



Scenarios & Energy Transitions

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Warning:

uncertainties ahead

This presentation contains data from Shell's New Lens Scenarios. The New Lens Scenarios are a part of an ongoing process used in Shell for 40 years to challenge executives' perspectives on the future business environment. We base them on plausible assumptions and quantifications, and they are designed to stretch management to consider even events that may only be remotely possible. Scenarios, therefore, are not intended to be predictions of likely future events or outcomes and investors should not rely on them when making an investment decision with regard to Royal Dutch Shell plc securities.

It is important to note that Shell's existing portfolio has been decades in development. While we believe our portfolio is resilient under a wide range of outlooks, including the IEA's 450 scenario, it includes assets across a spectrum of energy intensities including some with above-average intensity. While we seek to enhance our operations' average energy intensity through both the development of new projects and divestments, we have no immediate plans to move to a net-zero emissions portfolio over our investment horizon of 10-20 years.

The companies in which Royal Dutch Shell plc directly and indirectly owns investments are separate legal entities. In this presentation "Shell", "Shell group" and "Royal Dutch Shell" are sometimes used for convenience where references are made to Royal Dutch Shell plc and its subsidiaries in general. Likewise, the words "we", "us" and "our" are also used to refer to subsidiaries in general or to those who work for them. These expressions are also used where no useful purpose is served by identifying the particular company or companies.

"Subsidiaries", "Shell subsidiaries" and "Shell companies" as used in this presentation refer to companies over which Royal Dutch Shell plc either directly or indirectly has control.

Entities and unincorporated arrangements over which Shell has joint control are generally referred to as "joint ventures" and "joint operations" respectively. Entities over which Shell has significant influence but neither control nor joint control are referred to as "associates". The term "Shell interest" is used for convenience to indicate the direct and/or indirect ownership interest held by Shell in a venture, partnership or company, after exclusion of all third-party interest.

This presentation contains forward-looking statements concerning the financial condition, results of operations and businesses of Royal Dutch Shell. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements include, among other things, statements concerning the potential exposure of Royal Dutch Shell to market risks and statements expressing management's expectations, beliefs, estimates, forecasts, projections and assumptions. These forward-looking statements are identified by their use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "goals", "intend", "may", "objectives", "outlook", "plan", "probably", "project", "risks", "schedule", "seek", "should", "target", "will" and similar terms and phrases. There are a number of factors that could affect the future operations of Royal Dutch Shell and could cause those results to differ materially from those expressed in the forward-looking statements included in this presentation, including (without limitation): (a) price fluctuations in crude oil and natural gas; (b) changes in demand for Shell's products; (c) currency fluctuations; (d) drilling and production results; (e) reserves estimates; (f) loss of market share and industry competition; (g) environmental and physical risks; (h) risks associated with the identification of suitable potential acquisition properties and targets, and successful negotiation and completion of such transactions; (i) the risk of doing business in developing countries and countries subject to international sanctions; (j) legislative, fiscal and regulatory developments including regulatory measures addressing climate change; (k) economic and financial market conditions in various countries and regions; (l) political risks, including the risks of expropriation and renegotiation of the terms of contracts with governmental entities, delays or advancements in the approval of projects and delays in the reimbursement for shared costs; and (m) changes in trading conditions. No assurance is provided that future dividend payments will match or exceed previous dividend payments. All forward-looking statements contained in this presentation are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Readers should not place undue reliance on forward-looking statements. Additional risk factors that may affect future results are contained in Royal Dutch Shell's Form 20-F for the year ended December 31, 2016 (available at www.shell.com/investor and www.sec.gov). These risk factors also expressly qualify all forward-looking statements contained in this presentation and should be considered by the reader. Each forward-looking statement speaks only as of the date of this presentation, October 31, 2017. Neither Royal Dutch Shell plc nor any of its subsidiaries undertake any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information. In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this presentation. This presentation may contain references to Shell's website. These references are for the readers' convenience only. Shell is not incorporating by reference any information posted on www.shell.com. We may have used certain terms, such as resources, in this presentation that United States Securities and Exchange Commission (SEC) strictly prohibits us from including in our filings with the SEC. U.S. investors are urged to consider closely the disclosure in our Form 20-F, File No 1-32575, available on the SEC website www.sec.gov.

Why use Scenarios?

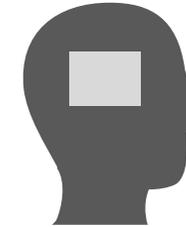
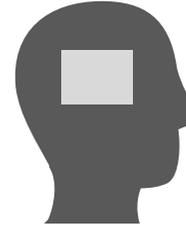
- Forecasts & sensitivities are insufficient
- Grapple with genuine breadth of possibilities
- Stretch mindsets for better-informed decisions
- Learn & prepare

- **Key Distinction:**

- Context-exploring
- Decision-centred

**Scenarios improve judgment
in the face of radical uncertainty**

The Present



The Path



The Future



Value & Dangers

- Stretch perspectives & Enrich judgment
- Recognise both deeply rooted trends and also critical uncertainties
- **“Memories of the Future”**

- **Gravitating towards a single “Most likely” or “Preferred” outlook**
- External confusion of “Context” scenarios with mechanistic planning assumptions

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in the face of radical uncertainty**

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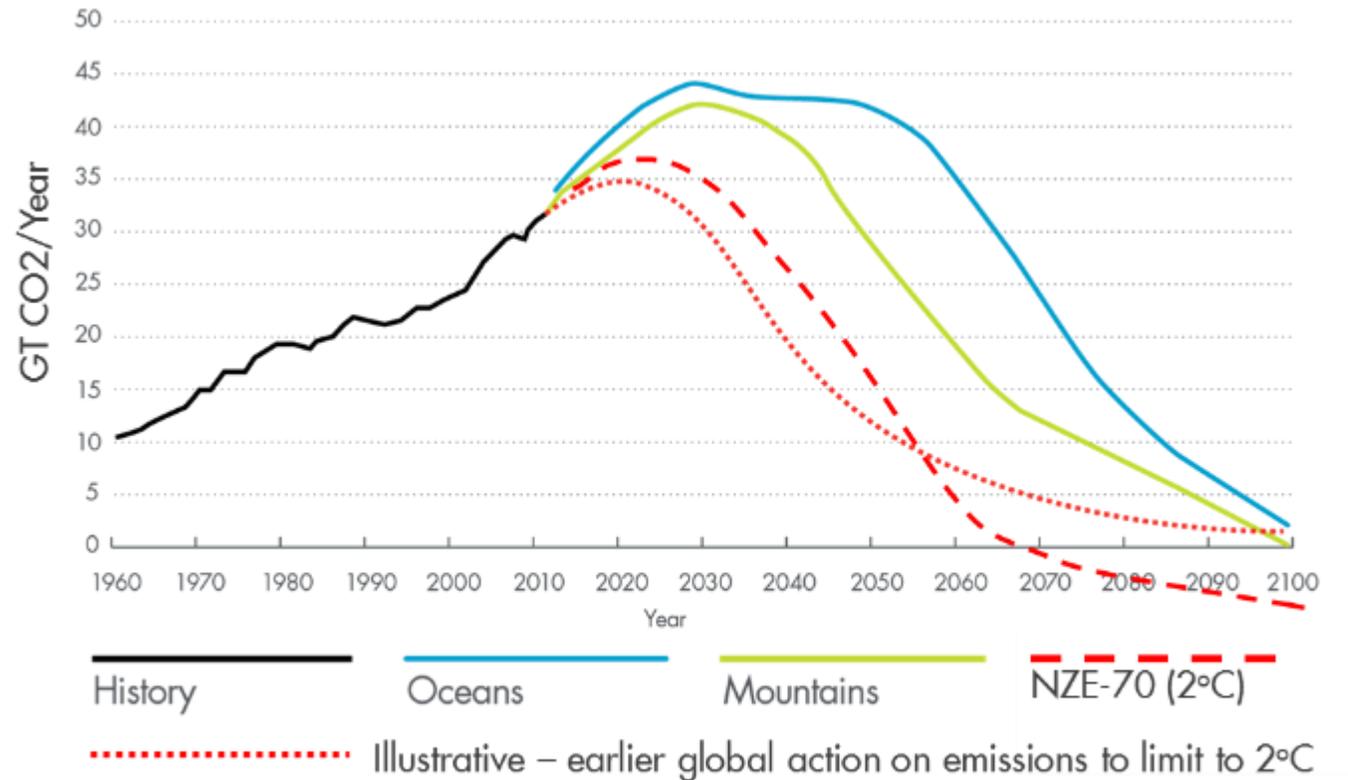
Lessons & good practices

Two crafts



Drawing on multiple internal & external sources, and using formal and informal processes

Drawing key lessons from context-exploring scenarios



Source: New Lens Scenarios (2013) to Pathways to Net-Zero Emissions (2016)

Shell Scenarios

Insights continued...

Sector-specific perspective is key



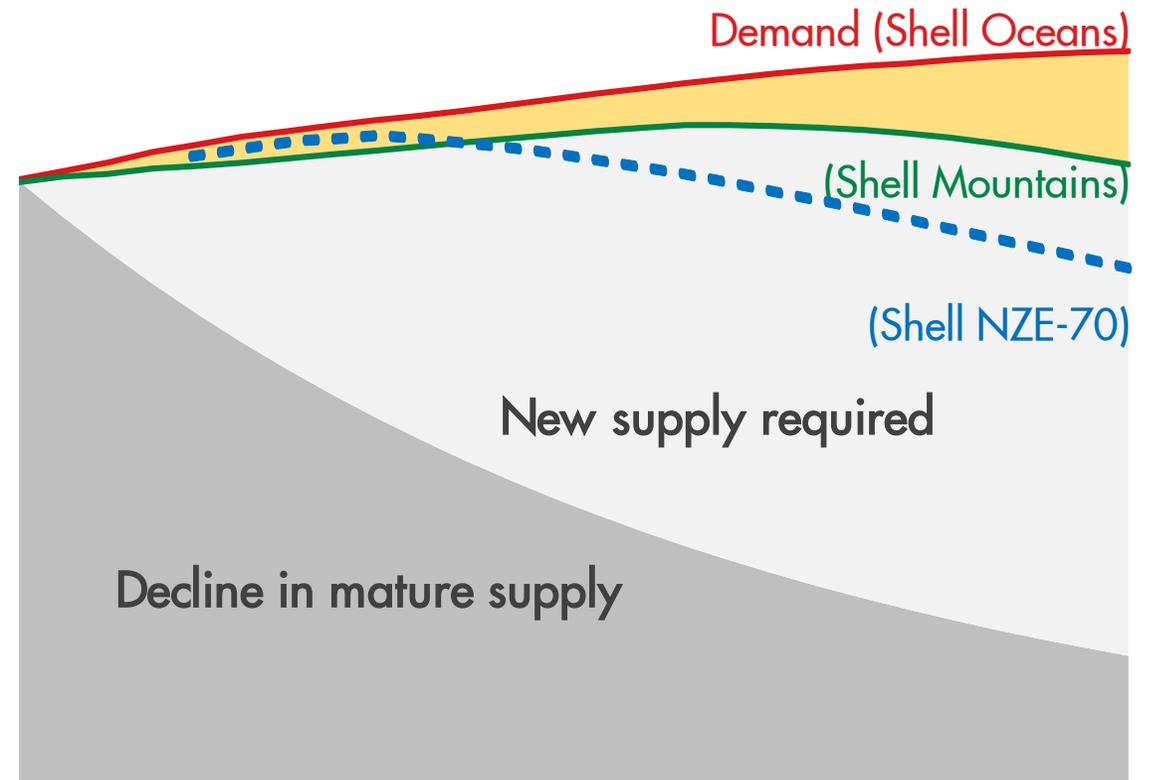
Source: Shell analysis, World Energy Model

-  Less difficult to decarbonise
-  ...
-  More difficult to decarbonise

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Understanding sector/asset flexibility is key

Decline in existing oil fields will outstrip demand uncertainty

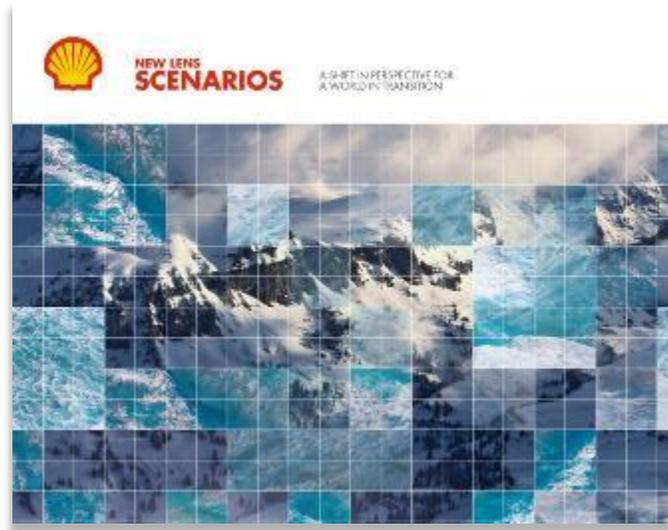


Source: Shell New Lens Scenarios

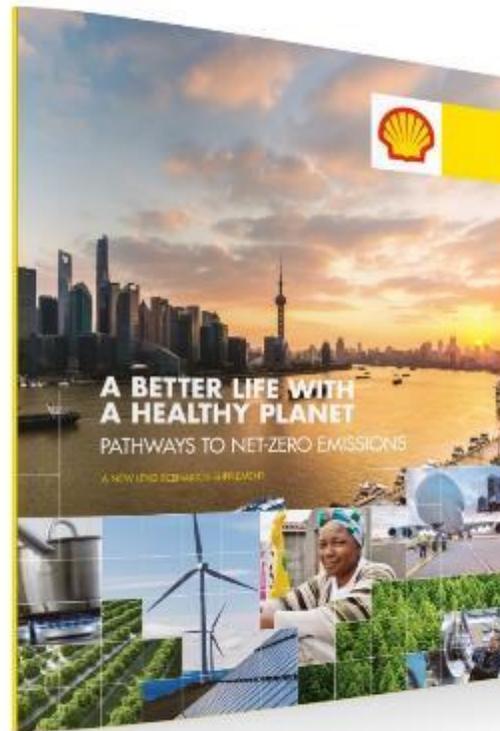
October 2017

A pathway to better-informed Strategic Choices using Scenarios

Context exploring....

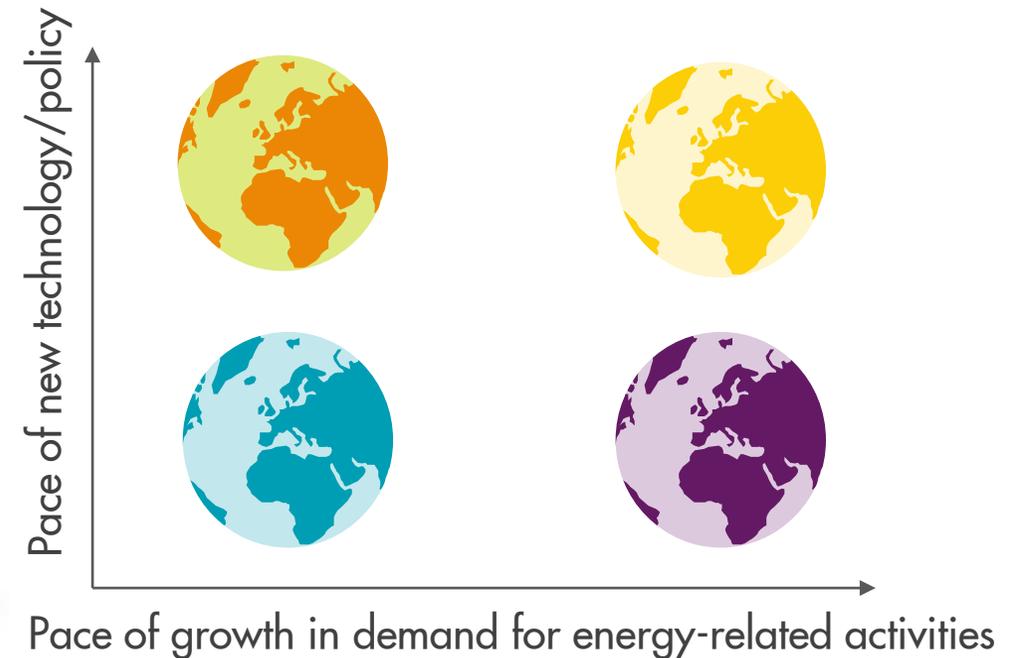


Insight generating....



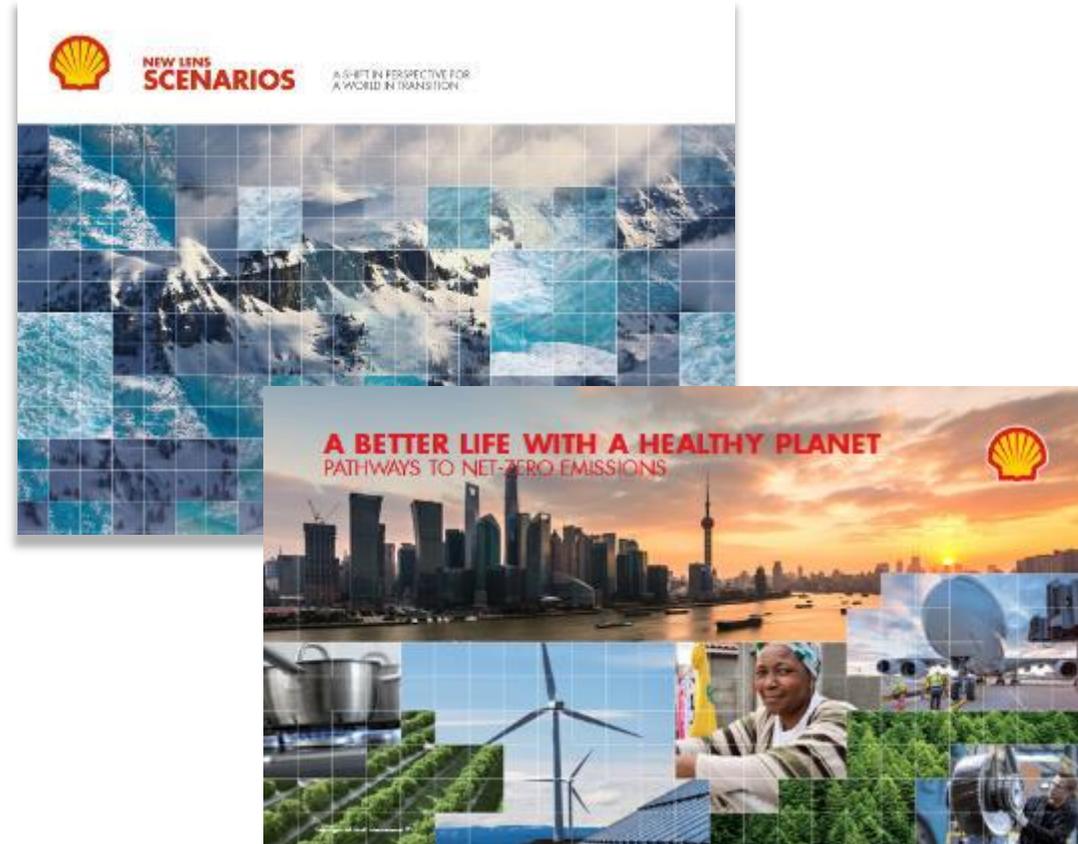
Decision-centred....

Future worlds

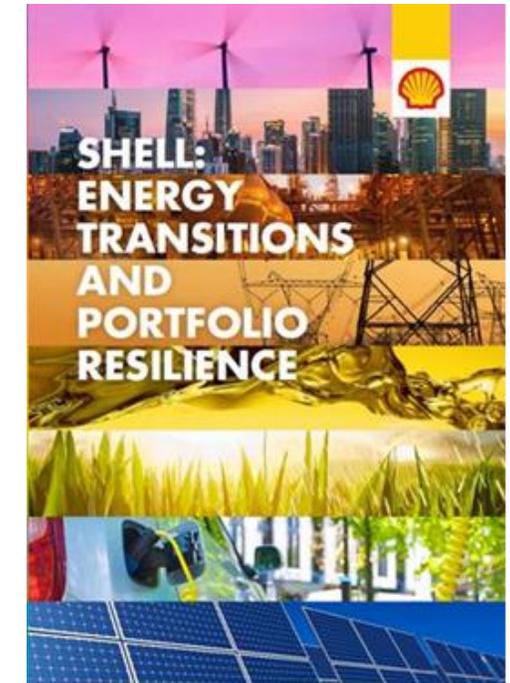
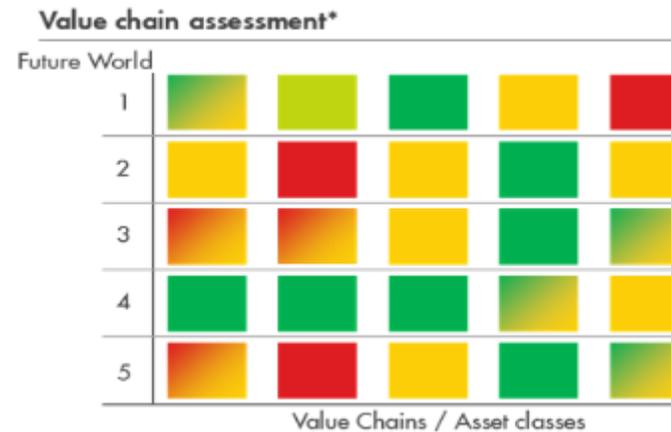


Communicating to multiple stakeholders

Publish & widely discuss summaries of context scenarios & insights



Communicate framework & principles for portfolio decision-centred Scenarios



Concluding remarks

- Recognise distinctions & value of:
 - Context-exploring, Decision-centred, & Shorter/longer-term... outlooks
- Recognise regulatory, societal, commercial & physical challenges
- Recognise challenges are economy-wide & sector-specific
- Recognise investment & asset flexibility
- Place focus on capacity to Learn & Prepare for full range of possibilities
- Encourage transparency while respecting commerciality

Scenarios improve judgment in the face of radical uncertainty

