



NORD STREAM 2 AS THE NEW RELIABLE GAS SUPPLY ROUTE TO THE EUROPEAN UNION



DEFINITIONS AND CAUTIONARY NOTE

Reserves: Our use of the term “reserves” in this presentation means SEC proved oil and gas reserves.

Resources: Our use of the term “resources” in this presentation includes quantities of oil and gas not yet classified as SEC proved oil and gas reserves. Resources are consistent with the Society of Petroleum Engineers 2P and 2C definitions.

Organic: Our use of the term Organic includes SEC proved oil and gas reserves excluding changes resulting from acquisitions, divestments and year-average pricing impact.

Resources plays: Our use of the term ‘resources plays’ refers to tight, shale and coal bed methane oil and gas acreage.

The companies in which Royal Dutch Shell plc directly and indirectly owns investments are separate entities. In this document “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 document refer to companies over which Royal Dutch Shell plc either directly or indirectly has control. Companies over which Shell has joint control are generally referred to as “joint ventures” and companies 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.

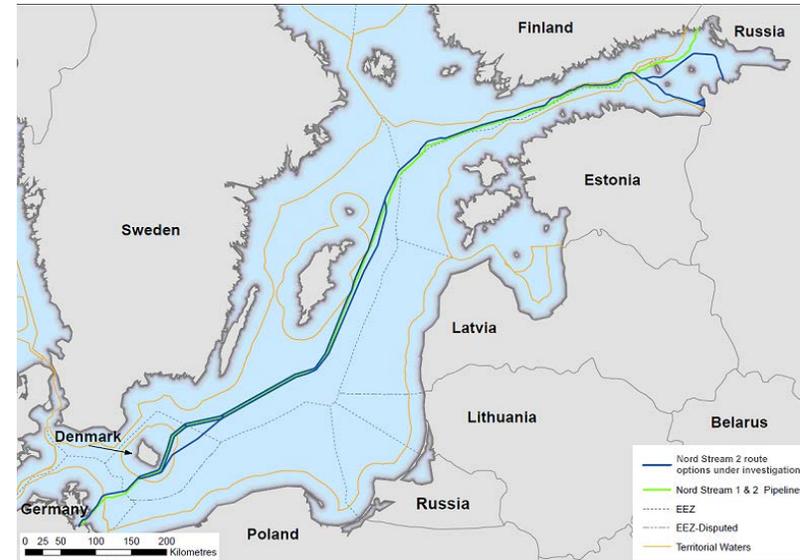
This presentation contains forward-looking statements concerning the financial condition, results of operations and businesses of Royal Dutch Shell. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements 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”, “intend”, “may”, “plan”, “objectives”, “outlook”, “probably”, “project”, “will”, “seek”, “target”, “risks”, “goals”, “should” and similar terms and phrases.

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NORD STREAM 2: FACTS AND FIGURES

- Extension of the existing Nord Stream gas pipelines by additional 2 lines across the Baltic Sea from Russia's coast to the German coast near Greifswald
- Length: approx. 1,200 kilometres
- Design capacity: 55 bcm (2 x 27.5 bcm)
- Each line will require 100,000 joints (12 metres long, 48 inches, 24 t, concrete coated steel pipes)
- Based on proven technology and experience
- Gas source: Bovanenkovo field in Northern Russia's Yamal Peninsula (total reserves: 4.9 tcm)
- The five European energy companies committed to provide long-term financing for 50 % of the total cost of the project, estimated to be €9.5 billion
- Project timeline
 - Sep 2015: shareholder agreement signed
 - Apr 2017: financing agreement signed
 - Early 2018: Planned start of construction
 - End of 2019: Planned completion



The Nord Stream 2 Parties



Shareholder



Lenders



SIGNING OF FINANCING AGREEMENT (APRIL 2017)

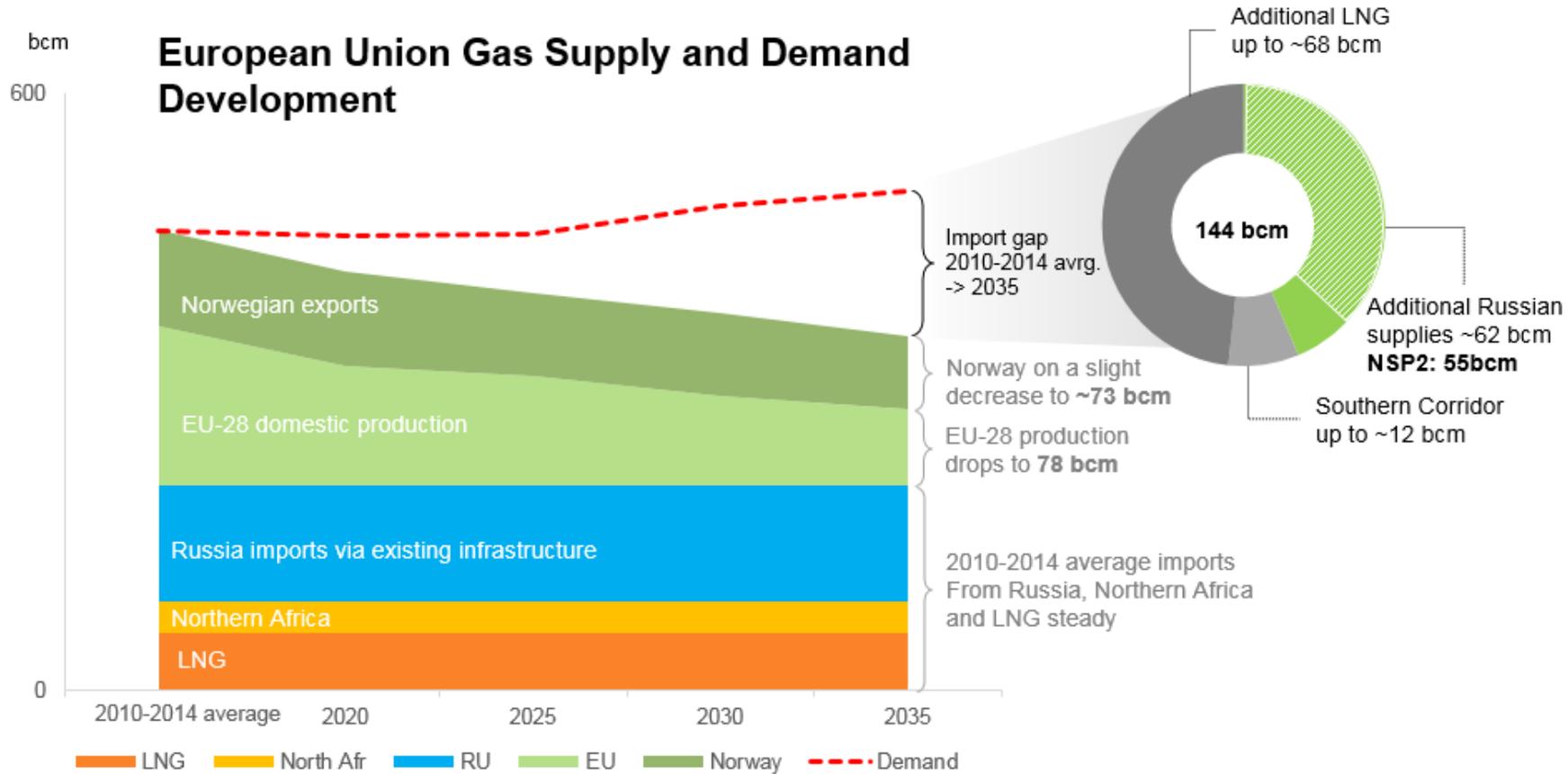


NORD STREAM 2 BENEFITS FOR EUROPE

- **The demand for gas in the EU is projected to grow to 510 bcm in 2030, while EU's domestic production will decrease.** This additional demand can only be met by increasing imports by at least 146 bcm per year compared with 2013 levels.
- **Natural Gas is a cost-effective and sustainable way to meeting EU's decarbonization goals.** A 1% increase in the share of natural gas in the EU energy mix can reduce emissions by 3%.
- **The Nord Stream 2 project will provide the EU reliable access to natural gas at competitive prices.** It will be a direct connection between the largest gas reserves in the world (4.9 tcm) and the EU's gas transmission system, hence provides an additional reliable, long-term supply option.
- **Nord Stream 2 will enhance Europe's security of supply.** European consumers will benefit from a healthy competition between pipeline gas and LNG from the US and other countries.
- **Nord Stream 2 will provide a major economic stimulus for many sectors of the European economy** through privately financed investments.
- **Nord Stream 2 will be based on proven technology and solid experience** gained in the construction of the existing Nord Stream pipeline, which was completed without any incidents.

The role of natural gas in the European Union is projected to increase over the coming years. Shell believes in the future of gas.

EUROPE'S EMERGING GAS SUPPLY GAP

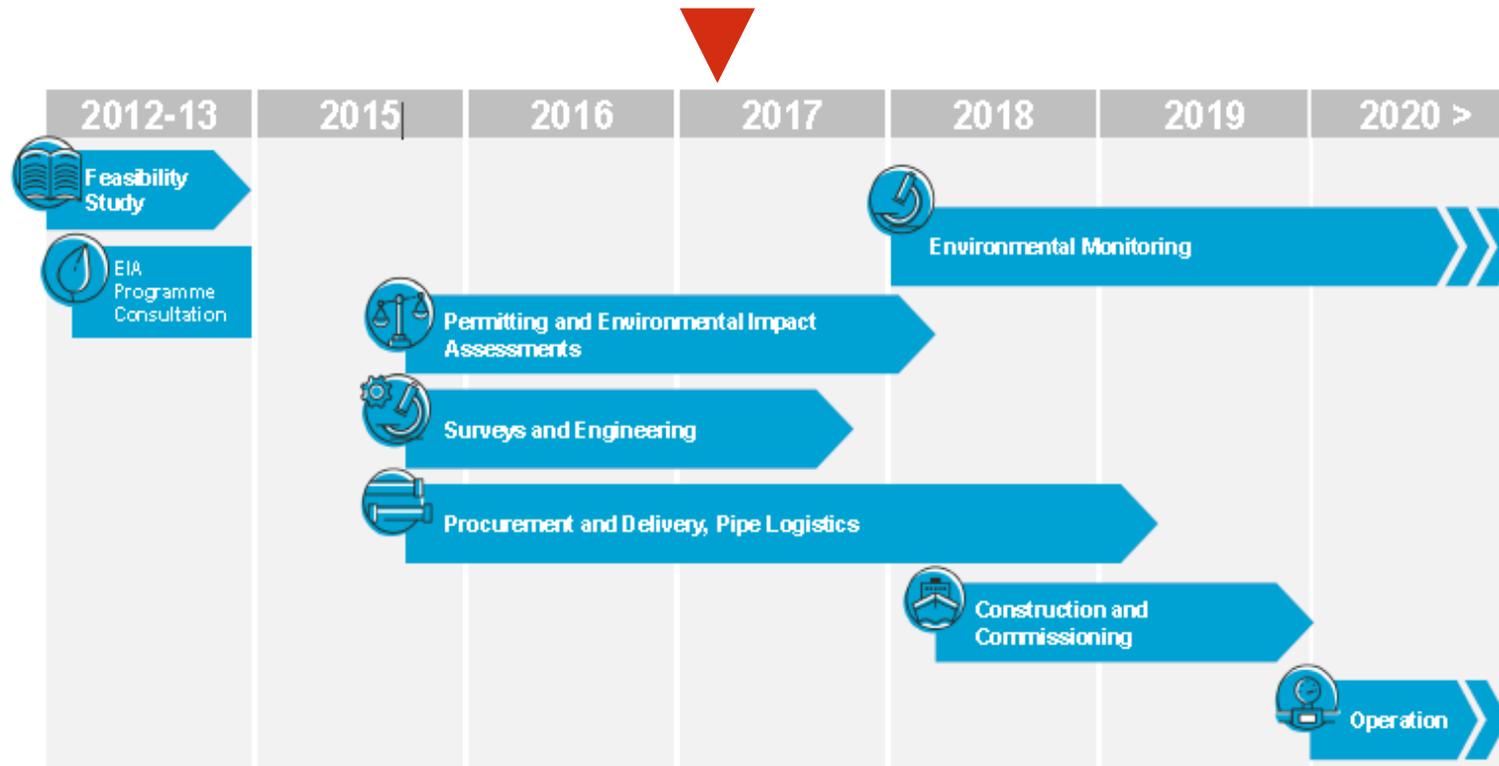


- LNG and Russian gas will compete to replace falling domestic production
- Nord Stream 2 will enable gas supply to new sources of demand,

* Source: IHS

DETAILED PROJECT TIMELINE

The Project Is Well Underway



SCOPE FROM 198 COMPANIES/17 COUNTRIES

**A multi-billion euro investment in European industry and services for the Nord Stream 2 project.
A selection:**

Logistics

- 1 Port of Mukran
- 2 Port of Hamina/Kotka
- 3 Port of Karlshamn
- 4 Port of Hanko/Koverhar
- 5 Company Headquarter in Zug

Pipes & Materials

- 1 EUROPIPE
- 2 OMK
- 3 Chelpipe
- 4 PetroValves
- 5 Voestalpine
- 6 MMK
- 7 Dillinger Hütte
- 8 Impalloy
- 9 Wasco Coatings

Environmental Studies, Quality Management, Safety & inspection

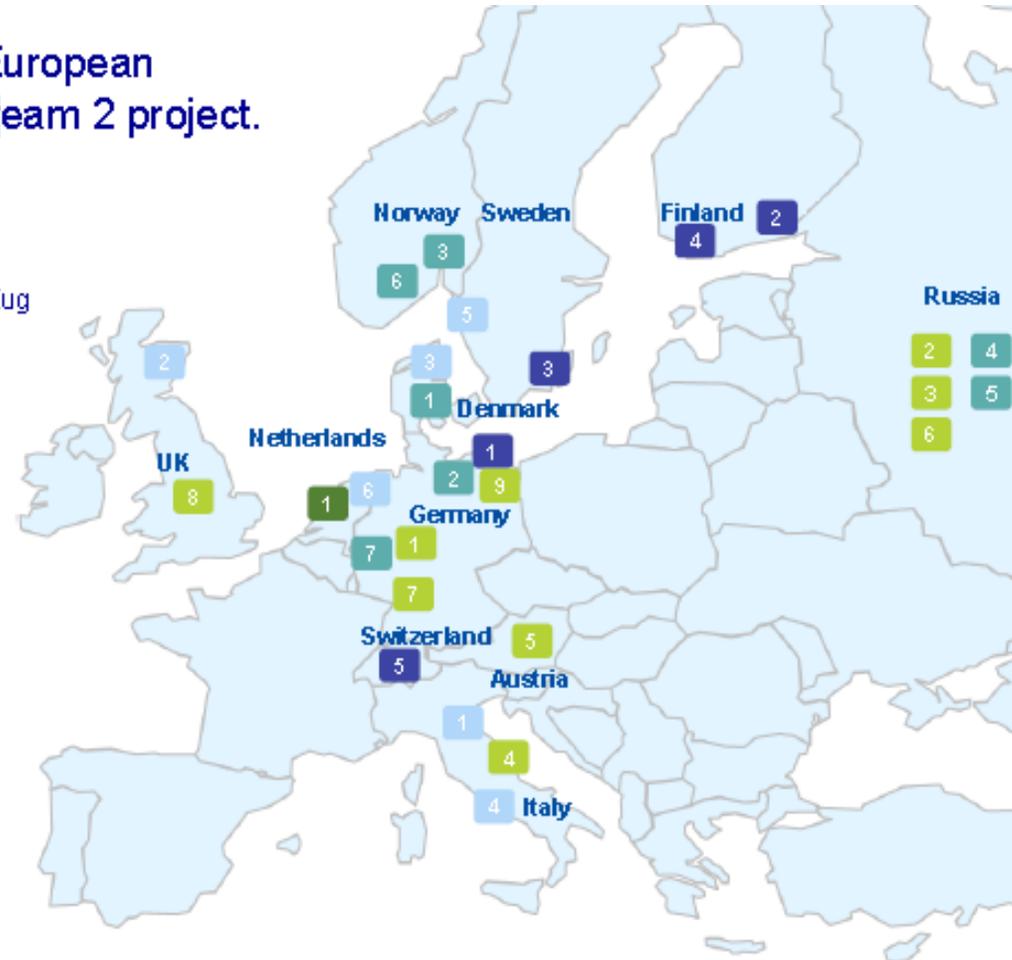
- 1 Rambøll
- 2 IfaÖ
- 3 DNV GL
- 4 Svarog
- 5 Business Trend
- 6 Delta Energy Services
- 7 Intertek

Engineering & Surveys

- 1 Saipem Fano
- 2 Fugro Survey
- 3 Geo
- 4 Next
- 5 MMT
- 6 N-Sea

Offshore Pipelay

- 1 Allseas



Technical contracting

- Material and service contracts
- Order for ca. 2,500 km of large-diameter pipes placed March 2016
- Delivery of pipes has started in September 2016
- Concrete weight coating and logistic contract signed September 2016
- Pipe lay contract awarded in February 2017

Permits and environment

- Permitting procedures launched according to national legal requirements and timelines in Germany, Denmark, Sweden, Finland and Russia; permits to be received by Q2 2018
- Submission of a trans-boundary environmental impact assessment (Espoo Report) in April 2017. International consultations to be concluded by June 2017

