”) on different issue dates. The specific terms of each Tranche (which, save in respect of the issue date, issue price, interest commencement date and principal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set forth in the applicable final terms (the “Final Terms”) the form of which is set out in “Form of Final Terms” below.

This Information Memorandum should be read and construed in conjunction with any relevant Final Terms which shall be a supplement thereto and all documents incorporated herein by reference (see “Documents Incorporated by Reference”).

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Summary of the Programme

This summary must be read as an introduction to this Information Memorandum and any decision to invest in any Notes should be based on a consideration of this Information Memorandum as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each member state of the European Economic Area (a “Member State”) no civil liability will attach to the Responsible Persons in any such Member State in respect of this Summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Information Memorandum. Where a claim relating to information contained in this Information Memorandum is brought before a court in a Member State, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Information Memorandum before the legal proceedings are initiated.

The following summary is qualified in its entirety by the remainder of this document.

The Issuers: Shell International Finance B.V.
Shell Finance’s registered office is at Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands, tel.: +31 (0) 70 377 9111.

Royal Dutch Shell plc

RDS’s registered office is at Shell Centre, London SE1 7NA, UK and its headquarters are at Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands, tel.: +31 (0) 70 377 9111. RDS is considered a resident of The Netherlands for Dutch and UK tax purposes.

RDS is present in more than 140 countries and territories around the world. RDS and its subsidiaries and subsidiary undertakings (the “**Shell Group**”) are engaged in the business of Exploration and Production, Gas & Power and Oil Products and Chemicals and other industry segments including Renewables and Hydrogen.

The Guarantor (in the case of Notes issued by Shell International Finance B.V.): Royal Dutch Shell plc

Risk Factors: There are certain factors that may affect an Issuer’s ability to fulfil its obligations under the Notes issued under the Programme. These are set out under “Risk Factors” below. There are also certain factors that may affect the Guarantor’s ability to fulfil its obligations under the guarantee in respect of Notes issued by Shell Finance (the “**Guarantee**”). These are also set out under “Risk Factors” below. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme (see “*Risk Factors*”).

Arranger: UBS Limited

Dealers: ABN AMRO Bank N.V.
Barclays Bank PLC
Citigroup Global Markets Limited
Credit Suisse First Boston (Europe) Limited
Deutsche Bank AG, London Branch
HSBC Bank plc
J.P. Morgan Securities Ltd.
Merrill Lynch International
Morgan Stanley & Co. International Limited
UBS Limited
and any other dealer appointed from time to time either in respect of a single Tranche or in respect of the whole Programme.

Summary of the Programme

- Currencies:** Notes may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Notes may, subject to compliance as aforesaid, be made in and/or linked to, any currency or currencies other than the currency in which the Notes are denominated.
- Trustee:** Citicorp Trustee Company Limited.
- Agent:** Citibank, N.A.
- Programme Amount:** Up to U.S.\$10,000,000,000 (or the equivalent in other currencies) aggregate principal amount of Notes outstanding and guaranteed at any one time. The Obligors may increase the Programme Amount in accordance with the terms of the Dealer Agreement. The aggregate principal amount of Notes outstanding shall be determined, at the discretion of the relevant Issuer, either on the date of issue of the relevant Notes, on the date agreement is reached to issue such Notes or on the first day preceding such agreement date on which commercial banks and foreign exchange markets are open for business in London. The principal amount of Notes not denominated in U.S. Dollars shall be determined by reference to such sources as the relevant Issuer considers appropriate.
- Availability:** The Programme will be continuously available. The maximum amount outstanding under the Programme will not exceed the Programme Amount.
- Maturity of the Notes:** Any maturity subject to compliance with all relevant laws, regulations and directives.
- Unless otherwise permitted by then current laws and regulations, Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 (the “FSMA”) unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see “Subscription and Sale”.
- Denominations:** Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant dealer, save that the minimum denomination of each Note admitted to trading on a European Economic Area exchange or offered to the public in a Member State in circumstances which require the publication of a prospectus under the Prospectus Directive is intended, in the case of Notes issued by Shell Finance, to be €1,000 (or, if the Notes are denominated in a currency other than euro, the near equivalent in such other currency) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency as set out in the relevant Final Terms.
- Unless otherwise permitted by then current laws and regulations, Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the FSMA unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see “Subscription and Sale”.
- Method of Issue:** Notes may be issued on a syndicated or non-syndicated basis. Notes will be issued in one or more Series (which may be issued on the same date or which may be issued in more than one Tranche on different dates). Notes may be issued in Tranches on a continuous basis. Further Notes may be issued as part of an existing Series.

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Form of Notes:	Notes shall be issued in bearer form only. Each Tranche of Notes having an original maturity of more than one year will be represented upon issue by a temporary Global Note. Each Tranche of Notes having an original maturity of one year or less will be represented upon issue by a permanent Global Note. In each case, the temporary Global Note or the permanent Global Note, as the case may be, will be deposited (a) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream, Luxembourg on the issue date with a common depository on behalf of Euroclear and Clearstream, Luxembourg and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear or Clearstream, Luxembourg or delivered outside a clearing system, as agreed between the relevant Issuer and the relevant Dealer. Except in the case of Swiss Franc Domestic Notes which are subject to an exemption from the certification requirements under U.S. tax regulations, interests in a temporary Global Note will only be exchangeable for interests in a permanent Global Note or, if so stated in the relevant Final Terms, for definitive Notes on and after the Exchange Date (as defined on page 2), upon certification as to non-U.S. beneficial ownership. Interests in a permanent Global Note will only be exchangeable for definitive Notes in accordance with its terms.
Swiss Franc Domestic Notes:	“Swiss Franc Domestic Notes” means an issue of Notes denominated in Swiss Francs or carrying a Swiss Franc related element that is cleared through SIS SegInterSettle AG, as owner and operator of the Swiss securities dealing system SIS, or any successor thereto (“SIS”).
Issue Price:	Notes may be issued at their principal amount or at a discount or premium to their principal amount and either on a fully or partly paid basis.
Fixed Rate Notes:	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms and at maturity.
Floating Rate Notes:	Floating Rate Notes will bear interest set separately for each Series by reference to LIBOR, EURIBOR, LIBID or LIMEAN (or such other benchmark as may be specified in the relevant Final Terms). The margin (if any) relating to an issue of Floating Rate Notes will be agreed between the relevant Issuer and the relevant Dealer for each Series of Floating Rate Notes. Floating Rate Notes may also have a maximum interest rate, a minimum interest rate, or both. Interest periods will be specified in the relevant Final Terms.
Zero Coupon Notes:	Zero Coupon Notes may be issued at their principal amount or at a discount to it and will not bear interest.
Indexed Redemption Amount Notes and Indexed Interest Notes:	The Final Terms issued in respect of each issue of Indexed Redemption Amount Notes will specify the basis for calculating the redemption amounts payable, which may be by reference to an index or formula or as otherwise provided in the relevant Final Terms. The Final Terms issued in respect of each issue of Indexed Interest Notes will specify the basis for calculating the amounts of interest payable, which may be by reference to an index or formula or as otherwise provided in the relevant Final Terms.
Instalment Notes:	The Final Terms issued in respect of each issue of Notes which are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.
Other Notes:	Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, dual currency Notes, reverse dual currency Notes, optional dual currency Notes, partly-paid Notes and any other type of Note which the

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relevant Issuer, and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Final Terms.

Optional Redemption:	The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the relevant Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.
Status of the Notes and the Guarantee in respect of them:	The Notes and the Guarantee will be direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer and the Guarantor (in the case of Notes issued by Shell Finance), respectively and will rank <i>pari passu</i> and rateably without any preference among themselves and at least equally with all other unsecured and unsubordinated indebtedness of the relevant Issuer and the Guarantor (in the case of Notes issued by Shell Finance), respectively, present and future, save for such obligations as may be preferred by mandatory provisions of law.
Negative Pledge:	The Notes will contain no negative pledge.
Cross Default:	The Notes will contain no cross default.
Rating:	Notes issued under the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.
Early Redemption:	Except as provided in “Optional Redemption” above, Notes will be redeemable prior to maturity (i) at the option of the relevant Issuer only for tax reasons or (ii) following an Event of Default pursuant to Condition 10.
Withholding Tax:	All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of, in the case of payments by Shell Finance, The Netherlands or, in the case of payments by RDS, the United Kingdom or The Netherlands, in each case, subject to customary exceptions, all as described in “Terms and Conditions of the Notes — Taxation”.
Governing Law:	English.
Selling Restrictions:	The Notes are subject to restrictions on their offering, sale and delivery both generally and specifically in the United States of America, the United Kingdom, The Netherlands, Japan, Germany, the Republic of France and the European Economic Area. These restrictions are described under “Subscription and Sale” below.
Listing and admission to trading:	Application has been made to the UK Listing Authority for Notes issued under the Programme up to the expiry of 12 months from the date of this Information Memorandum to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange’s Gilt Edged and Fixed Interest Market.

As specified in the relevant Final Terms, a Series of Notes may be unlisted.

Risk Factors

Each of the Obligors believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. Most of these factors are contingencies which may or may not occur and neither Obligor is in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Obligors believe may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Each of the Obligors believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but an Obligor may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons and neither Shell Finance nor RDS represents that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Information Memorandum and reach their own views prior to making any investment decision.

Prospective investors should consider, among other things, the following which may impact on the Obligors ability to meet its obligations under the Notes:

Risks related to the Shell Group's businesses

Price fluctuations for oil, natural gas, oil products and chemicals

Oil, natural gas, oil products and chemical prices can vary as a result of changes in supply and demand for products, which may be global or limited to specific regions and influenced by factors such as economic conditions, weather conditions or action taken by major oil exporting countries. Political developments, including war, embargoes and political strife in oil producing regions can affect world oil supply and prices. Fluctuations in oil, natural gas, oil products and chemical prices could have an adverse effect on the Shell Group's results of operations and financial position.

Currency fluctuations and exchange controls

The entities that comprise the Shell Group are present in more than 140 countries and territories throughout the world and are subject to risks from changes in currency values and exchange controls. Changes in currency values and exchange controls could have an adverse effect on the Shell Group's results of operations and financial position.

Drilling and well production process and the ability to replace oil and gas reserves

The Shell Group's future oil and gas production is significantly dependent on the successful implementation of development projects. There are risks in this process in interpretation of geological and engineering data, project delay, cost overruns and technical, fiscal, regulatory and other conditions. In addition, future oil and gas production will depend on the Shell Group's ability to access new reserves through exploration, negotiation with countries and other owners of known reserves and acquisitions. Failures in exploration and in identifying and consummating transactions to access suitable potential reserves could adversely impact the Shell Group's oil and gas production and reserve replacement, which in turn could have an adverse impact on the results of operations and financial position of the Shell Group in the future.

Estimation of reserves

The estimation of oil and gas reserves involves subjective judgments and determinations based on available geological, technical, contractual and economic information. They are not exact determinations. In addition, these judgments may change based on new information from production or drilling activities or changes in economic factors, as well as from developments such as acquisitions and dispositions, new discoveries and extensions of existing fields and the application of improved recovery techniques. Published reserve estimates are also subject to correction for errors in the application of published rules and guidance.

In 2004 and 2005, the companies (other than RDS) in which N.V. Koninklijke Nederlandsche Petroleum Maatschappij (Royal Dutch Petroleum Company) ("**Royal Dutch**") and The "Shell" Transport and Trading Company, p.l.c. ("**Shell Transport**"), together or separately, either directly or indirectly, have 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 (the "**Royal Dutch/Shell Group**") restated their proved reserves to correct certain errors. In connection with the restatements, a number of putative shareholder class actions and shareholder derivative suits were filed against, among others, Royal

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Dutch and Shell Transport, and civil and criminal investigations were commenced by authorities in the United States, the United Kingdom and The Netherlands.

Economic and financial market conditions

The entities that comprise the Shell Group are subject to differing economic and financial market conditions in countries and regions throughout the world. There are risks to such markets from political or economic instability, as well as from industry competition. Realisation of one of these risks in a country or region could have an adverse effect on the results of operations and financial position of the Shell Group companies operating in a country or region.

Environmental risks

The entities that comprise the Shell Group are subject to a number of different environmental laws, regulations, environmental expectations and reporting requirements. Costs are incurred for prevention, control, abatement or elimination of releases into the air and water, as well as in the disposal and handling of wastes at operating facilities. Expenditures of a capital nature include both remedial measures on existing plants and integral features of new plants.

Operational hazards, natural disasters and expropriation of property

The assets of the entities that comprise the Shell Group are subject to risk from operational hazards, natural disasters and expropriation of property. Realisation of these risks could have an adverse effect on the results of operations and financial position of the impacted Shell Group company.

Change in legislation and fiscal and regulatory policies

The operations of the entities that comprise the Shell Group are subject to risk of change in legislation, taxation and regulations. For exploration and production activities, these matters include land tenure, entitlement to produced hydrocarbons, production rates, royalties, pricing, environmental protection, social impact, exports, taxes and foreign exchange. Changes in legislation, taxation and regulations could have an adverse effect on the results of operations of the affected Shell Group companies.

Doing business in politically sensitive or unstable countries

The operations and earnings throughout the world of the entities that comprise the Shell Group have been, and may in the future be, affected from time to time in varying degree by other political developments and laws and regulations, such as forced divestiture of assets, restrictions on production, imports and exports, war or other international conflicts, civil unrest and local security concerns that threaten the safe operation of company facilities, price controls, tax increases and other retroactive tax claims, expropriation of property, cancellation of contract rights, and environmental regulations. Both the likelihood of such occurrences and their overall effect upon the entities that comprise the Shell Group vary greatly from country to country and are not predictable. Realisation of these risks could have an adverse impact on the results of operations and financial position of the Shell Group companies located in the affected country.

U.S. government sanctions as a result of the Shell Group's activities in certain countries

The Shell Group currently has investments in Iran, Syria and Sudan. U.S. law currently imposes economic sanctions with the objective of denying certain countries, including Iran, Syria and Sudan, the ability to support state-sponsored terrorism. In the case of both countries, there are prohibitions on certain activities and transactions and penalties for violation of these prohibitions include criminal and civil fines and imprisonment. In addition, in the case of Iran, U.S. legislation includes a limit of \$20 million in any twelve-month period on certain investments knowingly made in that country and authorises the imposition of sanctions (from a list that includes denial of financings by the U.S. export-import bank, denial of certain export licenses, denial of certain government contracts and limits on loans or credits from U.S. financial institutions). However, compliance with this investment limit by European companies is prohibited by Council Regulation No. 2271/96 adopted by the Council of the European Union, so that the statutes conflict with each other in certain respects. The Shell Group has exceeded and expects to exceed in the future the U.S. imposed investment limits in Iran. While the Shell Group seeks to comply with applicable legal requirements in its dealings in Iran, Syria and Sudan, it is possible that the Shell Group or persons employed by the Shell Group could be found to be subject to sanctions or other penalties under this legislation in connection with their activities in Iran, Syria and Sudan. Considering both the likelihood of the imposition of sanctions on the Shell Group and the possible effects thereof, the Shell Group does not believe that there will be a material negative effect on its results of operations or financial condition resulting from its investments and activities in Iran, Syria and Sudan.

Risk Factors

Change to accounting standards

International Financial Reporting Standards (“IFRS”) is currently being applied in Europe and in other parts of the world simultaneously for the first time. Furthermore, due to a number of new and revised standards included within the body of standards that comprise IFRS, there is not yet a significant body of established practice on which to draw in forming judgments regarding interpretation and application. Accordingly, practice is continuing to evolve and the full financial effect of reporting under IFRS as it will be applied and reported on in RDS’s first IFRS Financial Statements cannot be determined with certainty at this stage.

In the future, RDS will prepare its financial information in accordance with IFRS. The accounting standards and policies adopted under IFRS differ from those applicable to the historical financial information included, and incorporated by reference, in this Information Memorandum for periods up to and including 31 December 2004. As at the date of this Information Memorandum, the accounting policies of RDS are in accordance with both IFRS and those accounting standards that have been adopted for use in the EU.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the currency in which such investor’s financial activities are principally denominated;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor’s overall investment portfolio.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

Notes subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of Notes. During any period when the relevant Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to

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do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index Redemption Amount Notes, Indexed Interest Notes and Dual Currency Notes

The relevant Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a “**Relevant Factor**”). In addition, the relevant Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

Partly-paid Notes

The relevant Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.

Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the relevant Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The relevant Issuer’s ability to convert the interest rate will affect the secondary market and the market value of the Notes since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing

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securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Modification, waivers and substitution

The terms and conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) the substitution of another company as principal debtor under any Notes in place of the relevant Issuer or (iii) the substitution of another company in place of the Guarantor, in the circumstances described in Condition 17 of the terms and conditions of the Notes.

The right to receive payments on the Notes issued by RDS or under the Guarantee is subordinated to the other liabilities of its subsidiaries

RDS is organised as a holding company, and substantially all of its operations are carried on through subsidiaries of RDS. RDS's ability to meet its financial obligations is dependent upon the availability of cash flows from its domestic and foreign subsidiaries and affiliated companies through dividends, intercompany advances and other payments. Moreover, Shell Finance is a special purpose financing vehicle that was formed for the purpose of raising debt for the Shell Group. Shell Finance conducts no business or revenue-generating operations of its own. Shell Finance has no subsidiaries and will rely on payments (including principal and interest) from RDS and other subsidiaries in the Shell Group to whom it has on-lent the proceeds of any debt securities issued by it in order to make payments on securities issued by it. RDS's subsidiaries are not guarantors of the Notes that may be issued under the Programme. Claims of the creditors of RDS's subsidiaries have priority as to the assets of such subsidiaries over the claims of RDS. Consequently, in the event of insolvency of RDS, the claims of holders of debt securities guaranteed or issued by RDS would be structurally subordinated to the prior claims of the creditors of subsidiaries of RDS.

The Notes are unsecured

The Notes issued under the Programme will be unsecured. If RDS or Shell Finance default on the Notes or RDS defaults on the Guarantee, or in the event of bankruptcy, liquidation or reorganisation, then, to the extent that RDS or Shell Finance have granted security over their assets, the assets that secure these debts will be used to satisfy the obligations under that secured debt before RDS or Shell Finance could make payment on the Notes or the Guarantee, as applicable. If there is not enough collateral to satisfy the obligations of the secured debt, then the remaining amounts on the secured debt would share equally with all unsubordinated unsecured indebtedness.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required from 1 July 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date.

If, following implementation of this Directive, a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the relevant Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. If a withholding tax is imposed on payment made by a Paying Agent following implementation of this Directive, the relevant Issuer will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

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Change of law

The conditions of the Notes are based on English law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Information Memorandum.

Risks related to the market generally

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The relevant Issuer will pay principal and interest on the Notes and the Guarantor will make any payments under the Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Documents incorporated by reference

The following documents which have previously been published or are published simultaneously with this Information Memorandum and have been approved by the Financial Services Authority or filed with it shall be deemed to be incorporated in, and to form part of, this Information Memorandum:

- (i) Annual Reports on Form 20-F filed by the Royal Dutch Petroleum Company and The “Shell” Transport and Trading Company p.l.c. for the years ended 31 December 2004 and 2003 filed with the U.S. Securities and Exchange Commission and any amendments thereto (each such report a “Form 20-F”);
- (ii) the constitutional documents of the Obligors;
- (iii) the First Quarter 2005 Unaudited Condensed Interim Financial Report of RDS furnished in its report on Form 6K dated 9 May 2005; and
- (iv) the financial statements of RDS as of and for the years ending 31 December 2002, 2003 and 2004 furnished in its report on Form 6K dated 20 July 2005.

save that any statement contained herein or in any of the documents incorporated by reference shall be deemed to be modified or superseded for the purposes of this Information Memorandum to the extent that a statement contained in any documents subsequently incorporated by reference modifies or supersedes such statement.

Information Memorandum supplement

The Obligors will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Information Memorandum which is capable of affecting the assessment of any Notes, prepare a supplement to this Information Memorandum or publish a new Information Memorandum for use in connection with any subsequent issue of Notes. The Obligors have undertaken to the Dealers in the Dealer Agreement (as defined in “Subscription and Sale”) that they will comply with section 87 of the FSMA.

Terms and Conditions of the Notes

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note and each definitive Note, in the latter case only if permitted by the relevant listing authority and/or stock exchange (if any) and agreed by the relevant Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with such Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Tranche of Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note.

This Note is one of a Series (as defined below) of notes (the notes of such Series being hereinafter called the “Notes”, which expression shall mean (i) in relation to Notes represented by a Global Note, units equal to the lowest Specified Denomination in the Specified Currency, (ii) Definitive Notes issued in exchange for a Temporary or Permanent Global Note and (iii) any Global Note issued as indicated in the Final Terms (as defined below), by either Shell International Finance B.V. (“Shell Finance”) or Royal Dutch Shell plc (“RDS”) (the “Issuer”) constituted by a Trust Deed dated 22 July 2005 (as modified and/or supplemented and/or restated from time to time, the “Trust Deed”) made between Shell Finance, RDS and Citicorp Trustee Company Limited, as trustee in relation to the Notes (the “Trustee”, which expression shall include any successor trustee). If the Notes are issued by Shell Finance they are guaranteed by RDS (in such capacity, where applicable, the “Guarantor”) pursuant to the terms of the Trust Deed and as described in Condition 2. References herein to the Guarantor and the Guarantee shall only be relevant where the Issuer is Shell Finance and such references shall be disregarded where the Issuer is RDS.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an Agency Agreement (as modified and/or supplemented and/or restated from time to time, the “Agency Agreement”) dated 22 July 2005 made between Shell Finance, RDS, Citibank, N.A. as issuing agent, principal paying agent and agent bank (the “Agent”, which expression shall include any successor as agent), the other paying agents named therein (together with the Agent, the “Paying Agents”, which expression shall include any additional or successor paying agents) and the Trustee.

Interest-bearing Definitive Notes (unless otherwise indicated in the applicable Final Terms as defined below) have interest coupons (“Coupons”) and, if indicated in the applicable Final Terms, talons for further Coupons (“Talons”) attached on issue. Any reference in these Terms and Conditions to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Notes redeemable in instalments will have instalment receipts (“Receipts”) for the payment of the instalments of principal (other than the final instalment) attached on issue.

The final terms in relation to this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached hereto or endorsed hereon and supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Note. References herein to the “applicable Final Terms” are to the Final Terms (or the relevant provisions thereof) attached hereto or endorsed hereon.

The Trustee acts for the benefit of the holders of the Notes (the “Noteholders”, which expression shall, in relation to any Notes represented by a Global Note, be construed as provided below), the holders of the Receipts (the “Receiptholders”) and the holders of the Coupons (the “Couponholders”, which expression shall, unless the context otherwise requires, include the holders of the Talons), all in accordance with the provisions of the Trust Deed.

As used herein, “Tranche” means Notes which are identical in all respects (including as to listing) and “Series” means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Trust Deed, the Agency Agreement and applicable Final Terms are available for viewing at the specified office of the Trustee, being at 22 July 2005 at Citigroup Centre, Canada Square, Canary Wharf,

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London E14 5LB and at the specified office of each Paying Agent save that, if this Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms shall be available for inspection only, upon proof satisfactory to the Trustee or the relevant Paying Agent as to identity, by the holder of any Note to which such Final Terms relates. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, are entitled to the benefit of, and are bound by, all the provisions of the Trust Deed, the Agency Agreement and the applicable Final Terms. Words and expressions defined in the Trust Deed or the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the Trust Deed, the Trust Deed will prevail and, in the event of inconsistency between the Agency Agreement or the Trust Deed and the applicable Final Terms, the applicable Final Terms will prevail.

1. Form, Denomination and Transfer

The Notes are in bearer form in the Specified Currency or Currencies and the Specified Denomination(s) and, in the case of Definitive Notes, are serially numbered. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Indexed Interest Note, an Indexed Redemption Amount Note, a Dual Currency Note, a Partly Paid Note, an Instalment Note or any appropriate combination thereof or any other type depending upon the Interest/Payment Basis shown in the applicable Final Terms.

If it is a Definitive Note, it is issued with Coupons and, if applicable, Receipts and/or Talons attached, unless it is a Zero Coupon Note in which case references to interest (other than interest due after the Maturity Date), Coupons and Couponholders in these Terms and Conditions are not applicable.

Without prejudice to the provisions relating to Global Notes set out below, title to the Notes, the Receipts and the Coupons will pass by delivery. Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the Guarantor, the Trustee, the Agent and any other Paying Agent shall (subject as set out below) be entitled to deem and treat the bearer of any Note, Receipt or Coupon as the absolute owner thereof (whether or not such Note, Receipt or Coupon shall be overdue and notwithstanding any notice to the contrary or any notation of ownership or writing thereon or notice of any previous loss or theft thereof) for the purpose of making payment thereon and for all other purposes. For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank S.A./N.V., as operator of the Euroclear System (“Euroclear”) and/or Clearstream Banking, société anonyme, Luxembourg (“Clearstream, Luxembourg”), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes (standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Trustee, the Agent and any other Paying Agent as the holder of such nominal amount of such Notes (and the holder of the relevant Global Note shall be deemed not to be the holder) for all purposes (including for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Noteholders) other than with respect to the payment of principal and interest on such Notes, the right to which shall be vested, as against the Issuer, the Guarantor and the Trustee, solely in the bearer of the Global Note in accordance with and subject to its terms, or in the Trustee, in accordance with the Trust Deed (and the expressions “Noteholder”, “holder of Notes” and related expressions shall be construed accordingly). Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg, as the case may be.

Any references herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearance system approved by the Issuer and the Trustee.

2. Status and Guarantee

(a) *Status of Notes*: The Notes and the Receipts and Coupons (if any) relating to them constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank and will rank *pari passu*

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and rateably without any preference among themselves and at least equally with all other unsecured and unsubordinated indebtedness of the Issuer, present and future, save for such obligations as may be preferred by mandatory provisions of law.

(b) *Guarantee*: The payment of principal and interest in respect of the Notes and all other moneys by Shell Finance under or pursuant to the Trust Deed has been unconditionally and irrevocably guaranteed by the Guarantor in the Trust Deed (the “**Guarantee**”). The obligations of the Guarantor under the Guarantee constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and rank and will rank *pari passu* and rateably without any preference among themselves and at least equally with all other unsecured and unsubordinated indebtedness of the Guarantor, present and future, save for such obligations as may be preferred by mandatory provisions of law.

3. Interest

(a) *Interest on Fixed Rate Notes*

(i) Each Fixed Rate Note bears interest on its nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Fixed Rate(s) of Interest payable in arrear on the Fixed Interest Date(s) in each year and on the Maturity Date if that does not fall on a Fixed Interest Date. The first payment of interest will be made on the Fixed Interest Date next following the Interest Commencement Date and, if the first anniversary of the Interest Commencement Date is not a Fixed Interest Date, will amount to the Initial Broken Amount. If the Maturity Date is not a Fixed Interest Date, interest from (and including) the preceding Fixed Interest Date (or the Interest Commencement Date, as the case may be) to (but excluding) the Maturity Date will amount to the Final Broken Amount. Except as provided above or in the applicable Final Terms, the amount of interest payable on each Fixed Interest Date in respect of the Fixed Interest Period ending on such date will amount to the Fixed Amount.

As used herein, “**Fixed Interest Period**” means the period from (and including) a Fixed Interest Date (or the Interest Commencement Date) to (but excluding) the next (or first) Fixed Interest Date.

(ii) If interest is required to be calculated for a period ending other than on a Fixed Interest Date, such interest shall be calculated by applying the Fixed Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Fixed Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

In these Conditions:

“**Fixed Day Count Fraction**” means:

(i) If “**Actual/Actual-ISMA**” is specified in the applicable Final Terms:

(a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Fixed Interest Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “**Accrual Period**”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and

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- (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;
- (ii) If “30/360” is specified in the applicable Final Terms, the number of days in the period from and including the most recent Fixed Interest Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date (such number of days being calculated on the basis of 12 30-day months) divided by 360; or
- (iii) Such other day count fraction as specified in the applicable Final Terms;

“**Determination Period**” means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Fixed Interest Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

“**sub-unit**” means, with respect to any currency other than euro, the lowest amount of such currency that is available as lawful currency in the country of such currency and, with respect to euro, means one cent.

(b) *Interest on Floating Rate Notes and Indexed Interest Notes*

(i) *Interest Payment Dates*

Each Floating Rate Note and Indexed Interest Note bears interest on its nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date at the rate equal to the Rate of Interest payable in arrear on either:

- (A) the Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (B) if no express Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each an “**Interest Payment Date**”) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the business day convention specified is:

- (1) in any case where Specified Periods are specified in accordance with Condition 3(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

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- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In this Condition, “**Business Day**” means a day which is both:

- (I) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London and any other place as is specified in the applicable Final Terms (each an “**Additional Business Centre**”); and
- (II) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre) and which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland respectively or (2) in relation to any sum payable in euro, a day on which the TARGET System is operating.

In these Conditions, the following expressions have the following meanings:

“**euro**” means the lawful currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

“**Euro-zone**” means the region comprised of member states of the European Union that adopt or have adopted the single currency in accordance with the Treaty;

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System; and

“**Treaty**” means the Treaty establishing the European Community, as amended.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Indexed Interest Notes will be determined in the manner specified in the applicable Final Terms.

(A) *Screen Rate Determination for Floating Rate Notes*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (1) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (2) the arithmetic mean (rounded if necessary to the fourth decimal place, 0.00005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 am (London time, in the case of the London inter-bank offered rate (“**LIBOR**”) or Brussels time, in the case of the Euro-zone inter-bank offered rate (“**EURIBOR**”)) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

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If the Reference Rate from time to time in respect of the Floating Rate Notes is specified as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

(B) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any).

For the purpose of this sub-paragraph (B), “ISDA Rate” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent or other person specified in the applicable Final Terms under an interest rate swap transaction if the Agent or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes, (the “ISDA Definitions”) and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity is the period specified in the applicable Final Terms; and
- (3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on LIBOR or EURIBOR for a currency, the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

(iii) *Minimum and/or Maximum Interest Rate*

If the applicable Final Terms specifies a Minimum Interest Rate for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of sub-paragraph (ii) above is less than such Minimum Interest Rate, the Rate of Interest for such Interest Period shall be such Minimum Interest Rate. If the applicable Final Terms specifies a Maximum Interest Rate for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of sub-paragraph (ii) above is greater than such Maximum Interest Rate, the Rate of Interest for such Interest Period shall be such Maximum Interest Rate.

(iv) *Determination of Rate of Interest and calculation of Interest Amounts*

The Agent, in the case of Floating Rate Notes, or the Calculation Agent, in the case of Indexed Interest Notes, will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Indexed Interest Notes, the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Agent will calculate the amount of interest payable in respect of each Specified Denomination (each an “Interest Amount”) for the relevant Interest Period. Each Interest Amount shall, unless otherwise specified in the applicable Final Terms, be calculated by applying the Rate of Interest to the Specified Denomination, multiplying such amount by the Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

“Day Count Fraction” means, in respect of the calculation of an amount of interest for any Interest Period:

- (i) if “Actual/365” or “Actual/Actual — ISDA” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

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- (iii) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
 - (iv) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
 - (v) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of an Interest Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).
- (v) *Notification of Rate of Interest and Interest Amounts*
The Issuer will cause the Rate of Interest and each Interest Amount for each Interest Period and the relative Interest Payment Date to be notified to the Trustee and any listing authority, stock exchange and/or quotation system by which the relevant Floating Rate Notes or Indexed Interest Notes are for the time being admitted to listing, trading and/or quotation and to be published in accordance with Condition 16 as soon as practicable after their determination but in no event later than the fourth Business Day (as defined in Condition 3(b)(i) above) thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment or alternative arrangements will be promptly notified to the Noteholders in accordance with Condition 16.
- (vi) *Determination or calculation by Trustee*
If for any reason at any time after the Issue Date, the Agent or, as the case may be, the Calculation Agent defaults in its obligation to determine the Rate of Interest in accordance with sub-paragraph (ii) or the Agent defaults in its obligation to calculate any Interest Amount in accordance with sub-paragraph (iv) above, the Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Interest Rate or Maximum Interest Rate specified in the applicable Final Terms), it shall deem fair and reasonable in all circumstances or, as the case may be, the Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Agent or the Calculation Agent, as applicable.
- (vii) *Certificates to be final*
All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3(b), whether by the Agent or the Calculation Agent or the Trustee, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Agent, the Calculation Agent, the Trustee, the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Guarantor, the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent or the Calculation Agent or the Trustee in connection with the exercise or non-exercise by them of their powers, duties and discretions pursuant to such provisions.
- (c) *Dual Currency Notes*
In the case of Dual Currency Notes, where the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest shall be determined in the manner specified in the applicable Final Terms.

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(d) *Partly Paid Notes*

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

(e) *Interest accrual*

Each Note (or, in the case of redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the due date for redemption thereof, upon due presentation thereof, payment of principal is improperly withheld or refused in which event interest will continue to accrue as provided in the Trust Deed.

4. Redemption and Purchase

(a) *Final redemption*

Unless previously redeemed or purchased and cancelled as provided below, this Note will be redeemed at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

(b) *Redemption for taxation reasons*

If the Issuer satisfies the Trustee immediately before the giving of the notice referred to below that as a result of any change in, or amendment to, the laws, published practice or regulations of The Netherlands or the United Kingdom or any political subdivision of, or any authority in, or of, The Netherlands or the United Kingdom, as the case may be, having power to tax, or any change in the application or official or generally accepted interpretation of such laws or regulations, which change or amendment becomes effective after the date on which agreement is reached to issue the first Tranche of the Notes, on the occasion of the next payment due in respect of the Notes either the Issuer would be required to pay additional amounts as provided or referred to in Condition 9 or the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself the Guarantor would be required to pay such additional amounts, the Issuer may at its option, having given not less than 30 nor more than 60 days' notice to the Trustee, the Agent and the Noteholders in accordance with Condition 16 (which notice shall be irrevocable), redeem all the Notes, but not some only, at any time (if this Note is neither a Floating Rate Note nor an Indexed Interest Note) or on the next Interest Payment Date (if this Note is a Floating Rate Note or an Indexed Interest Note) at their Early Redemption Amount referred to in paragraph (g) below together, if applicable, with interest accrued to (but excluding) the date of redemption, provided that no notice of redemption shall be given earlier than 90 days before the earliest date on which the Issuer or the Guarantor would be required to pay the additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee a certificate signed by a duly authorised officer of the Issuer or, as the case may be, a duly authorised officer of the Guarantor stating that the requirement referred to above will apply on the occasion of the next payment due in respect of the Notes and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders, Receiptholders and Couponholders.

(c) *Redemption at the option of the Issuer*

If so specified in the applicable Final Terms, the Issuer may, having given (unless otherwise specified in the applicable Final Terms) not less than 30 nor more than 60 days' notice to the Trustee, the Agent and, in accordance with Condition 16, the Noteholders (which notice shall be irrevocable), redeem all or some only (as specified in the applicable Final Terms) of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) as specified in, or determined in the manner specified in, the applicable Final Terms, together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date. Upon expiry of such notice, the Issuer shall be bound to redeem the Notes accordingly. In the event of a redemption of some only of the Notes, such redemption must be for an amount being the Minimum Redemption Amount or a Higher Redemption Amount. In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by Definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, in the case of Redeemed Notes represented by a Global Note, not more than 60 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Notes represented by Definitive Notes, a list of such Redeemed Notes will be published in accordance with Condition 16 not less than 30 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by Definitive Notes shall bear the same

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proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of Definitive Notes outstanding bears to the aggregate nominal amount of all Notes outstanding, in each case on the Selection Date, provided that any such nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the lowest Specified Denomination, and the aggregate nominal amount of Redeemed Notes represented by a Global Note shall be equal to the balance of the Redeemed Notes. No exchange of the relevant Global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 16 at least 30 days prior to the Selection Date.

(d) *Redemption at the option of the Noteholders*

If the Noteholders are specified in the applicable Final Terms as having an option to redeem, upon the holder of this Note (unless otherwise specified in the applicable Final Terms) giving to the Issuer, in accordance with Condition 16, not less than 30 nor more than 60 days' notice (which notice shall be irrevocable), the Issuer shall, upon the expiry of such notice, redeem subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not in part), such Note on any Optional Redemption Date and at the relevant Optional Redemption Amount(s) as specified in, or determined in the manner specified in, the applicable Final Terms, together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date.

If this Note is in definitive form, to exercise the right to require redemption of this Note the holder of this Note must deliver this Note, on any Business Day (as defined in Condition 3(b)(i)) falling within the notice period, to the specified office of any Paying Agent, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a "Put Notice") and in which the holder must specify a bank account (or, if payment is by cheque, and address) to which payment is to be made under this Condition.

(e) *Purchases*

The Issuer, the Guarantor or any Subsidiary (as defined in the Trust Deed) of the Issuer or the Guarantor may at any time purchase Notes (provided that, in the case of Definitive Notes, all unmatured Receipts and Coupons appertaining thereto are surrendered therewith) in any manner and at any price.

(f) *Late payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraphs (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (g)(iii) below as though the references therein to the date fixed for redemption or the date upon which such Zero Coupon Note becomes due and repayable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) the day after the date on which the full amount of moneys payable has been received by the Agent and notice to that effect has been given to the Noteholders either in accordance with Condition 16 or individually.

(g) *Early Redemption Amounts*

For the purposes of paragraph (b) above and Condition 10, the Notes will be redeemed at an amount (the "Early Redemption Amount") determined or calculated as follows:

- (i) in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or
- (ii) in the case of Notes (other than Zero Coupon Notes but including Instalment Notes and Partly Paid Notes) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Notes are denominated, at the amount set out in, or determined in the manner set out in, the applicable Final Terms, or, if no such amount or manner is so set out, at their nominal amount; or
- (iii) in the case of Zero Coupon Notes, at an amount (the "Accrued Face Amount") equal to the sum of:

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- (A) the Reference Price; and
 - (B) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable,
- or such other amount as is provided in the applicable Final Terms.

Where such calculation is to be made for a period which is not a whole number of years, it shall be made (I) in the case of a Zero Coupon Note other than a Zero Coupon Note payable in euro, on the basis of a 360-day year consisting of 12 months of 30 days each and (II) in the case of a Zero Coupon Note payable in euro, on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed falls in a leap year, the sum of (x) the number of those days falling in a leap year divided by 366 and (y) the number of those days falling in a non-leap year divided by 365) or (III) on such other calculation basis as may be specified in the applicable Final Terms.

(h) *Instalments*

Instalment Notes will be repaid in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms. In the case of early redemption, the Early Redemption Amount will be determined pursuant to paragraph (g) above.

(i) *Cancellation*

All Notes which are redeemed in full will forthwith be cancelled (together with, in the case of Definitive Notes, all unmatured Receipts and Coupons presented therewith and, in the case of Instalment Notes, with all unmatured Receipts attached thereto or surrendered therewith) and accordingly may not be re-issued or resold. Notes purchased by the Issuer, the Guarantor or any Subsidiary of the Issuer or Guarantor may be held, resold, re-issued or cancelled.

5. Payments

(a) *Method of payment*

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by transfer to an account in the relevant Specified Currency (which, in the case of a payment in Yen to a non-resident of Japan, will be to a non-resident account) maintained by the payee with, or, at the option of the holder, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland respectively); and
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9. References to “**Specified Currency**” will include any successor currency under applicable law.

(b) *Presentation of Notes, Receipts and Coupons*

Subject as provided below, payments in respect of principal and interest (if any) in respect of Definitive Notes (if issued) will be made against surrender (or, in the case of part payment only, endorsement) of the Definitive Notes or, as the case may be, Coupons, in each case, at any specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)). Payments of instalments (if any) of principal, other than the final instalment, will (subject as provided below) be made against presentation and surrender of the relevant Receipt. Each Receipt must be presented for payment of the relevant instalment together with the Definitive Note to which it appertains. If any Definitive Note is redeemed or becomes repayable prior to the stated maturity thereof, principal will be payable only on surrender of such Note together with all unmatured Receipts appertaining thereto. Receipts presented without the Definitive Note to which they appertain and unmatured Receipts do not constitute valid obligations of the Issuer.

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Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to Definitive Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made on such Global Note, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by such Paying Agent and such records shall be *prima facie* evidence that the payment in question has been made.

The holder of the relevant Global Note (or, as provided in the Trust Deed, the Trustee) shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer or, as the case may be, the Guarantor or either of them will be discharged by payment to, or to the order of, the holder of such Global Note (or the Trustee, as the case may be) in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantor or either of them to, or to the order of, the holder of the relevant Global Note (or the Trustee, as the case may be). No person other than the holder of the relevant Global Note (or, as provided in the Trust Deed, the Trustee) shall have any claim against the Issuer or, as the case may be, the Guarantor or either of them in respect of any payments due on that Global Note.

Notwithstanding the foregoing, payments of interest in U.S. dollars will be made at the specified office of any Paying Agent in the United States if (a) the Issuer and the Guarantor shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment at such specified offices outside the United States of the full amount of interest on the Notes in the manner provided above when due, (b) payment of the full amount of such interest at such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer or the Guarantor, adverse tax consequences for the Issuer or the Guarantor.

Fixed Rate Notes in definitive form (other than Dual Currency Notes or Indexed Redemption Amount Notes) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall include Coupons falling to be issued on exchange of matured Talons), failing which an amount equal to the face value of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupons as the sum so paid bears to the total amount due) will be deducted from the amount due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon at any time before the expiry of ten years after the relevant date (as defined in Condition 9) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 11) or, if later, five years from the date on which such Coupon would otherwise have become due.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon any Floating Rate Note, Dual Currency Note, Indexed Note or Long Maturity Note in definitive form becoming due and repayable, all unmatured Coupons and Talons (if any) relating to such Note (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A “**Long Maturity Note**” is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Fixed Interest Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any interest-bearing Note in definitive form is not a due date for the payment of interest relating thereto, interest accrued in respect of such interest-bearing Note from (and including) the last preceding due date for the payment of interest (or from (and including) the Interest Commencement Date, as the case may be) will be paid only against surrender of such interest-bearing Note.

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(c) *Payment Day*

If any date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day (as defined below), then the holder thereof shall not be entitled to payment of the relevant amount due until the next following Payment Day and shall not be entitled to any interest or other sum in respect of any such delay. In this Condition (unless otherwise specified in the applicable Final Terms), “**Payment Day**” means any day which is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in:
 - (A) the relevant place of presentation;
 - (B) London;
 - (C) any Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London and any Additional Financial Centre and which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET System is operating.

(d) *Interpretation of principal and interest*

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 9 or pursuant to any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (vi) in relation to Zero Coupon Notes, the Accrued Face Amount;
- (vii) any premium and any other amounts (other than interest) which may be payable under or in respect of the Notes; and
- (viii) in relation to Dual Currency Notes, the principal payable in any relevant Specified Currency.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 9 or pursuant to any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed.

6. Exchange of Talons

On and after the Interest Payment Date or the Fixed Interest Date (as appropriate) on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 11. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Interest Payment Date or the Fixed Interest Date (as the case may be) on which the final Coupon comprised in the relative Coupon sheet matures.

7. Agent and Paying Agents

The names of the initial Agent and the other initial Paying Agents and their initial specified offices are either set out below or in the applicable Final Terms. In the event of the appointed office of the Agent being unable or unwilling to continue to act as the Agent, or failing duly to determine the Rate of Interest (if applicable) or to calculate the Interest Amounts for any Interest Period, the Issuer and the Guarantor shall appoint the London office of such other bank as may be approved by the Trustee (such approval not to be unreasonably withheld or delayed) to act as such in its place as Agent. The Agent may not resign its duties or be removed from office without a successor having been appointed as aforesaid. The Issuer and the Guarantor may, with the prior written approval of the Trustee (such approval not to be unreasonably withheld or delayed), vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts provided that the Issuer and the Guarantor will (i) so long as any of the Notes is outstanding, maintain a Paying Agent (which may be the Agent) having a specified office in a city approved by the Trustee (such approval not to be unreasonably withheld or delayed) in continental Europe other than The Netherlands; and (ii) so long as any of the Notes are admitted to listing on the Official List of the UK Listing Authority and to trading on the London Stock Exchange and/or any other listing authority, stock exchange and/or quotation system, maintain a Paying Agent in London and/or in such other place as may be required by the rules of such other listing authority, stock exchange and/or quotation system; and (iii) if European Council Directive 2003/48/EC or any law implementing or complying with, or introduced to conform to such Directive is introduced, save where it may from time to time be otherwise agreed with the Trustee that it is unduly onerous or inconsistent with current market practice at the relevant time to do so, ensure that they maintain a Paying Agent in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any such Directive or laws, save to the extent that such requirement is not met by virtue of paragraph (i) above.

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the fourth paragraph of Condition 5(b). Notice of any such variation, termination, appointment or change will be given by the Issuer to the Noteholders in accordance with Condition 16.

8. Redenomination

(a) Redenomination

Where Redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Noteholders, the Receiptholders and the Couponholders, on giving at least 30 days' prior notice to the Noteholders in accordance with Condition 16, elect that, with Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

The election will have effect as follows:

- (i) each Specified Denomination will be deemed to be denominated in such amount of euro as is equivalent to its denomination in the Specified Currency at the Established Rate, subject to such provisions (if any) as to rounding (and payments in respect of fractions consequent on rounding) as the Issuer may decide, with the approval of the Trustee, and as may be specified in the notice;
- (ii) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons will be made solely in euro, including payments of interest in respect of periods before the Redenomination Date, as though references in the Notes to the Specified Currency were to euro; and
- (iii) such changes shall be made to these Terms and Conditions as the Issuer may decide, with the approval of the Trustee, and as may be specified in the notice, to conform them to conventions then applicable to instruments denominated in euro or to enable the Notes to be consolidated within one or more issues of other notes, whether or not originally denominated in the Specified Currency or euro.

(b) Definitions

In this Condition, the following expressions have the following meanings:

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“Established Rate” means the rate for the conversion of the Specified Currency into euro established by the Council of the European Union pursuant to Article 1091(4) of the Treaty; and

“Redenomination Date” means any date for payment of interest under the Notes specified by the Issuer or, if the country of the Specified Currency is not one of the countries then participating in the third stage of European economic and monetary union pursuant to the Treaty, which falls on or after such later date as it does so participate.

9. Taxation

All payments of principal and interest (if any) in respect of the Notes, Receipts and Coupons will be made without withholding of or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed or levied by or on behalf of The Netherlands in the case of payments by Shell Finance and in the case of payments by RDS the United Kingdom or The Netherlands in either case, any political sub-division thereof or by any authority therein or thereof having power to tax, unless the Issuer or, as the case may be, a Guarantor is compelled by law to withhold or deduct any such taxes, duties, assessments or governmental charges. In that event, such Issuer or, as the case may be, such Guarantor will pay such additional amounts as may be necessary in order that the net amounts receivable by the Noteholders, Receiptholders and/or Couponholders, as the case may be, after such withholding or deduction shall equal the respective amounts of principal and interest which would have been receivable in respect of the Notes and/or Receipts and/or Coupons, as the case may be, in the absence of such withholding or deduction, except that no such additional amount shall be payable with respect to any Note, Receipt or Coupon:

- (i) presented for payment by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with The Netherlands or the United Kingdom (as the case may be) otherwise than by reason only of his holding such Note, Receipt or Coupon; or
- (ii) presented for payment by or on behalf of a holder who would not be liable or subject to such withholding or deduction if he were to comply with any statutory requirement or to make a declaration of non-residence or other similar claim for exemption but fails to do so; or
- (iii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive or law; or
- (iv) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union; or
- (v) presented for payment more than 30 days after the relevant date except to the extent that the holder thereof would have been entitled to such additional amount on presenting the same for payment on the last day of such period of 30 days assuming that day to have been a Payment Day.

For this purpose, the “relevant date” means whichever is the later of the date on which the moneys in respect of the Note, Receipt or Coupon (as the case may be) first become due and payable and, if the full amount of the moneys payable on such date has not been received by the Agent or the Trustee on or prior to such date, the date on which such moneys shall have been so received and notice to that effect shall have been given to the Noteholders in accordance with Condition 16.

10. Events of Default and Enforcement

- (a) The Trustee at its discretion may, and if so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject in each case to being indemnified to its satisfaction), (but, in the case of the happening of any of the events mentioned in sub-paragraphs (ii) to (vii) inclusive below only if the Trustee shall have certified in writing that such event, is in its opinion, materially prejudicial to the interests of the Noteholders), give notice to the Issuer and the Guarantor that the Notes are, and they shall accordingly thereby immediately become, due and repayable at their Early Redemption Amount (together, in respect of each Note, with interest accrued to the date upon which, the Early Redemption

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Amount of the Notes having been received by the Agent or the Trustee, payment is made in respect of such Note, or, if earlier, notice is duly given to the Noteholders in accordance with Condition 16) if any of the following events shall occur and be continuing:

- (i) default is made for more than 30 days in paying any principal of or any interest on any of the Notes when due; or
 - (ii) there is default in the performance of any other obligation of the Issuer or the Guarantor under the Notes or the Trust Deed in respect of the Notes which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not remedied within 90 days after notice of such default shall have been given to the Issuer and the Guarantor by the Trustee; or
 - (iii) except for the purpose of a reconstruction or an amalgamation the terms of which have previously been approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders:
 - (a) an order is made by a court of competent jurisdiction in its country of incorporation of an administrator in relation to the Issuer or the Guarantor or an administration or similar order is made by a court of competent jurisdiction in its country of incorporation in relation to the Issuer or the Guarantor and any such order is not discharged or stayed within a period of 90 days or an effective resolution is passed for winding-up or dissolving the Issuer or the Guarantor; or
 - (b) the Issuer or the Guarantor ceases to carry on substantially the whole of its business or admits in writing it is unable to pay its debts as they fall due; or
 - (iv) an administrative or other receiver or similar officer is appointed of the whole or substantially the whole of the assets of the Issuer or the Guarantor and is not removed, paid out or discharged within 90 days or, following such 90 day period, the appointment is not being disputed in good faith; or
 - (v) if Shell Finance is the Issuer, the Issuer applies for *surseance van betaling* (within the meaning of The Netherlands Bankruptcy Act (*Faillissementswet*)); or
 - (vi) the Issuer or the Guarantor is adjudicated bankrupt or insolvent by a court of competent jurisdiction in its country of incorporation; or
 - (vii) the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect.
- (b) The Trustee may at any time, at its discretion and without further notice, take such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce the provisions of the Trust Deed, the Notes, the Receipts and the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Notes, the Receipts or the Coupons unless (i) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by Noteholders holding at least one quarter in nominal amount of the Notes then outstanding and (ii) it shall have been indemnified to its satisfaction. No Noteholder, Receiptholder or Couponholder may proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

11. Prescription

The Notes, Receipts and Coupons (which for this purpose shall not include the Talons) will become void unless presented for redemption or payment within a period of 10 years (in the case of Notes and Receipts) and five years (in the case of Coupons), in each case from the relevant date (as defined in Condition 9) in respect thereof, subject to the provisions of Condition 5. There shall not be included in any Coupon sheet issued on exchange of a Talon, any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5 or any Talon which would be void pursuant to Condition 5.

12. Meetings of Noteholders, Modification and Waiver

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of these Terms and Conditions as modified and completed by the applicable Final Terms or the provisions of the Trust Deed. The quorum at any such meeting for passing an Extraordinary Resolution will be one or more persons holding or

Terms and Conditions of the Notes

representing a clear majority of the nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain of these Terms and Conditions as modified and completed by the applicable Final Terms and of the provisions of the Trust Deed the quorum will be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, of the nominal amount of the Notes for the time being outstanding.

An Extraordinary Resolution passed at any meeting of Noteholders will be binding on all Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Trustee may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Trust Deed or these Terms and Conditions as modified and completed by the applicable Final Terms which is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders or which is of a formal, minor or technical nature or to correct a manifest error or to comply with mandatory provisions of law. Any such modification, waiver or authorisation shall be binding on the Noteholders, Receiptholders and Couponholders and, unless the Trustee agrees otherwise, shall be notified to the Noteholders as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers or discretions (including, without limitation, any modification, waiver, authorisation or substitution), the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to any interests arising from circumstances particular to individual Noteholders, Receiptholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of the exercise of its trusts, powers or discretions for individual Noteholders, Receiptholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any particular sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer or the Guarantor or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders, Receiptholders or Couponholders except to the extent already provided for in Condition 9 and/or any undertaking given in addition to, or in substitution for, Condition 9 pursuant to the Trust Deed.

The Trust Deed contains provisions for convening a single meeting of holders of notes (including the Notes) of more than one series in certain circumstances where the Trustee so decides.

13. Further Issues

The Issuer is at liberty from time to time without the consent of the Noteholders, Receiptholders or Couponholders to create and issue further notes ranking *pari passu* in all respects (or in all respects save in relation to the first payment of interest thereon) and so that the same shall be consolidated and form a single series with the outstanding Notes.

14. Replacement of Notes, Receipts, Coupons and Talons

If a Note (including any Global Note), Receipt, Coupon or Talon is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Agent on payment of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before new ones will be issued.

15. Indemnification

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility in certain circumstances, including provisions relieving it from taking proceedings to enforce payment unless indemnified to its satisfaction.

16. Notices

All notices regarding the Notes will be valid if published in one leading English language daily newspaper of general circulation in London (which is expected to be the *Financial Times*) or, if this is not possible, in one other leading English language daily newspaper with general circulation in the United Kingdom. Any such

Terms and Conditions of the Notes

notice shall be deemed to have been given on the date of such publication or, if published more than once, on the date of the first such publication or, if required to be published in more than one newspaper, on the date of the first such publication in all the required newspapers. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve.

Until such time as any Definitive Notes are issued, there may, so long as any Global Note is held in its entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication as aforesaid the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the Noteholders. Any such notice shall be deemed to have been given to the Noteholders on the third day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg, as appropriate.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any Noteholder to the Agent via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

17. Substitution

The Trustee may agree without the consent of the Noteholders, the Receiptholders or the Couponholders to (i) the substitution in place of the Issuer as principal debtor under the Trust Deed, the Notes, the Receipts and the Coupons (where the Issuer is Shell Finance) of any affiliate of the Issuer, the Guarantor, any Subsidiary of the Guarantor, any Holding Company (as defined in the Trust Deed) of the Guarantor, the Successor in Business (as defined in the Trust Deed) of the Guarantor, any Subsidiary of any such Holding Company or any Subsidiary of any such Successor in Business or (where the Issuer is RDS) of any Subsidiary of the Issuer, any Holding Company of the Issuer, the Successor in Business of the Issuer, any Subsidiary of any such Holding Company or any Subsidiary of any such Successor in Business or (ii) the substitution in place of the Guarantor of a Successor in Business to the Guarantor or any Holding Company of the Guarantor, any such substitution as aforesaid being subject to the Trustee being of the opinion that such substitution is not materially prejudicial to the interests of the Noteholders and certain other requirements set out in the Trust Deed being complied with.

In addition, the Trustee shall agree without the consent of the Noteholders, the Receiptholders or the Couponholders, to any such substitution as described in the preceding paragraph subject to the satisfaction of the conditions set out in the Trust Deed for any such substitution including the provision of ratings confirmation.

18. Rights of Third Parties

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term or condition of this Note or the Trust Deed but this does not affect any right or remedy of any person which exists or is available apart from that Act.

19. Governing Law and Jurisdiction

(a) Governing Law:

The Notes, the Receipts, the Coupons, the Talons, the Trust Deed (including the Guarantee) and the Agency Agreement are governed by, and shall be construed in accordance with, English law.

(b) Jurisdiction:

Shell Finance has irrevocably agreed in the Trust Deed for the exclusive benefit of the Trustee, the Noteholders, the Receiptholders and the Couponholders that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed or the Notes, Receipts, Coupons or Talons and that accordingly any suit, action or proceedings (together referred to as "Proceedings") arising out of or in connection therewith may be brought in the courts of England.

Shell Finance has in the Trust Deed irrevocably and unconditionally waived any objection which it may have now or hereafter to the laying of the venue of any Proceedings in the courts of England and any claim that any such Proceedings have been brought in an inconvenient forum and any judgment obtained in the courts

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of England shall be conclusive and binding upon it and (save as provided below) may be enforced in the courts of any other jurisdiction. Nothing contained in this Condition shall limit any right to take Proceedings in one or more jurisdictions nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not to the extent permitted by law save that this Condition does not extend to the taking of Proceedings in any Federal, State or other courts in the United States of America or any State or territory thereof and the Trustee has undertaken in the Trust Deed not to take any Proceedings in any such courts and neither the Trustee nor any Noteholder, Receipholder or Couponholder shall have any right to do so.

Shell Finance has in the Trust Deed appointed Shell International Limited (Attention: Company Secretary) at Shell Centre, London SE1 7NA (or at its registered office for the time being in England) as its agent for service of process in England in respect of any Proceedings and has undertaken that in the event of it ceasing so to act it will appoint such other person as the Trustee may approve as its agent for that purpose.

Use of Proceeds

The net proceeds of each issue of Notes will be used for the general purposes of the Shell Group and/or for such specific purposes as may be determined from time to time.

Form of Final Terms

The form of Final Terms which will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

Final Terms dated []

[Shell International Finance B.V.
Royal Dutch Shell plc]

[Guaranteed by

Royal Dutch Shell plc]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under a U.S.\$10,000,000,000 Debt Securities Programme (the “Programme”)

Part A — Contractual Terms

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Information Memorandum dated [date] which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Information Memorandum. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Information Memorandum. The Information Memorandum is available for viewing and may be obtained at the office of the Trustee at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB and at the specified office of each Paying Agent.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Information Memorandum with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Information Memorandum dated [original date]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”) and must be read in conjunction with the Information Memorandum dated [current date] which constitutes a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Information Memorandum dated [original date] and are attached hereto.] Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Information Memorandum dated [current date] and [original date]. Copies of such Information Memoranda are available for viewing and may be obtained at the office of the Trustee at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB and at the specified office of each Paying Agent.

[Unless otherwise permitted by then current laws and regulations, if the Notes have a maturity of less than one year, the minimum denomination must be £100,000 or its equivalent in any other currency.]

[Include whichever of the following apply or specify as “not applicable”]

[When adding any other final terms or information consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Information Memorandum under Article 16 of the Prospectus Directive.]

Principal Operational Information

1. Issuer: [Shell International Finance B.V./Royal Dutch Shell plc]
2. ISIN: []

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3. Euroclear/Clearstream, Luxembourg
Common Code: []
4. [WKN: []]
5. Additional Clearing System(s): [CBF]
[Euroclear, France]
[SIS]
[other]
6. Delivery: [Delivery [against/free of] payment]
7. Series Number: []
(If fungible with existing Series, details of that Series (including the date on which the Notes become fungible) and aggregate nominal amount of the Series):
8. Specified Currency (or Currencies in the case of Dual Currency Notes): []
9. Aggregate Nominal Amount: []
10. Issue Date: []
11. Maturity Date: []
12. Form of Notes: Temporary Global Note exchangeable for Permanent Global Note and further exchangeable into Definitive Notes at the request of the Issuer and [if requested by the bearer on not less than 60 days' notice*/only in the limited circumstances set out therein]

Temporary Global Note exchangeable for Definitive Notes [on [] days' notice]

Permanent Global Note exchangeable for Definitive Notes at the request of the Issuer and [if requested by the bearer on not less than 60 days' notice/only in the limited circumstances set out therein]**
13. Specified Denomination(s): []
(N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the €1,000 minimum denomination, required for Notes issued by Shell International Finance B.V., is not required.)
14. Interest/Payment Basis: [Fixed Rate/Floating Rate/Zero Coupon/Indexed Interest/Indexed Redemption Amount/Partly Paid/

*The option for the bearer to request the exchange of the Permanent Global Note into Definitive Notes should not be deleted without prior U.S. taxation advice.

**This option should not be used without prior U.S. taxation advice.

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- Dual Currency/Instalment/Other [specify](further particulars specified below)]
15. Automatic/optional conversion from one Interest/Payment Basis to another: [Insert details]
16. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
17. Method of distribution: [Syndicated/Non-syndicated]
18. If syndicated, names [and addresses]** of Managers [and underwriting commitments]**: [Not Applicable/give names [and addresses and underwriting commitments]**]
- (Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers)**
19. Date of [Subscription] Agreement:** []**
20. If non-syndicated, name [and address]** of Dealer: []
21. Total commission and concession:** [] per cent. of the Aggregate Nominal Amount**
22. Applicable TEFRA rules: [D Rules]/[Not applicable (only if Tranche has a maturity of one year or under)]
23. Certificate of Non-Beneficial Ownership: [Yes/No]
(not applicable for either issues with maturity of one year or under or Swiss Franc Domestic Notes)

Issue of Notes

24. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
25. Interest Commencement Date: [Issue Date]/[other]

Provisions Relating to Interest (if any) Payable

26. Effective yield: [] (only applicable if Notes are to be listed on the Official Segment of the Stock Market of Euronext Amsterdam)

Fixed Rate Notes

27. Fixed Rate of Interest: [] per cent. per annum
28. Fixed Interest Date(s): [] in each year
29. Fixed Amount: []
-

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— [Initial Broken Amount per denomination: [] per [] in nominal amount]

— [Final Broken Amount per denomination: [] per [] in nominal amount]

30. Fixed Day Count Fraction: [Actual/Actual-ISMA or 30/360 or *specify other*]

[If Actual/Actual-ISMA include Determination Date(s) in each year: []]

[Insert regular interest payment dates, ignoring issue date or maturity date in case of a long or short first or last coupon] (N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration.)

31. Other terms relating to the method of calculating interest for Fixed Rate Notes: []

Floating Rate Notes and Indexed Interest Notes

32. Specified Period(s) or specified Interest Payment Date(s): [*Specify either a period where Floating Rate Convention is used or specific date(s) where any other Business Day Convention is used*]

33. Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]

34. Additional Business Centre(s): []

35. Manner in which the Rate of Interest is to be determined: [Screen Rate Determination/ISDA Determination/other (*give details*)/*specify fall back provisions*]

36. Relevant Screen Page (*Screen Rate Determination*): []

37. Reference Rate (*Screen Rate Determination*): []

38. Interest Determination Date(s) (*Screen Rate Determination*): []

39. Margin(s): [+/-][] per cent. per annum

40. Floating Rate Option (*ISDA Determination*): []

41. Designated Maturity (*ISDA Determination*): []

42. Reset Date (*ISDA Determination*): []

43. Minimum Interest Rate: [] per cent. per annum

44. Maximum Interest Rate: [] per cent. per annum

45. Day Count Fraction: []

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46. Other terms relating to the method of calculating interest on Floating Rate Notes and fall back provisions: []
47. Calculation Agent responsible for determining interest rate(s) and calculating the interest due, if not the Agent: []
48. Index/formula (*Indexed Interest Notes*): *[give or annex details of the index/formula to which amounts payable in respect of interest are linked and/or the formula to be used in determining the rate of interest]*
49. Calculation Agent responsible for calculating the interest due (*Indexed Interest Notes*): []
50. Provisions for determining the interest due where calculation by reference to Index/Formula is impossible or impracticable (*Indexed Interest Notes*): *[need to include a description of market disruption or settlement disruption events and adjustment provisions]*

Zero Coupon Notes

51. Accrual Yield: []
52. Reference Price: [] per cent. per annum
53. Any other formula/basis of determining Accrued Face Amount: []

Dual Currency Notes

54. Rate of Exchange/method of calculating Rate of Exchange: [The Rate(s) of Exchange is/are the exchange rate(s) or basis of calculating the exchange rate(s) to be used in determining the amounts of principal and/or interest payable in the Specified Currencies]
55. Calculation Agent, if any, responsible for calculating the principal and/or interest payable: []
56. Provisions applicable where calculation by reference to the Rate of Exchange impossible or impracticable: *[need to include a description of market disruption or settlement disruption events and adjustment provisions]*
57. Person at whose option Specified Currency(ies) is/are payable: []
58. Other provisions: *[give details]*

Partly Paid Notes

59. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date(s) on which each payment is to be made and consequences (if any) of failure to pay (including rights of Issuer to forfeit and interest payable on late payments): []

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Instalment Notes

60. Instalment Amount(s): []

61. Instalment Date(s): []

Provisions Relating to Redemption

Call Option

62. Issuer's call option applicable: [Yes/No]

63. Optional Redemption Date(s): []

64. Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s): []

65. If redeemable in part:

(i) Minimum Redemption Amount: []

(ii) Higher Redemption Amount: []

Put Option

66. Noteholders' put option applicable: [Yes/No]

67. Optional Redemption Date(s): []

68. Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s): []

Final Redemption Amount

69. Final Redemption Amount for each Note, including the method, if any, of calculating the same: []
(N.B. If the Final Redemption Amount is less than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply)

Early Redemption Amount

70. Early Redemption Amount for each Note payable on redemption for taxation reasons or on an Event of Default and/or the method of calculating the same (if required or if different from that set out in Condition 4(g)): []

Provisions Regarding Payments

71. Definition of "Payment Day" if different to that set out in Condition 5(c): [give details]

Redenomination

72. Redenomination applicable: [Yes/No] [Specify any modifications]

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General Provisions Applicable to the Notes

73. Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not applicable/give details]
(Note that this item relates to the place of payment and not Interest Period end dates to which item 34 relates)
74. Details of the relevant Stabilising Manager: []
75. Additional or amended or new selling restrictions: [give details]
76. Netherlands Selling Restrictions for Notes which have a maturity of less than 12 months*:
[Listed Notes issued by Shell Finance: selling restriction (a) in paragraph 5.1 of Schedule 1 to the Dealer Agreement dated 22 July 2005 (the “Dealer Agreement”) applies] [High denomination Notes issued by Shell Finance: selling restriction (b) in paragraph 5.1 of Schedule 1 to the Dealer Agreement applies]/[Professional Investors only: selling restriction (c) in paragraph 5.1 of Schedule 1 to the Dealer Agreement applies]/ [Combined Professional Investors only and Non-Residents: selling restriction (d) in paragraph 5.1 of Schedule 1 to the Dealer Agreement applies]/[Notes issued in high value units by Shell Finance: selling restriction (e) in paragraph 5.1 of Schedule 1 to the Dealer Agreement applies]/[Notes issued by Shell Finance offered to less than 100 persons per Member State of the European Economic Area: selling restriction (f) in paragraph 5.1 of Schedule 1 to the Dealer Agreement applies]/[High denomination Notes issued by RDS: the selling restriction in paragraph 5.2 of Schedule 1 to the Dealer Agreement applies]†, †††
77. Other final terms: []
(When adding any other final terms consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Information Memorandum under Article 16 of the Prospectus Directive.)

[All notices regarding the Notes will be published in the Euronext Amsterdam Daily Official List and one newspaper nationally distributed in The Netherlands.

For so long as any Note remains outstanding, copies of the last amendment to the articles of association of the Issuer [(together with an English translation)] will be available during usual business hours on any weekday (Saturdays and

* Other than that Netherlands Selling Restrictions of paragraph 5.3 of Schedule 1 to the Dealer Agreement may also apply, Netherlands selling restrictions are not necessary for Notes with a maturity of 12 months or more.

†Delete in each case as applicable, or combine, if and when appropriate.

††Only applicable for Notes issued by Shell International Finance B.V.

†††Only applicable for Notes issued by Royal Dutch Shell plc.

Form of Final Terms

public holidays excepted) for inspection at the offices of the Issuer and the Dutch Paying Agent.

The Issuer will comply with article 2.1.20 of Schedule B of the Listing and Issuing Rules of Euronext Amsterdam.]‡

78. Rating of the Notes if different from that set out in the Information Memorandum:

[]

79. Trustee:

Citicorp Trustee Company Limited

80. Agent:

[Citibank, N.A.
5 Carmelite Street, London EC4Y 0PA]/[other]

81. Paying Agent:

Dexia Banque Internationale à Luxembourg S.A.
69 route d'Esch
L-2953 Luxembourg]/[other]

[82. Dutch Paying Agent:

[Insert details]]‡

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [[] has been extracted from []. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [], no facts have been omitted which would render the reproduced information inaccurate or misleading].

Signed on behalf of the Issuer

By:
(Duly authorised)

Part B — Other Information

Listing

1. Listing

[London/other (*specify*)/None]

2. Admission to trading:

[Application has been made for the Notes to be admitted to trading on [] with effect from [].]
[Not Applicable.]

(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)***

3. Estimate of total expenses related to admission to trading:****

[]****

Ratings

4. Ratings:

The Notes to be issued have been rated:

[S & P: []]
[Moody's: []]
[[Other]: []]

‡For use if Notes are to be listed on Euronext Amsterdam.

***Delete if the minimum denomination is €50,000.

****Delete if the minimum denomination is less than €50,000.

Form of Final Terms

*[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]****

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

Notification

5. The [name of competent authority in home Member State] [has been requested to provide/has provided — include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the [names of competent authorities of host Member States] with a certificate of approval attesting that the Information Memorandum has been drawn up in accordance with the Prospectus Directive.]

Interests of Natural and Legal Persons Involved in the Issue

6. [Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. — Amend as appropriate if there are other interests]

Reasons for the Offer, Estimated Net Proceeds and Total Expenses***

7. Reasons for the offer []

(See “Use of Proceeds” wording in Information Memorandum — if reasons for offer are different from making profit and/or hedging certain risks will need to include those reasons here.)

8. Estimated Net Proceeds []

(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

9. Estimated Total Expenses [] [Include breakdown of expenses]

(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (8) and (9) above where disclosure is included at (7) above.)

Yield (Fixed Rate Notes only)

10. Indication of yield: []

*[Calculated as [include details of method of calculation in summary form] on the Issue Date.]****

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

*** Delete if the minimum denomination is €50,000

Form of Final Terms

Historic Interest Rates (Floating Rate Notes Only)***

11. Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Bloomberg].]

Performance of Index/Formula, Explanation of Effect on Value of Investment and Associated Risks and other Information Concerning the Underlying (Index-Linked Notes Only)

12. [Need to include details of where past and future performance and volatility of the index/formula can be obtained.]

*[Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]****

[Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]

Performance of Rate[s] of Exchange and Explanation of Effect on Value of Investment (Dual Currency Notes only)

13. [Need to include details of where past and future performance and volatility of the relevant rates can be obtained.]

*[Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]****

*** Delete if the minimum denomination is €50,000.

Royal Dutch Shell plc and Shell International Finance B.V.

History and development of RDS

RDS is the single parent company of Royal Dutch and Shell Transport as a result of the unification transaction described below. Since 1907, Royal Dutch and Shell Transport have been the parent companies of a group of companies known collectively as the **Royal Dutch/Shell Group**. The companies of the Royal Dutch/Shell Group are engaged worldwide in all the principal aspects of the oil and natural gas industry.

On 20 July 2005 RDS became the parent company of Royal Dutch and Shell Transport upon the consummation of (i) an exchange offer under Dutch law by RDS for the outstanding shares of Royal Dutch and (ii) a scheme of arrangement under English law involving Shell Transport and its shareholders.

RDS was incorporated in England and Wales under the Companies Act on 5 February 2002 as a private company limited by shares. On 27 October 2004 it re-registered as a public company limited by shares and changed its name to Royal Dutch Shell plc.

The primary object of RDS is to carry on the business of a holding company. It has not traded since incorporation.

RDS is registered at Companies House, Cardiff, with company number 04366849 and in the commercial register of the Chamber of Commerce, The Hague under number 34179503. Its registered office is at Shell Centre, London SE1 7NA, United Kingdom and its headquarters are at Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands, tel.: +31 (0) 70 377 9111. RDS is considered a resident of The Netherlands for Dutch and UK tax purposes.

History and development of Shell Finance

Shell Finance was incorporated as a private limited liability company under the laws of The Netherlands on 5 March 2004. Shell Finance is registered in The Hague with trade register number 27265903. The registered office of Shell Finance is Carel van Bylandtlaan 30, 2596 HR The Hague, tel.: +31 70 377 9111.

Shell Finance was renamed Shell International Finance B.V. and became a 100 per cent. owned subsidiary of RDS on 20 July 2005. Shell Finance is a financing vehicle for RDS and its consolidated subsidiaries. Shell Finance has no independent operations, other than raising debt for use by the Shell Group, hedging such debt when appropriate and on-lending funds raised to companies in the Shell Group. Shell Finance will lend substantially all proceeds of its borrowings to companies in the Shell Group and is therefore dependent on such companies repaying funds lent to them.

History and development of the Royal Dutch/Shell Group

The history of the companies that make up the Royal Dutch/Shell Group goes back more than a century. Royal Dutch was registered in 1890, with its main interests being the development of the oil fields of Sumatra. Shell Transport was formally established in 1897, having begun as a company selling seashells before diversifying into shipping oil.

Subsequently, the Royal Dutch/Shell Group grew out of a scheme of amalgamation between Royal Dutch and Shell Transport dated 12 September 1906 and agreements from 1907 by which the scheme of amalgamation was implemented and pursuant to which they combined their interests in the oil industry through the transfer of all the significant operating assets of each of Royal Dutch and Shell Transport to companies owned 60 per cent. by Royal Dutch and 40 per cent. by Shell Transport.

The Royal Dutch/Shell Group's energy and petrochemical operations then expanded rapidly with acquisitions in Europe, Africa and the Americas and the establishment of its chemicals business in 1929. By the middle of the twentieth century, the Royal Dutch/Shell Group had become one of the world's leading suppliers of oil products. The Royal Dutch/Shell Group was also developing interests in natural gas, which was emerging as a new alternative source of energy. This was followed by the major oil and gas discoveries in the North Sea in the 1970s, continued growth in gas consumption and the first shipments of liquefied natural gas.

The Royal Dutch/Shell Group has continued to grow and now employs about 114,000 people with operations in over 140 countries and territories around the world providing a wide range of energy and

Royal Dutch Shell plc and Shell International Finance B.V.

petrochemical products. Whilst best known to the public for its service stations and for exploring and producing oil and gas on land and at sea, the Royal Dutch/Shell Group's activities include transporting and trading oil and gas, marketing natural gas, producing and selling fuel for ships and planes, generating electricity and providing energy efficiency advice. The Royal Dutch/Shell Group also produces and sells petrochemical building blocks to industrial consumers globally and is investing in making renewable and lower-carbon energy sources competitive for large-scale use.

Business overview of Shell Group

Activities and major interests

The companies of the Shell Group are engaged worldwide in all the principal aspects of the oil and natural gas industry. They also have interests in chemicals and additional interests in power generation and renewable energy (chiefly in wind and solar energy).

Oil and gas, by far the largest of the Shell Group companies' business activities (which include the Shell Group's Exploration and Production, Gas & Power and Oil Products segments), accounted for approximately 90 per cent. of net proceeds in 2004. In fact, the Shell Group and associated companies constitute one of the largest oil and gas enterprises in the world (by a number of measures, including operating cashflow and oil and gas production). They market their oil products in more countries than any other oil company and have a strong position, not only in the major industrialised countries, but also in the developing ones. The distinctive Shell pecten (a trademark in use since the early part of the twentieth century) and trademarks in which the word Shell appears support this marketing effort throughout the world. Taken together, the Shell Group and associated companies also rank among the world's major chemical companies (by sales); in 2004 chemicals accounted for around 10 per cent. of the net proceeds of the Shell Group companies. The Shell Group's interest in power generation and renewable energy are considerably smaller, notwithstanding that the Shell Group's renewables business is now one of the largest global solar enterprises (by production). The Shell Group's various activities are conducted in more than 140 countries and territories.

Description of activities and principal markets

Set out below is a summary description of the activities and principal markets of the businesses of the Shell Group.

(a) Exploration and Production

The Exploration and Production business searches for and recovers oil and gas around the world and is active in 34 countries. The majority of these activities are carried out in ventures with other parties.

(b) Gas & Power

The Gas & Power business liquefies and transports natural gas, and develops gas markets and infrastructure, including gas-fired power plants. It also markets and trades natural gas and electricity and converts natural gas to liquids to provide clean fuels. The majority of these activities, in particular liquefied natural gas, are carried out by associated companies.

(c) Oil Products

Oil Products encompasses all the activities which transform crude oil into Shell products for customers. As at the end of 2004, the Shell Group had an interest in more than 50 refineries worldwide and markets fuels for the automotive, aviation and marine sectors, along with heating oils, industrial and consumer lubricants, speciality products such as bitumen and liquefied petroleum gas (propane and/or butane liquefied petroleum gas) and technical services.

(d) Chemicals

The Shell Group chemicals companies produce and sell petrochemicals to industrial customers globally. The products are widely used in plastics, coatings and detergents, which in turn are used in products such as fibres and textiles, thermal and electrical insulation, medical equipment and sterile supplies, computers, lighter and more efficient vehicles, paints, and biodegradable detergents.

The Shell Group companies currently produce a number of base chemicals and petrochemicals. They are major suppliers of base chemicals such as lower olefins and aromatics, and first-line derivatives such as styrene monomer, propylene oxide, solvents, detergent intermediates, and ethylene oxide.

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(e) Other

Shell Renewables is developing the Shell Group's options in renewable energy, focusing on two principal areas — solar and wind energy. The business manufactures and markets solar energy systems and develops and operates wind parks.

Shell Hydrogen is developing projects with the aim of introducing hydrogen as a commercial product into relevant transportation and stationary markets.

Principal subsidiaries

RDS is the parent company of Royal Dutch and holds all of the issued share capital of Shell Transport, save for the dividend access share in the capital of Shell Transport having a nominal value of 25 pence and having the rights attaching to it as set out in the Shell Transport Articles allotted and issued to Hill Samuel Offshore Trust Company Limited.

RDS is organised as a holding company and substantially all of its operations are carried on through subsidiaries of RDS. RDS's ability to meet its financial obligations is dependent on the availability of cash flows from its domestic and foreign subsidiaries and affiliated companies through dividends, intercompany advances and other payments.

Principal investments

Details of the principal investments of the Shell Group since 31 March 2005, are set out below:

- in May 2003, the Shell Group and its partners took a final investment decision to invest in phase 2 of the Sakhalin II project located on Sakhalin Island in Russia (Shell Group share 55 per cent.). Phase 1 has been producing oil since 1999. Phase 2 is an integrated oil and gas project including a liquefied natural gas ("LNG") plant and an oil and LNG export terminal. Sakhalin Energy Investment Company (SEIC) provisionally anticipates that Phase 2 project investment costs could be of the order of \$20 billion, covering all planned development activity including drilling activity through to 2014, with LNG deliveries starting in the summer of 2008.
- in October 2003, the Shell Group signed heads of agreement for the construction of the Pearl Gas to Liquids ("GTL") plant in Qatar. The Pearl GTL project comprises the development of upstream gas production facilities and an onshore GTL plant. Furthermore, a development and production sharing agreement was signed in July 2004. First production is expected in 2009 and total project costs are expected to be \$5-6 billion.

Save as disclosed above and save to the extent that ongoing investments outlined above have continuing capital investment requirements, management bodies of RDS have not made any firm commitments on any further principal future investments which are material to the Shell Group as a whole.

Summarised financial data

Presented below are the summarised financial data of the consolidated financial statements for the Shell Group prepared in accordance with US GAAP as at and for the years ended 31 December 2000, 2001, 2002, 2003 and 2004.

Summarised Financial Data

Income data	2004	2003	2002	2001	2000
	\$ million				
Sales proceeds					
Oil and gas	308,660	243,566	202,861	149,005	161,219
Chemicals	27,780	19,459	14,659	13,767	15,658
Other	1,082	864	767	589	481
Gross proceeds	<u>337,522</u>	<u>263,889</u>	<u>218,287</u>	<u>163,361</u>	<u>177,358</u>
Sales taxes, excise duties and similar levies	72,332	65,527	54,834	40,908	41,122
Net proceeds	<u>265,190</u>	<u>198,362</u>	<u>163,453</u>	<u>122,453</u>	<u>136,236</u>
Earnings by industry segment					
Exploration & Production	8,957	8,590	6,641	7,882	9,902
Gas & Power	2,069	2,270	747	1,199	92
Oil Products	6,281	2,821	2,485	1,919	3,371
Chemicals	930	(209)	565	127	1,031
Other industry segments	(141)	(267)	(110)	(287)	(12)
Total operating segments	<u>18,096</u>	<u>13,205</u>	<u>10,328</u>	<u>10,840</u>	<u>14,384</u>
Corporate	(848)	(810)	(669)	(196)	(691)
Minority interests	(626)	(353)	(175)	(360)	(357)
Income from continuing operations	<u>16,622</u>	<u>12,042</u>	<u>9,484</u>	<u>10,284</u>	<u>13,336</u>
Income from discontinued operations, net of tax ^(a)	1,560	25	187	37	(508)
Cumulative effect of a change in accounting principle, net of tax	—	255	—	—	—
Net income	<u>18,182</u>	<u>12,322</u>	<u>9,671</u>	<u>10,321</u>	<u>12,828</u>
Balance sheet data (at December 31)					\$ million
Total fixed and other long-term assets	130,963	125,946	111,476	80,729	76,836
Net current assets/(liabilities)	7,153	(5,059)	(7,627)	3,930	10,734
Total debt	14,362	19,669	19,082	5,820	7,427
Net assets	90,545	78,251	66,195	62,822	64,572
Minority interests	5,309	3,415	3,568	3,466	2,897
Capital employed^(b)	<u>110,216</u>	<u>101,335</u>	<u>88,845</u>	<u>72,108</u>	<u>74,896</u>
Cash flow data					\$million
Cash flow provided by operating activities	25,600	21,983	15,768	16,936	18,312
Capital expenditure (including acquisitions)	12,734	12,252	21,027	9,598	6,128
Cash flow used in investing activities	<u>5,644</u>	<u>8,253</u>	<u>20,632</u>	<u>9,080</u>	<u>1,490</u>
Dividends paid	7,660	6,832	5,750	5,409	5,423
Cash flow used in financing activities	<u>12,476</u>	<u>12,864</u>	<u>10</u>	<u>11,365</u>	<u>9,074</u>
Increase/(decrease) in cash and cash equivalents	<u>7,091</u>	<u>408</u>	<u>(5,545)</u>	<u>(4,552)</u>	<u>7,476</u>

Shell Finance did not have any activities until it became a 100 per cent. subsidiary of RDS as at 20 July 2005.

Trend information

Save as disclosed under “Risks related to the Shell Group’s businesses” section on page 10 the Shell Group is not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Obligors’ prospects in the context of the issue of any Notes for the current financial year.

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Share capital

Once the shares accepted for tender in the unification transaction as of 20 July 2005 have settled (and assuming full settlement), the authorised, issued and fully paid up share capital of RDS will be as follows:

	Authorised (number)	Authorised (amount)	Issued (number)	Issued (amount)
“A” Shares of €0.07 each	3,795,877,216	€265,711,405	3,795,277,216	€265,669,405
“B” Shares of €0.07 each	2,759,360,000	€193,155,200	2,759,360,000	€193,155,200
Sterling Deferred Shares of £1 each	50,000	£50,000	50,000	£50,000
Unclassified shares of €0.07 each	3,101,000,000	€217,070,000	Nil	Nil

There are also approximately 344 million euro deferred shares outstanding.

The unclassified shares can be classified as “A” Shares or “B” Shares at the discretion of the RDS directors. Any future issue of additional “B” Shares will only be made after prior consultation with the Dutch Revenue Service.

Shell Finance has an authorised share capital consisting of 10,000 ordinary registered shares of €1,000 each of which 2,000 have been issued and paid up.

Management

The Directors of RDS and their function, their respective business addresses and other principal activities are:

Name	Business Address	Function	Other principal activities
Aad Jacobs	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Chairman and Chairman of the Nomination and Succession Committee ⁽³⁾	Chairman of the Supervisory Board of Joh. Enschedé B.V. Chairman of the Supervisory Board of Imtech N.V. Chairman of the Supervisory Board of VNU N.V. Vice-Chairman of the Supervisory Board of Buhrmann N.V. Vice-Chairman of the Supervisory Board of IHC Caland N.V. Member of the Supervisory Board of ING Groep N.V.
Lord Kerr of Kinlochard	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Deputy Chairman (and senior independent Non- executive director) ^{(1),(3)}	Non-executive director of Rio Tinto plc Non-executive director of Rio Tinto Limited Non-executive director of Scottish American Investment Company plc
Jeroen van der Veer	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Chief Executive	Non-executive director of Unilever (being Unilever N.V., Unilever plc and Unilever Holdings Ltd)
Peter Voser	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Chief Financial Officer	Member of the Supervisory Board of Aegon N.V. Member of the Supervisory Board of UBS AG
Malcolm Brinded	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Executive director, Exploration and Production	—
Linda Cook	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Executive director, Gas & Power	Non-executive director of The Boeing Company
Rob Routs	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Executive director, Oil Products and Chemicals	Director of INSEAD
Maarten van den Bergh	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Non-executive director ⁽²⁾	Member of the Supervisory Board of Akzo Nobel N.V. Non-executive director of British Airways plc Non-executive director of BT Group plc Chairman of Lloyds TSB Group plc
Sir Peter Burt	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Non-executive director ⁽⁴⁾	Chairman of ITV plc Director of R&A Trust Company (No. 1) Limited Director of R&A Trust Company (No. 2) Limited Non-executive director of Templeton Emerging Markets Investment Trust plc Partner of Gleacher Shacklock LLP (formerly Gleacher Shacklock Ltd) Partner of Gleacher Partners LLP Partner of West End Media Director of Promethean Investments (Carry) Ltd

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Name	Business Address	Function	Other principal activities
Mary (Nina) Henderson	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Non-executive director ^{(2),(4)}	Non-executive director of AXA Financial Inc Non-executive director of Del Monte Foods Company Non-executive director of Pactiv Corporation Non-executive director of Visiting Nurse Service of New York
Sir Peter Job	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Non-executive director ⁽¹⁾	Member of the Supervisory Board of Deutsche Bank AG Non-executive director of Instinet Group Inc Non-executive director of Schrodgers plc Non-executive director of TIBCO Software Inc Partner of Take 3.8 Partner of Take 4 Partner of Take 6 Partner of Jones LaSalle Development Partnership Partner of CIP Bridgewater Place Ltd Partnership
Wim Kok	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Non-executive director and Chairman of the Social Responsibility Committee ⁽²⁾	Member of the Supervisory Board of ING Groep N.V. Member of the Supervisory Board of Koninklijke Luchtvaart Maatschappij N.V. (KLM) Member of the Supervisory Board of TPG N.V.
Jonkheer Aarnout Loudon	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Non-executive director and Chairman of the Remuneration Committee ^{(1),(3)}	Chairman of the Supervisory Board of ABN AMRO Holding N.V. Chairman of the Supervisory Board of Akzo Nobel N.V. Member of the International Advisory Board of Allianz AG Member of the Supervisory Board of Het Concertgebouw N.V. Partner of Maatschap 's-Gravenhage
Christine Morin-Postel	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Non-executive director ⁽⁴⁾	Non-executive director of Alcan Inc Non-executive director of Pilkington plc Non-executive director of 3i Group plc
Lawrence Ricciardi	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Non-executive director and Chairman of the Audit Committee ⁽⁴⁾	Director of The Reader's Digest Association Inc. Limited Partner of Archstone Partners L.P. Limited Partner of Lehman Bros. Capital Partners I Limited Partner of KKR Partners II, L.P. Limited Partner of Stamford Associates

(1) Member of the Remuneration Committee

(2) Member of the Social Responsibility Committee

(3) Member of the Nomination and Succession Committee

(4) Member of the Audit Committee

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The Directors of Shell Finance and their function, their respective business addresses and other principal activities are:

Name	Business Address	Function	Other principal activities
Michiel Brandjes	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Managing Director	General Counsel Corporate and Company Secretary to board of RDS
Theo Keijzer	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Managing Director	Group Tax Assurance Officer of the Shell Group
Bart van der Steenstraten	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Managing Director	Group Finance Representative of the Shell Group
Andrew Longden	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Managing Director	Group Treasurer of the Shell Group
Kathleen McCoy	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	Managing Director	Head of Financial Markets of the Shell Group

Conflicts of Interest

No RDS director has any potential conflict of interest between their duties to RDS and their private interests or other duties. RDS is not aware of any persons who, directly or indirectly, jointly or severally, will exercise or could exercise control over RDS.

No Shell Finance director has any potential conflict of interest between their duties to Shell Finance and their private or other duties.

Corporate governance

RDS intends to comply fully with the provisions of the principles of good governance and the Code of Practice annexed to the listing rules of the UK Listing Authority and with applicable US law and New York Stock Exchange listing standards.

Shell Finance complies with the corporate governance regime of The Netherlands.

Audit Committee

The Audit Committee assists the RDS Board in fulfilling its responsibilities in relation to internal control and financial reporting, and carries out certain oversight functions on behalf of the RDS Board.

It is charged with monitoring the effectiveness of the Shell Group's risk based internal control system. It monitors compliance with applicable external legal and regulatory requirements, the Shell Statement of General Business Principles and Code of Ethics.

It has a duty to discuss with the Shell Group Chief Financial Officer, the Shell Group Controller and the external auditors issues regarding accounting policies and practices. It reviews and discusses the integrity of the financial statements of RDS with management and the external auditors. It reviews, in conjunction with management, the policies of RDS with respect to earnings releases, financial performance information and earnings guidance, reserves accounting and reporting and significant financial reporting issues. It establishes 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, ensuring that these procedures provide for proportionate and independent investigation of such matters and appropriate follow up action. It monitors the effectiveness of the procedures of RDS for internal control over financial reporting.

The Audit Committee reviews and assesses the internal audit function's remit, the appropriateness of internal audit strategies and the annual internal audit plan. It monitors the execution and results of the audit plan. It reviews and assesses management's response to audit findings and recommendations. It discusses the adequacy of the risk management and internal control system of RDS and any significant matters arising from the internal audit with the chief internal auditor, management and the external auditors. It monitors

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the qualifications, expertise, resources and work structure of the internal audit function. It considers the standards employed by the internal audit function, quality assurance procedures and auditor competence. It assesses annually the performance of the chief internal auditor, including the role and effectiveness of internal audit in the overall context of the risk management and internal control systems of the Shell Group.

The Audit Committee makes recommendations to the RDS Board for it to put to the RDS shareholders for approval in general meeting, in relation to the appointment, re-appointment and removal of the external auditors. It investigates the issues giving rise to any resignation of the external auditors and considers whether any action is required. It reviews and approves the engagement letter for the external auditors. It monitors the execution and results of the audit and reviews and assesses management's response to audit findings and recommendations, seeking to resolve any disagreements between management and the external auditors. It also monitors the qualifications, expertise, resources and independence of the external auditors and assesses annually the performance and effectiveness of the external auditors. It establishes and monitors policies for and external disclosures in respect of the pre-approval of all audit services and permissible non-audit services to be provided by the external auditors and the hiring of employees or former employees of the external auditors. It obtains annually a report from the external auditors describing all relationships between the external auditors and RDS and any material issues raised by internal quality control reviews or by any external governmental inquiry or investigation relating to audits carried out by the external auditors.

The Audit Committee updates the RDS Board about its activities after each Audit Committee meeting, identifying matters where it considers action or improvement is needed and making recommendations regarding steps to be taken. The Audit Committee is also responsible for bringing to the attention of the RDS Board material issues regarding accounting, internal accounting controls or auditing. It evaluates its performance and describes in the annual report how it has discharged its responsibilities and how auditor objectivity and independence has been safeguarded.

The members of the Audit Committee are Lawrence Ricciardi (Chairman), Sir Peter Burt, Mary (Nina) Henderson and Christine Morin-Postel.

Shell Finance does not have an audit committee.

Recent Developments

Litigation Update

In connection with the hydrocarbon reserves recategorisation, a number of putative class actions were filed on behalf of participants in certain employee benefit plans sponsored by Shell Oil Company or one of its United States-based affiliates alleging that Royal Dutch, Shell Transport and various current and former officers and directors breached various fiduciary duties to employee participants imposed by the Employee Retirement Income Security Act of 1974 (ERISA). These suits were consolidated in the United States District Court in New Jersey and a consolidated class action complaint was filed in July 2004. A settlement agreement has been reached and the court has preliminarily approved the settlement and preliminarily certified a putative class for settlement purposes. For the settlement to become final, the court must finally approve the settlement agreement and finally certify the settlement class. The settlement agreement requires defendants to pay \$90 million to resolve the claims that have been made or that could have been made in this class action lawsuit. In addition to the settlement amount, defendants will also pay up to \$1,000,000 to the court-appointed class counsel for their out-of-pocket expenses and will pay the costs incurred in providing notice of the settlement to class members. The corporate defendants will also require Shell Oil Company to adopt specific procedures regarding the monitoring and training of individuals appointed to be ERISA fiduciaries.

The United States Securities and Exchange Commission ("SEC") and UK Financial Services Authority ("FSA") issued formal orders of private investigation in relation to the reserves recategorisation which Royal Dutch and Shell Transport resolved by reaching agreements with the SEC and the FSA. In connection with the agreement with the SEC, Royal Dutch and Shell Transport consented, without admitting or denying the SEC's findings or conclusions, to an administrative order finding that Royal Dutch and Shell Transport violated, and requiring Royal Dutch and Shell Transport to cease and desist from future violations of, the antifraud, reporting, recordkeeping and internal control provisions of the US Federal securities laws and related SEC rules, agreed to pay a \$120 million civil penalty and has undertaken to spend an additional \$5 million developing a comprehensive internal compliance programme. In connection with the agreement with the FSA, Royal Dutch and Shell Transport agreed, without admitting or denying the FSA's findings or conclusions, to the entry of a Final Notice by the FSA finding that Royal Dutch and Shell Transport breached

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market abuse provisions of the FSMA and the listing rules made under it and agreed to pay a penalty of £17 million. The penalties from the SEC and FSA and the additional amount to develop a comprehensive internal compliance programme have been paid by Shell Group companies and fully included in the Income Statement of the Shell Group for the year 2004. The United States Department of Justice commenced a criminal investigation but made a determination not to prosecute. Euronext Amsterdam, The Dutch Authority Financial Markets (the “AFM”) and the California Department of Corporations are investigating the issues related to the reserves recategorisation. Management of the Shell Group cannot currently predict the manner and timing of the resolution of these pending matters and is currently unable to estimate the range of reasonably possible losses from such matters. The AFM have announced that their findings do not give rise to any further actions from their side at this time.

Update on Sakhalin II Project

Sakhalin Energy Investment Company (“SEIC”) provisionally anticipates that Phase 2 project investment costs could be of the order of \$20 billion, covering all planned development activity including drilling activity through to 2014, with LNG deliveries starting in the summer of 2008. The SEIC estimates are still work in progress and remain subject to shareholder review and confirmation. SEIC currently has over 75 per cent. of its LNG capacity sold under long term contracts and is in negotiation with buyers for the balance of production capacity. The recoverable resource base in Sakhalin II is 17.3 thousand cubic feet of gas and 1 billion barrels of oil which at SEIC’s indicated revised estimates means a project development cost of some \$5 to \$6 per barrel of oil equivalent and includes the LNG plant.

The project is midway through construction and will provide critical oil and gas infrastructure to Sakhalin Island. Significant milestones have been achieved at the LNG plant, onshore processing facility and the installation of the first gravity based structure offshore. Pipeline construction continues to make good progress and the second gravity based structure is expected to be installed next month.

The cost and schedule estimates are still under review by SEIC and SEIC shareholders, who are focused on aggressively pursuing mitigation actions. SEIC will be working closely with Russian authorities and state experts to review revised plans and budgets.

Looking beyond Sakhalin II, the Shell Group’s overall capital investment programme will reflect its recently announced new project opportunities such as Qatar LNG, Nigeria LNG and Libya, as well as market inflation specific to large construction projects and foreign exchange rate movements. The overall Shell investment programme, including these projects and Sakhalin II, will be subject to review, consideration and approval by the Royal Dutch Shell Board later in 2005. The latest estimate for the Shell Group’s 2005 total capital investment, across all its business activities, remains in the order of some \$15 billion (excluding the 45 per cent. minority share of Sakhalin II held by Mitsui Sakhalin Holdings BV (25 per cent.) and Diamond Gas Sakhalin BV — a subsidiary of Mitsubishi Corporation — (20 per cent.)).

Report on Shell Finance



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The Directors
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Carel van Bylandtlaan 30
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The Netherlands

The Directors
Shell International Finance B.V.
Carel van Bylandtlaan 30
2596 HR The Hague
The Netherlands

22 July 2005

Dear Sirs

Shell International Finance B.V.

Introduction

We report on the financial information set out below. This financial information has been prepared for inclusion in the information memorandum dated 22 July 2005 (the “Information Memorandum”) of Royal Dutch Shell plc and Shell International Finance B.V. (the “Company”) on the basis of the accounting policies set out in paragraph 2. This report is required by item 13.1 of annex IV of Commission Regulation (EC) No 809/2004 (the “Prospectus Regulation”) and is given for the purpose of complying with that rule and for no other purpose.

The Company was incorporated on 5 March 2004. The Company has not yet commenced to trade, has prepared no statutory financial statements for presentation to its members and has not declared or paid a dividend.

Responsibility

The directors of Shell International Finance B.V. are responsible for preparing the financial information in accordance with International Financial Reporting Standards (“IFRS”), as adopted by the European Union and as detailed in paragraph 2.

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view for the purposes of the Information Memorandum and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial statements and whether the accounting policies are appropriate to the entity’s circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the

Report on Shell Finance

financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the Information Memorandum dated 22 July 2005 a true and fair view of the state of affairs of the Company as at the date stated and of its results and cash flows for the period then ended in accordance with IFRS.

Declaration

For the purposes of Prospectus Rule 5.5.4R(2) we are responsible for this report as part of the Information Memorandum and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Information Memorandum in compliance with item 1.2 of annex IV of the Prospectus Regulation.

Yours faithfully

KPMG Accountants N.V.

PricewaterhouseCoopers Accountants N.V.

Report on Shell Finance

Profit and Loss Account for the period from 5 March 2004 to 30 June 2005

	16 months ending 30 June 2005 €'000
Interest income and similar income	1
Interest expense and similar expenses	—
Result before taxation	<u>1</u>
Taxation on result	—
Net result after taxation	<u><u>1</u></u>

Report on Shell Finance

Balance Sheet

	Notes	30 June 2005 €'000
Current assets		
Accounts receivable	3	52
Cash at banks and short-term deposits		<u>1,950</u>
		<u>2,002</u>
Current liabilities		<u>—</u>
Current assets less current liabilities		<u>2,002</u>
Shareholder's equity	7	
Ordinary shares	4	2,000
Share premium	5	1
Retained earnings	6	<u>1</u>
		<u>2,002</u>

Report on Shell Finance

Cash Flow Statement for the period from 5 March 2004 to 30 June 2005

	16 months ending 30 June 2005 €'000
Cash flows from operating activities	
Interest received	1
Cash flows from financing activities	
Proceeds from issue of ordinary share capital	2,001
Deposits made to a group company	(52)
	<u>1,949</u>
Net increase in cash and cash equivalents	1,950
Cash and cash equivalents at 5 March 2004	<u>—</u>
Cash and cash equivalents at 30 June 2005	<u><u>1,950</u></u>

NOTES TO THE FINANCIAL INFORMATION

1. General information

(a) General information

The Company is a company limited by shares, incorporated and domiciled in The Netherlands. The registered office of the Company is:

Carel van Bylandtlaan 30
2596 HR The Hague
The Netherlands

The principal activity of the Company is to provide funding to the Shell Group. The Company became a wholly-owned subsidiary of Royal Dutch Shell plc on 20 July 2005.

2. Accounting policies

(a) Basis of preparation

This financial information has been prepared in accordance with International Financial Reporting Standards (“IFRS”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) issued by the International Accounting Standards Board. The financial information also applies IFRS 1, First-time Adoption of International Financial Reporting Standards (“IFRS 1”) as this financial information represents part of the period covered by the Company’s first statutory financial statements being for the period from 5 March 2004 to 31 December 2005 and which will be the first statutory financial statements that will adopt IFRS, as adopted for use in the European Union. This financial information does not constitute statutory financial statements.

IFRS 1 sets out the procedures that the Company must follow when it adopts IFRS for the first time. Under IFRS 1 the Company is required to establish its IFRS accounting policies as at the balance sheet date to which its statutory financial statements have been drawn up and, in general, apply those policies retrospectively to determine the IFRS opening balance sheet at its date of transition. In the case of the Company the date for establishing its IFRS accounting policies will be 31 December 2005 and its date of transition is 5 March 2004, being its date of incorporation. Accordingly, the 31 December 2005 statutory financial statements will be the first statutory financial statements prepared by the Company in accordance with accounting standards as adopted for use in the European Union. As such the 31 December 2005 statutory financial statements will take account of the extant requirements and options in IFRS, as adopted for use in the European Union, as they relate to those statutory financial statements at that date.

For the purposes of this financial information the Directors have used accounting policies as at 30 June 2005, being the date of the closing balance sheet in this financial information. Accordingly, this financial information has been prepared in accordance with those IFRS standards and IFRIC interpretations issued and effective or issued and early adopted as at the time of preparing this financial information and which the Company expects to apply in its first statutory financial statements under IFRS, as adopted for use in the European Union, for the period ended 31 December 2005. The IFRS standards and IFRIC interpretations that will be applicable at 31 December 2005, including those that will be applicable on an optional basis, are not known with certainty at the time of preparing this financial information.

IFRS 1 provides a number of optional exemptions to the general principle of retrospective application. At 30 June 2005 none of these exemptions are applicable to the Company. As the Company is a newly incorporated company and has not to date produced any financial statements no reconciliation from Dutch GAAP to IFRS has been presented.

This financial information has been prepared under the historical cost convention.

The preparation of financial information in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial information and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management’s best knowledge of the amount, event or actions, actual results may differ from those estimates.

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(c) Share capital

Ordinary shares are classified as equity.

(d) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, and deposits held at call with banks.

3. Accounts receivable

	2005	
	Due within 1 year €'000	Due after 1 year €'000
Due from a group company	51	—
Prepayments and accrued income	1	—
Total	52	—

The balance due from a group company is unsecured, non-interest bearing and repayable on demand.

4. Called up share capital

The Company's authorised share capital comprises 10,000 shares of EUR 1,000 each, amounting to a nominal value of EUR 10 million.

	2005 €'000
At 5 March 2004	—
Fully paid ordinary shares of €1,000 each allotted on 5 March 2004	50
Fully paid ordinary shares of €1,000 allotted during the period	1,950
Total allotted and fully paid ordinary shares of €1,000 each	2,000

5. Share premium

	2005 €'000
At 5 March 2004	—
Premium on shares issued on 5 March 2004	1
At 30 June 2005	1

6. Retained earnings

	2005 €'000
At 5 March 2004	—
Profit for the period	1
At 30 June 2005	1

7. Shareholder's equity

	2005 €'000
At 5 March 2004	—
New shares issued	2,001
Net profit	1
At 30 June 2005	2,002

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THE NETHERLANDS

The following is intended as general information only and it does not purport to present any comprehensive or complete picture of all aspects of Dutch tax laws which could be of relevance to a holder of Notes, Coupons, Talons or Receipts (hereinafter referred to as Notes). Prospective holders of a Note (hereinafter referred to as “**Noteholder**”) should therefore consult their tax adviser regarding the tax consequences of any purchase, ownership or disposal of Notes.

The following summary is based on the Dutch tax law as applied and interpreted by Dutch tax courts and as published and in effect on the date hereof, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

The Issuers have been advised that under Dutch tax law the following treatment will apply to the Notes.

For the purposes of this paragraph, “**Dutch Taxes**” shall mean taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

A. Withholding tax

All payments made under a Note will not be subject to any withholding tax or any deduction for, or on account of, any Dutch Taxes, except if, *de iure* or *de facto* (*rechtens dan wel in feite*):

- (a) (i) any amount whatsoever to be paid under the Notes is dependent, in whole or in part, on the amount of profits realised or distributed by, the Issuer or by an affiliate (*verbonden lichaam*) of the Issuer; and
- (ii) the Notes do not have a specified final maturity date or have a final maturity date that falls on a date more than 10 years after the date of issue of the Notes; or
- (b) (i) any obligation whatsoever to make a payment under the Notes is dependant, in whole or in part, on the amount of profits realised or distributed by, the relevant Issuer or by an affiliate (*verbonden lichaam*) of the relevant Issuer; and
- (ii) the Notes do not have a specified final maturity date or have a final maturity date that falls on a date more than 50 years after the date of issue of the Notes; and
- (iii) the Notes are subordinated.

B. Individual and Corporate Income Tax

A Noteholder will not be subject to any Dutch Taxes on any payment made to the Noteholder under the Notes or on any capital gain made by the Noteholder from the disposal, or deemed disposal, or redemption of, the Notes other than withholding tax, except if:

- (i) the Noteholder is, or is deemed to be a resident of The Netherlands; or
- (ii) if the Noteholder is an individual, the Noteholder has opted to be treated as a resident of The Netherlands; or
- (iii) the Noteholder derives profits from an enterprise, whether as entrepreneur (*ondememer*) or pursuant to a co-entitlement to the net worth of such enterprise, other than as an entrepreneur or a shareholder, which enterprise is, in whole or in part, carried on through a permanent established (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands, to which the Note is attributable; or
- (iv) the Noteholder is an individual and has, or is deemed to have, a substantial interest (*aamerkelijk belang*), in the Issuer or derives benefits from miscellaneous activities (*overage werkzaamheden*) carried out in the Netherlands in respect of the Notes, including, without limitation, activities which are beyond the scope of active portfolio investment activities; or

Taxation

- (v) the Noteholder is not an individual and has a substantial interest, or a fictitious substantial interest, in the Issuer, which substantial interest is not part of the assets of an enterprise.

Generally, a Noteholder has a substantial interest if such Noteholder alone or together with his partner, has, or if certain relatives of the Noteholder or his partner have directly or indirectly:

- (i) the ownership of, or certain rights over, shares representing 5 per cent. or more of the total issued and outstanding capital of the relevant Issuer, or of the issued and outstanding capital of any class of shares of the Issuer, or
- (ii) the rights to acquire shares, whether or not already issued representing 5 per cent. or more of the total issued and outstanding capital of the relevant Issuer, or of the issued and outstanding capital of any class of shares of the Issuer, or
- (iii) certain profit participating certificates that relate to 5 per cent. or more of the annual profit of the Issuer or to 5 per cent. or more of the liquidation proceeds of the relevant Issuer. Generally, a Noteholder has a fictitious substantial interest if (a) he has disposed of, or is deemed to have disposed of, all or part of a substantial interest of, or (b) he is an individual and had transferred a business enterprise in exchange for shares, on a non-recognition basis.

C. Gift Tax or Inheritance Tax

No Dutch gift tax or inheritance tax is due in respect of any gift of a Note by, or inheritance of a Note on the death of, a Noteholder, except if:

- (i) the Noteholder is a resident or is deemed to be a resident of the Netherlands; or
- (ii) at the time of the gift or the death of the Noteholder, such Noteholder has an enterprise (or an interest in an enterprise) which is, in whole or in part, carried on through a permanent establishment or permanent representative in the Netherlands to which the Note is attributable; or
- (iii) the Note is acquired by way of a gift from a holder who passes away within 180 days after the date of the gift and who is not, and is not deemed to be, at the times of the gift, but is, or is deemed to be at the time of his death, a resident of the Netherlands.

D. Other Taxes

No Dutch capital tax, turnover tax, or other tax or duty (including stamp duty), is due by the Issuer or the Noteholder by reason only of the issue, acquisition or transfer of the Notes.

E. Residency

Subject to the exceptions above, a Noteholder will not become a resident, or a deemed resident, of the Netherlands for tax purposes, or become subject to Dutch Taxes, by reason only of the Issuer's performance, or the Noteholder's acquisition (by way of issue or transfer to it), holding and/or disposal, of the Notes.

THE UNITED KINGDOM

The following is a summary of the Issuers' understanding of the United Kingdom withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Notes. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Notes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes. Some aspects do not apply to certain classes of people (such as dealers and persons connected with the Issuers) to whom special rules may apply. Prospective Noteholders should be aware that the particular terms of issue of any series of Notes as specified in the relevant Final Terms may affect the tax treatment of that and other series of Notes. The following is a general guide and should be treated with appropriate caution. Noteholders who are in any doubt as to their tax position should consult their professional advisers.

Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to United Kingdom withholding taxation aspects of payments in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other

Taxation

jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

A. UK Withholding Tax

Notes issued by Shell Finance

Payments of interest on Notes issued by Shell Finance may be made without withholding on account of United Kingdom income tax.

Notes issued by RDS

Payments of interest on the Notes may be regarded as having a United Kingdom source and may therefore be required to be paid under deduction of United Kingdom income tax. However, under the United Kingdom “quoted Eurobond exemption” if payments of interest on the Notes have a United Kingdom source they may be made without withholding or deduction for or on account of United Kingdom income tax if and for so long as they carry a right to interest and are and continue to be listed on a recognised stock exchange as defined in Section 841 of the Income and Corporation Taxes Act 1988 (the “Act”). The London Stock Exchange is such a recognised stock exchange. Under the published practice of Her Majesty’s Revenue and Customs (“HMRC”), Notes will be treated as listed on the London Stock Exchange if they are admitted to the Official List by the United Kingdom Listing Authority and admitted to trading by the London Stock Exchange. Provided therefore that Notes issued by RDS remain so listed, payments of interest on such Notes may be made without withholding or deduction for or on account of United Kingdom income tax.

B. Payments by Guarantor

If RDS (as Guarantor) makes any payments in respect of interest on the Notes (or other amounts due under the relevant Notes other than the repayment of amounts subscribed for the Notes) the payments may be regarded as having a United Kingdom source, and such payments may be subject to United Kingdom withholding tax at the lower or basic rate (currently 20 per cent. and 22 per cent. respectively) subject to any direction to the contrary by HMRC under the provisions of any applicable double taxation treaty.

C. Provision of Information

Noteholders who are individuals may wish to note that HMRC has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays interest to or receives interest for the benefit of an individual. HMRC also has power to obtain information from any person in the United Kingdom who pays amounts payable on the redemption of Notes which are deeply discounted securities for the purposes of Chapter 8 of Part 4 of the Income Tax (Trading and Other Income) Act 2005 to or receives such amounts for the benefit of an individual, although HMRC published practice indicated that HMRC will not exercise its power to require this information where such amounts are paid on or before 5 April 2006. Such information may include the name and address of the beneficial owner of the amount payable on redemption. Any information obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities of the jurisdiction in which the Noteholder is resident for tax purposes.

For the above purposes, “interest” should be taken, for practical purposes, as including payments made by a guarantor in respect of interest on Notes.

D. Other Rules Relating to United Kingdom Withholding Tax

1. Notes may be issued at an issue price of less than 100 per cent. of their principal amount. Any discount element on any such Notes will not be subject to any United Kingdom withholding tax pursuant to the provisions mentioned in A above, but may be subject to reporting requirements as outlined above.
2. Where Notes are issued with a redemption premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest which have a United Kingdom source are subject to United Kingdom withholding tax. Whether or not they have a United Kingdom source, payments of interest will be subject to the reporting requirements as outlined above.
3. Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.
4. The references to “interest” and “principal” in this summary of the United Kingdom withholding tax position mean “interest” and “principal” as understood in United Kingdom tax law. The statements in

Taxation

this summary do not take any account of any different definitions of “interest” or principal” which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation.

5. This summary description of the United Kingdom withholding tax position assumes that there will be no substitution of an issuer pursuant to Condition 17 of the Notes and does not consider the tax consequences of any such substitution.

EU SAVINGS DIRECTIVE

Under EC Council Directive 2003/48/EC on taxation of savings income, Member States are required from 1 July 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date.

Subscription and Sale

Subject to the terms and conditions in a Dealer Agreement dated 22 July 2005 between Shell Finance, RDS, the Dealers and the Arranger (as modified and/or supplemented and/or restated from time to time, the “Dealer Agreement”), Notes may be offered on a continuous basis by each Issuer to the Dealers. Such Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches which are jointly and severally underwritten by two or more Dealers.

Shell Finance and RDS have agreed to indemnify the Dealers, on a joint and several basis, against certain liabilities in connection with the offer and sale of Notes.

THE UNITED STATES OF AMERICA

Regulation S Category 2, TEFRA D

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 (as amended) and regulations thereunder.

Each Dealer has represented and agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of all the Notes of the Tranche of which such Notes are a part as determined, and certified to the Agent or the relevant Issuer, by such Dealer (or in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, or, in the case of a syndicated issue, the relevant lead manager in which case the Agent or the relevant Issuer shall notify such Dealer when all such Dealers have, or the lead manager has, as the case may be, so certified) only in accordance with Rule 903 of Regulation S under the Securities Act, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Each issuance of index, commodity or currency linked Notes, shall be subject to such additional United States selling restrictions as the relevant Issuer and the relevant Dealer shall agree and as indicated in the relevant Final Terms.

THE UNITED KINGDOM

In relation to each Tranche of Notes, each Dealer has represented and agreed in the Dealer Agreement that:

- (a) *Commercial paper*: in relation to any Notes which have a maturity of less than one year (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the relevant Issuer;

Subscription and Sale

- (b) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom; and
- (c) *Investment advertisements*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to either Obligor.

THE NETHERLANDS

(I) *Notes issued by Shell Finance*: Unless otherwise permitted under Dutch law, any Notes (including rights representing an interest in a Global Note) issued by Shell Finance which are money market instruments as referred to in art. 1a(d) of the Dutch Decree on the Supervision of the Securities Trade 1995 (*Besluit toezicht effectenverkeer 1995*) and which have a maturity of less than twelve months, may not, directly or indirectly, be offered anywhere in the world as part of their initial distribution or at any time thereafter and such an offer may not be announced unless it is made in accordance with one or more of the following (as specified in the applicable Final Terms):

- (A) those Notes have been, or will be admitted to listing on Euronext Amsterdam's Eurolist or a non-Dutch stock exchange which is officially recognised by its government; or
- (B) those Notes have a denomination of at least €50,000 (or its equivalent in any other currency); or
- (C) those Notes are offered exclusively to individuals and legal entities (anywhere in the world) who or which trade or invest in securities in the conduct of a business or profession (which includes, without limitation, banks, securities firms, insurance companies, pension funds, investment institutions, central governments, large international and supranational organisations and other institutional investors and other parties, including treasury departments of commercial enterprises, which are regularly active in the financial market in a professional manner) ("**professional investors**"), in which case it must be made clear upon making the offer in the applicable Final Terms and from any documents or advertisements in which a forthcoming offering of Notes is publicly announced (whether electronically or otherwise) that the offer is exclusively made to the said individuals or legal entities; or
- (D) those Notes are offered exclusively to individuals and legal entities who or which:
 - (a) are professional investors (as defined under C above) situated in The Netherlands; or
 - (b) are established, domiciled or have their residence (collectively, "are resident") outside the Netherlands;

provided that (i) the offer, the applicable Final Terms and each announcement of the offer states that the offer is and will only be made to persons or entities who are professional investors situated in The Netherlands or who are not resident in the Netherlands, (ii) the offer, this Information Memorandum, the applicable Final Terms and each announcement of the offer comply with the laws and regulations of any State where persons to whom the offer is made are resident, (iii) a statement by Shell Finance that those laws and regulations are complied with is submitted to the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) before the offer is made and is included in the applicable Final Terms and each such announcement; or

- (E) if, regardless of their denomination, Notes can only be acquired in units comprising several Notes (each a "**Unit**") for a consideration with a value of at least €50,000 (or its equivalent in any other currency), provided that:
 - (a) the offer, the applicable Final Terms and each document or advertisement containing an announcement of the offer state that the Notes can only be obtained in Units for a consideration with a value of at least €50,000; and

Subscription and Sale

- (b) a copy of this Information Memorandum, the applicable Final Terms and each announcement of the offer is submitted to the Netherlands Authority for the Financial Markets before the offer is made; or
 - (F) those Notes are offered to less than 100 individuals per Member State or legal persons, not being professional investors (as defined in C above); or
 - (G) those Notes are otherwise offered in accordance with the 1995 Act on the Supervision of Securities Trade (*Wet toezicht effectenverkeer 1995*).
- (II) *Notes issued by RDS*: Notes (including rights representing an interest in a Global Note) which are money market instruments as referred to in art. 1a(d) of the Dutch Decree on the Supervision of the Securities Trade 1995 (*Besluit toezicht effectenverkeer 1995*) and which have a maturity of less than 12 months, may not, directly or indirectly, be offered in The Netherlands as part of their initial distribution or at any time thereafter, unless such Notes have a denomination of at least €50,000 (or its equivalent in any other currency).
- (III) *All Notes*: In addition and without prejudice to the relevant restrictions set out under (I) and (II) above, Zero Coupon Notes (as defined below) in definitive form of any Issuer may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the relevant Issuer or member of Euronext Amsterdam N.V., in accordance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended). No such mediation is required (a) in respect of the transfer and acceptance of rights representing an interest in a Zero Coupon Note in global form, or (b) in respect of the initial issue of Zero Coupon Notes in definitive form to the first holders thereof, or (c) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form between individuals not acting in the conduct of a business or profession, or (d) in respect of the transfer and acceptance of such Zero Coupon Notes within, from or into The Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in a Zero Coupon Note in global form) of any particular Series are issued outside The Netherlands and are not distributed into The Netherlands in the course of initial distribution or immediately thereafter. In the event that the Dutch Savings Certificates Act applies, certain identification requirements in relation to the issue and transfer of, and payments on, Zero Coupon Notes have to be complied with and, in addition thereto, if such Zero Coupon Notes in definitive form do not qualify as commercial paper traded between professional borrowers and lenders within the meaning of the agreement of 2 February 1987 attached to the Royal Decree of 11 March 1987 (*Staatscourant 129*) (as amended), each transfer and acceptance should be recorded in a transaction note, including the name and address of each party to the transaction, the nature of the transaction and the details and serial numbers of such Notes. As used herein “Zero Coupon Notes” are Notes that are in bearer form and that constitute a claim for a fixed sum against the relevant Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

JAPAN

The Notes have not been and will not be registered under the Securities and Exchange Law and, accordingly, each Dealer has undertaken that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for reoffering or resale, directly or indirectly in Japan or to a resident of Japan except pursuant to an exemption from registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

REPUBLIC OF FRANCE

Each Obligor and each Dealer has represented and agreed, that it has not offered or sold, and will not offer or sell, directly or indirectly, Notes to the public in France (*appel public à l'épargne*), and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Information Memorandum or any other offering material relating to the Notes, and that such offers, sales and distributions have been and shall only be made in France to qualified investors (*investisseurs qualifiés*) acting for their account, all as defined in and in accordance with, articles L.411-1 and L.411-2 of the *French Code monétaire et financier* and their implementing *décret*.

Subscription and Sale

EUROPEAN ECONOMIC AREA

In relation to each Member State which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes to the public in that Relevant Member State; except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (a) in (or in Germany, where the offer starts within) the period beginning on the date of publication of a prospectus in relation to those Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- (d) at any time in any other circumstances which do not require the publication by the relevant Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

GENERAL

These selling restrictions may be modified by the agreement of the relevant Issuer and the Dealers (provided such modification shall comply with applicable laws, regulations and/or directives) or, in relation to any Tranche of Notes, by the relevant Issuer and the relevant Dealer(s) either by mutual agreement or following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Information Memorandum.

No action has been taken in any jurisdiction that would permit a public offering of any Notes, or possession or distribution of this Information Memorandum or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will comply with all applicable laws, regulations and directives in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Information Memorandum, any other offering material or any Final Terms and none of the Obligors and any other Dealer shall have responsibility therefor.

General Information

1. The listing of the Programme in respect of Notes is expected to be granted on or about 26 July 2005. Application has been made to the UK Listing Authority for Notes issued under the Programme up to the expiry of 12 months from the date of this Information Memorandum to be admitted to the Official List and to be admitted to trading on the London Stock Exchange's Gilt Edged and Fixed Interest Market.

The admission of Notes to the Official List will be expressed as a percentage of their nominal amount (excluding accrued interest). It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the London Stock Exchange's Gilt Edged and Fixed Interest Market will be admitted separately as and when issued, subject only to the issue of a Global Note or Notes initially representing the Notes of such Tranche.

2. Each Obligor has obtained all necessary consents, approvals and authorisations in the United Kingdom and The Netherlands in connection with the issue and performance of Notes and the Guarantee. The establishment of the Programme and the issue of Notes, was authorised by a resolution of the Board of Directors of Shell Finance passed on 31 May 2005 and a resolution of the Board of Directors of RDS passed on 27 April 2005. The giving of the Guarantee by RDS was authorised by a resolution of the Board of Directors of RDS passed on 27 April 2005.
3. Each Note, Receipt, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".
4. Save as disclosed under "Recent Developments — Litigation Update" on page 54 herein, there are no, nor have there been, any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Obligors are aware) in the 12 months preceding the date of this document, which may have, or have had in such period, a significant effect on Shell Group and/or Shell Group's financial position or profitability.
5. Save as disclosed under "Recent Developments — Update on Sakhalin II Project" on page 55, there has been no material adverse change in the financial position or prospects nor any significant change in the financial or trading position of RDS or RDS's subsidiaries (except for Shell Finance) taken as a whole since 31 March 2005. There has been no material adverse change in the financial position or prospects nor any significant change in the financial or trading position of Shell Finance since 30 June 2005.
6. The financial information relating to Shell Finance, included in this document does not constitute its statutory accounts. The statutory financial statements, when produced, of Shell Finance will be audited by KPMG Accountants N.V. and PricewaterhouseCoopers Accountants N.V, each a member firm of the Dutch Institute for Chartered Accountants.

KPMG Accountants N.V. and PricewaterhouseCoopers Accountants N.V. have given their written consent to the inclusion in this Information Memorandum of their report on Shell Finance in the form and context in which it is included and they have authorised that part of this Information Memorandum for the purposes of rule 5.5.4 R(2) of the Prospectus Rules of the Financial Services Authority.

RDS was incorporated in February 2002. The financial information relating to RDS included in this document does not constitute its statutory accounts for any of the periods presented. The statutory accounts of RDS for the 10 month period ended 31 December 2004 have been delivered to the Registrar of Companies and KPMG Audit Plc and PricewaterhouseCoopers LLP have issued an audit report under section 235 of the Companies Act in respect of the accounts for the 10 months ended 31 December 2004 which was unqualified and did not include any statements made under section 237(2) or (3) of the Companies Act. The statutory accounts for the year ended 28 February 2004 and for the period ended 28 February 2003 have been delivered to the Registrar of Companies and were not subject to audit.

The auditors of the Obligors have no material interest in the Obligors.

General Information

7. Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The Common Code and the International Securities Identification Number (ISIN) for each Series of Notes will be set out in the relevant Final Terms.

The address of Euroclear is 1 Boulevard du Roi Albert 11, B-1210 Brussels and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg.

8. The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.
9. Neither Obligor intends to provide any post-issuance information in relation to any issues of Notes.
10. For a period of 12 months following the date of this Information Memorandum, copies of the following documents (together with an English translation, where relevant) will when published be available, during usual business hours on any weekday (Saturdays and public holidays excepted) for inspection at the office of each of the Obligors and the Agent (although in addition, (vi) below will be available for collection free of charge):
 - (i) the Agency Agreement (as amended, supplemented and or restated from time to time);
 - (ii) the Dealer Agreement (as amended, supplemented and or restated from time to time);
 - (iii) the Trust Deed (as amended, supplemented and or restated from time to time) (which includes the form of the Global Notes, the definitive Notes, the Coupons, the Receipts and the Talons);
 - (iv) the constitutional documents of each of the Obligors;
 - (v) the Annual Reports on Form 20-F for the Royal Dutch/Shell Group for the years ended 31 December 2004 and 2003, the First Quarter 2005 Unaudited Condensed Interim Financial Report of RDS furnished in its report on Form 6K dated 9 May 2005, the restated financial statements of RDS as of and for the years ending 31 December 2002, 2003 and 2004 furnished in its report on Form 6K dated 20 July 2005 and the report on Shell Finance;
 - (vi) each Final Terms for Notes which are admitted to trading on the London Stock Exchange's Gilt Edged and Fixed Interest Market and admitted to the Official List or which are admitted to listing, trading and/or quotation by any other listing authority, stock exchange or quotation system;
 - (vii) each subscription agreement for Notes issued on a syndicated basis which are admitted to the Official List and to trading on the London Stock Exchange's Gilt Edged and Fixed Interest Market or which are admitted to listing, trading and/or quotation by any other listing authority, stock exchange or quotation system; and
 - (viii) a copy of this Information Memorandum together with any supplement to the Information Memorandum or any further information memoranda.

Shell International Finance B.V.

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