

Driving Clean Coal Forward

N.E. Ximénez Bruidegom

GM Clean Coal Energy Europe

Shell Gas & Power



Disclaimer Statement

•This presentation contains forward-looking statements concerning the financial condition, results of operations and businesses of Royal Dutch Shell. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements include, among other things, statements concerning the potential exposure of Royal Dutch Shell to market risks and statements expressing management's expectations, beliefs, estimates, forecasts, projections and assumptions. These forward-looking statements are identified by their use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "objectives", "outlook", "probably", "project", "will", "seek", "target", "risks", "goals", "should" and similar terms and phrases. There are a number of factors that could affect the future operations of Royal Dutch Shell and could cause those results to differ materially from those expressed in the forward-looking statements included in this Report, including (without limitation): (a) price fluctuations in crude oil and natural gas; (b) changes in demand for the Group's products; (c) currency fluctuations; (d) drilling and production results; (e) reserve estimates; (f) loss of market and industry competition; (g) environmental and physical risks; (h) risks associated with the identification of suitable potential acquisition properties and targets, and successful negotiation and completion of such transactions; (i) the risk of doing business in developing countries and countries subject to international sanctions; (j) legislative, fiscal and regulatory developments including potential litigation and regulatory effects arising from recategorisation of reserves; (k) economic and financial market conditions in various countries and regions; (l) political risks, project delay or advancement, approvals and cost estimates; and (m) changes in trading conditions. All forward-looking statements contained in this presentation are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Readers should not place undue reliance on forward-looking statements. Each forward-looking statement speaks only as of the date of this presentation. Neither Royal Dutch Shell nor any of its subsidiaries undertake any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information. In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this presentation.

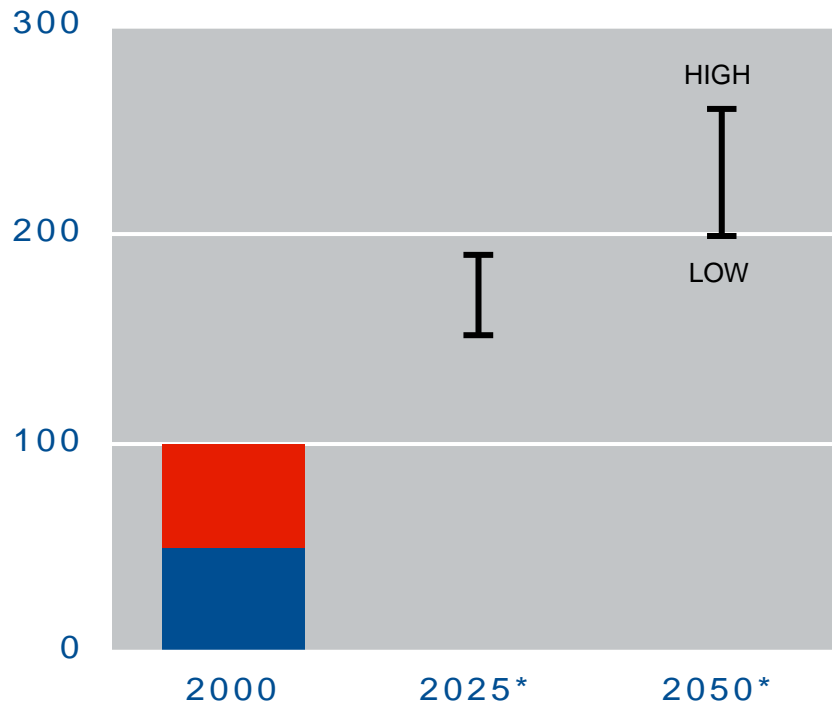
•**IMPORTANT NOTE:** Although this slide pack may contain references to projects located in countries that are subject to comprehensive United States economic sanctions, no "US Person" has been involved in the development of any of those projects.

•The United States Securities and Exchange Commission (SEC) permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. We use certain terms in this presentation, such as "resources" that the SEC's guidelines strictly prohibit us from including in filings with the SEC. U.S. Investors are urged to consider closely the disclosure in our Form 20-F, File No 1-32575 and disclosure in our Forms 6-K file No, 1-32575, available on the SEC website www.sec.gov. You can also obtain these forms from the SEC by calling 1-800-SEC-0330.

Growth Energy Demand

RISING GLOBAL ENERGY DEMAND

100= Global primary energy demand 2000

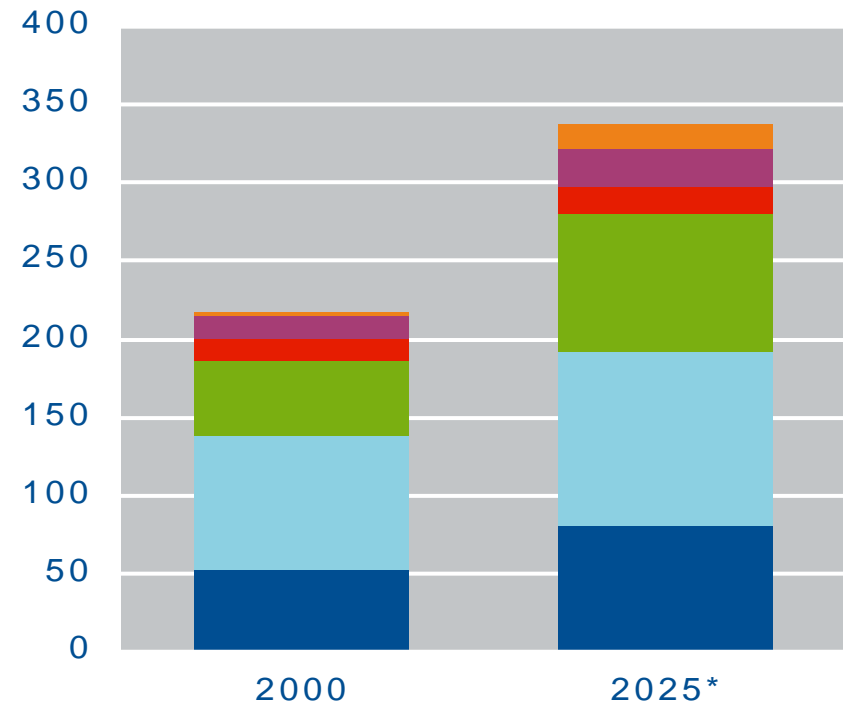


■ REST OF THE WORLD
■ OECD

* Shell estimates

CHANGING ENERGY MIX

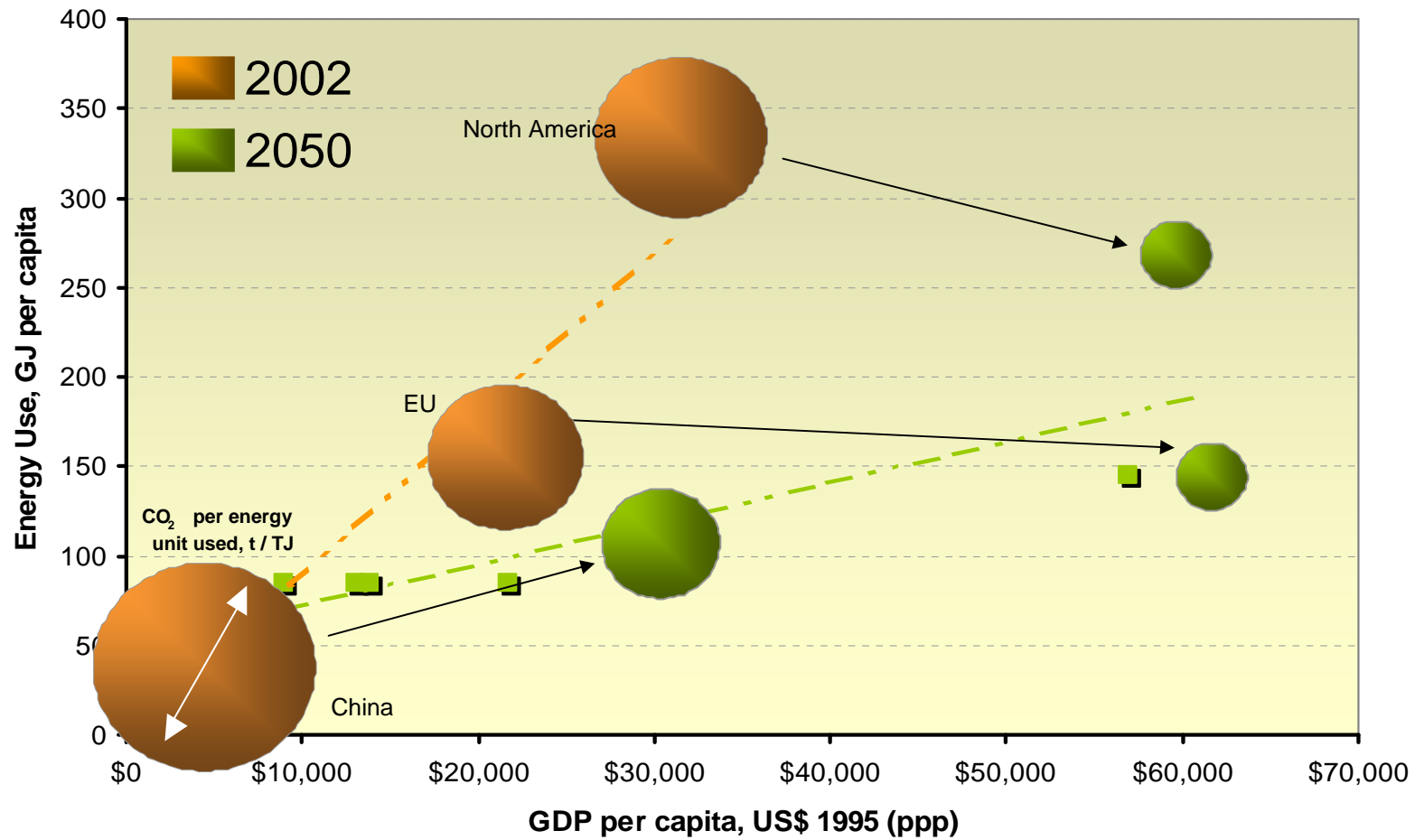
Million barrels oil equivalent per day



■ COAL
■ OIL
■ GAS
■ NUCLEAR
■ LARGE SCALE HYDRO
■ ALTERNATIVE ENERGIES

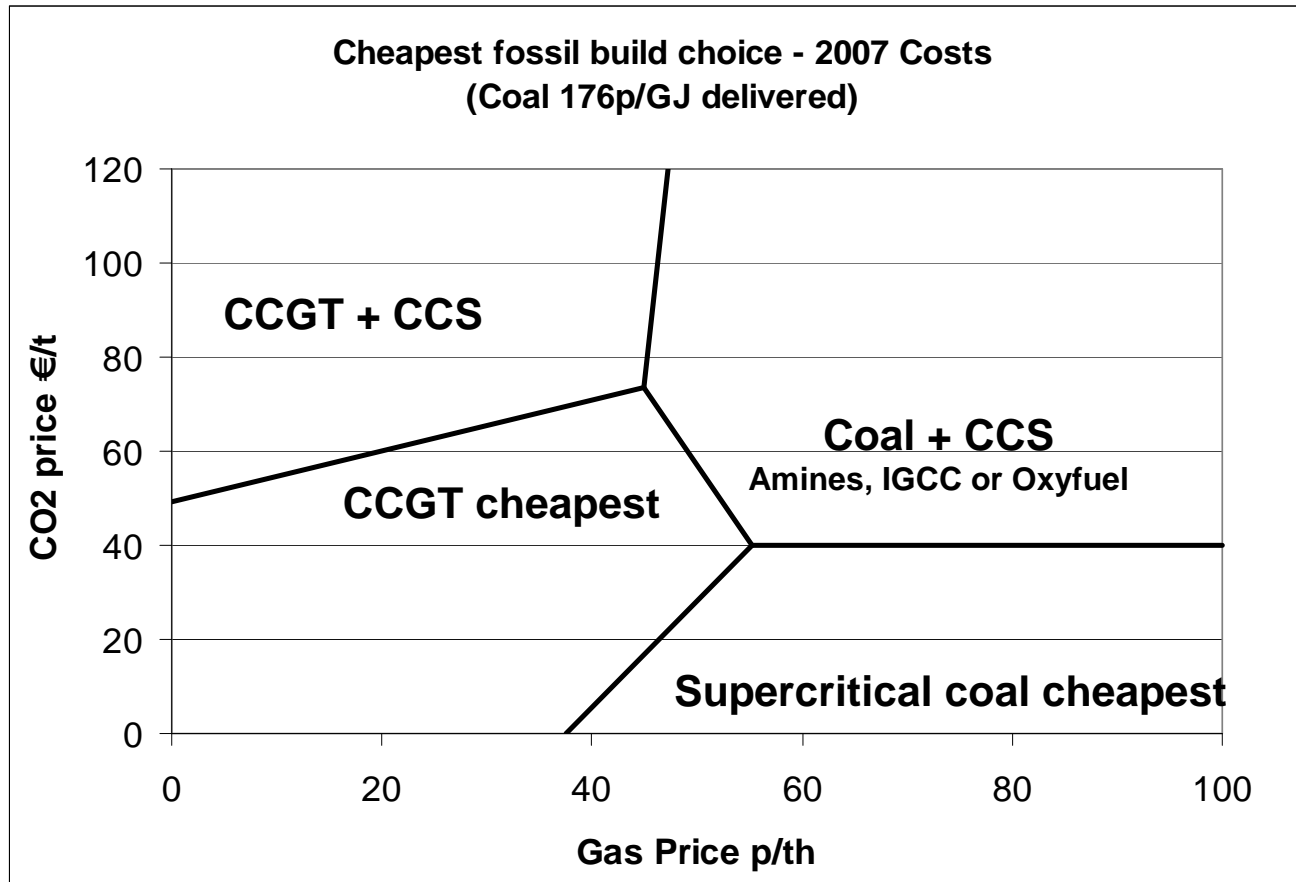
Pathways to 2050

A significant shift required in both “energy per GDP” and “CO₂ per unit of energy used”



Source: World Business Council for Sustainable Development

Indifference curves based on fuel & CO₂ prices: LRMC



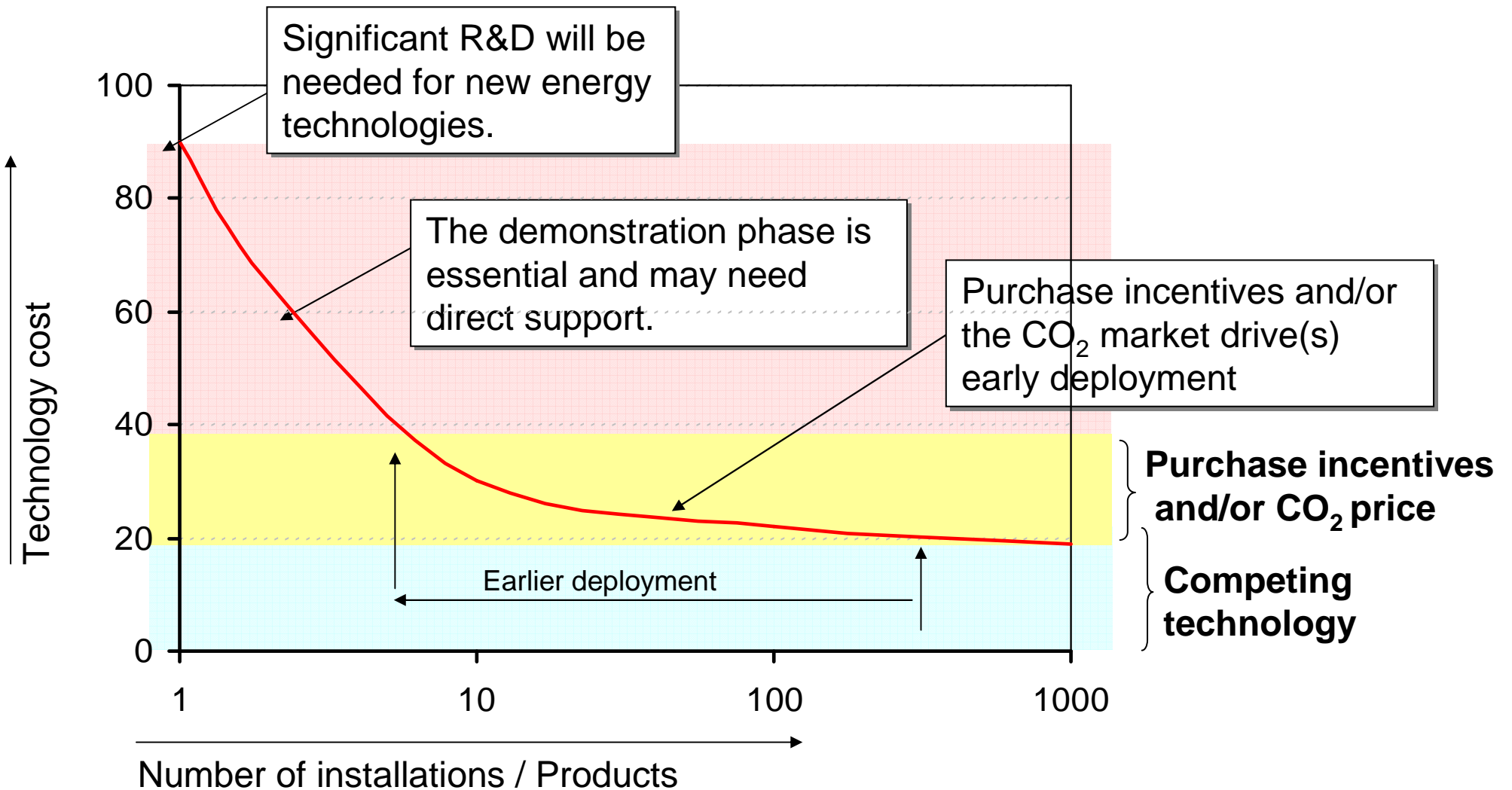
- Preferred technology depends on gas price and emitted CO₂ cost assumptions
- Lower coal prices will move the coal boundaries to the left
- IGCC + CC is a better alternative to SC + CC under all plausible assumptions

Source: E.ON, presentation at European Gasification Conference, Sept 2007



Technology development and deployment

Future policy must focus on both the **development** and **demonstration** of new technology and the rapid **deployment** of both new and existing technology



Nuon, Willem-Alexander power plant in Buggenum, Netherlands

Courtesy of Nuon



Yueyang Sinopec & Shell Coal Gasification Co. Ltd

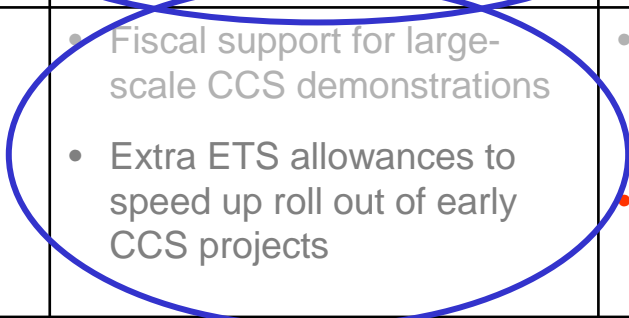
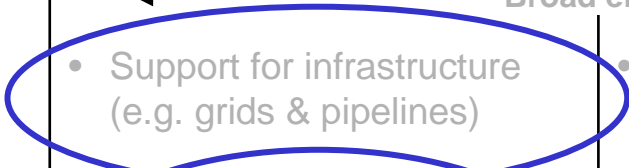
Courtesy of Sinopec



Policies needed vs. policy developments so far

	Power Generation / Industry & Manufacturing	Transport	Commercial & Domestic (Buildings)
Discover & Develop	<ul style="list-style-type: none"> Support for infrastructure (e.g. grids & pipelines) 	<ul style="list-style-type: none"> Support for advanced fuel development 	<ul style="list-style-type: none"> Urban planning decisions. Education and awareness.
Demonstrate	<ul style="list-style-type: none"> Fiscal support for large-scale CCS demonstrations Extra ETS allowances to speed up roll out of early CCS projects 	<ul style="list-style-type: none"> Fiscal support for early 2nd generation biofuel manufacture. Public transport infrastructure 	<ul style="list-style-type: none"> Encouraging radical design
Deploy	<ul style="list-style-type: none"> “Cap-and-Trade” CCS rules and recognition, incl market based funding mechanisms Renewable Energy Certificates “Fast-track” planning 	<ul style="list-style-type: none"> Vehicle efficiency standards CO₂ certification of fuels, leading to fuel standards. Consumer behaviour Use of public transport 	<ul style="list-style-type: none"> Efficiency standards (appliances, air-con) Use of project mechanisms linked to GHG market. Encouraging “electrification”.

Broad energy production and use R&D support



Conclusions

- Coal will continue to play a fundamental role in the EU energy mix in the coming decades
- A clear policy framework is needed for clean coal technologies to be deployed
- Large scale CO₂ transport and storage infrastructure is on the critical path
 - it needs the promise of large scale CO₂ capture to gain momentum
 - IGCC technologies is in our view the technology mature enough to fulfil this promise
 - short-term, small scale, point-to-point solutions will have significant future regret value
- Urgency is essential

