LNG Outlook

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Definitions & 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 (SPE) 2P + 2C definitions.

Discovered and prospective resources: Our use of the term "discovered and prospective resources" are consistent with SPE 2P + 2C + 2U 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.

Shales: Our use of the term 'shales' refers to tight, shale and coal bed methane oil and gas acreage.

Underlying operating cost is defined as operating cost less identified items. A reconciliation can be found in the quarterly results announcement.

The companies in which Royal Dutch Shell plc directly and indirectly owns investments are separate legal entities. In this release "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 release 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 release 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 release, 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. There can be no assurance that future dividend payments will match or exceed previous dividend payments. All forward-looking statements contained in this release 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 20-F for the year ended December 31, 2015 (available at www.shell.com/investor and www.sec.gov). These risk factors also expressly qualify all forward looking statements contained in this release and should be considered by the reader. Each forward-looking statement speaks only as of the date of this release, February 20, 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 release.

With respect to operating costs synergies indicated, such savings and efficiencies in procurement spend include economies of scale, specification standardisation and operating efficiencies across operating, capital and raw material cost areas.

We may have used certain terms, such as resources, in this release 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.

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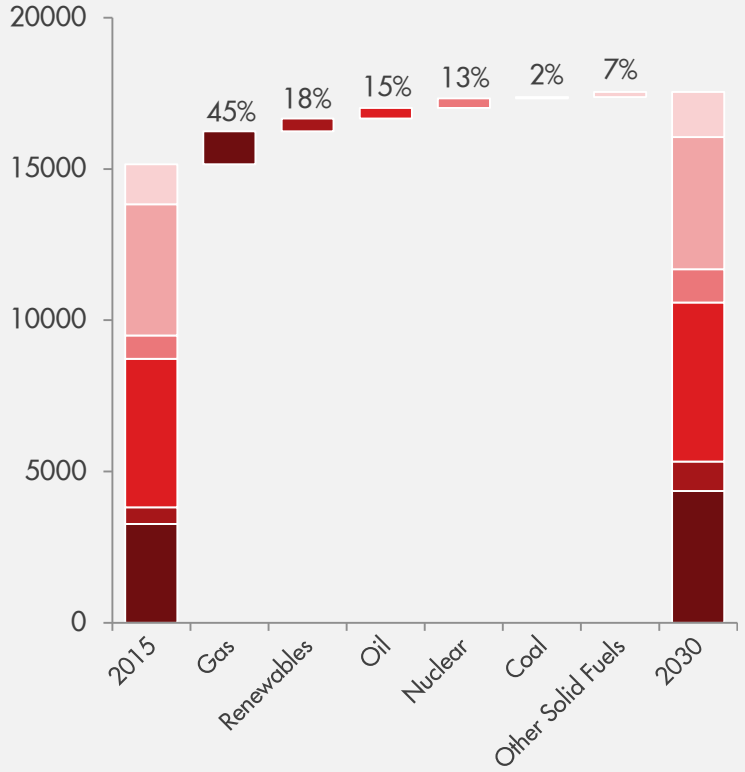
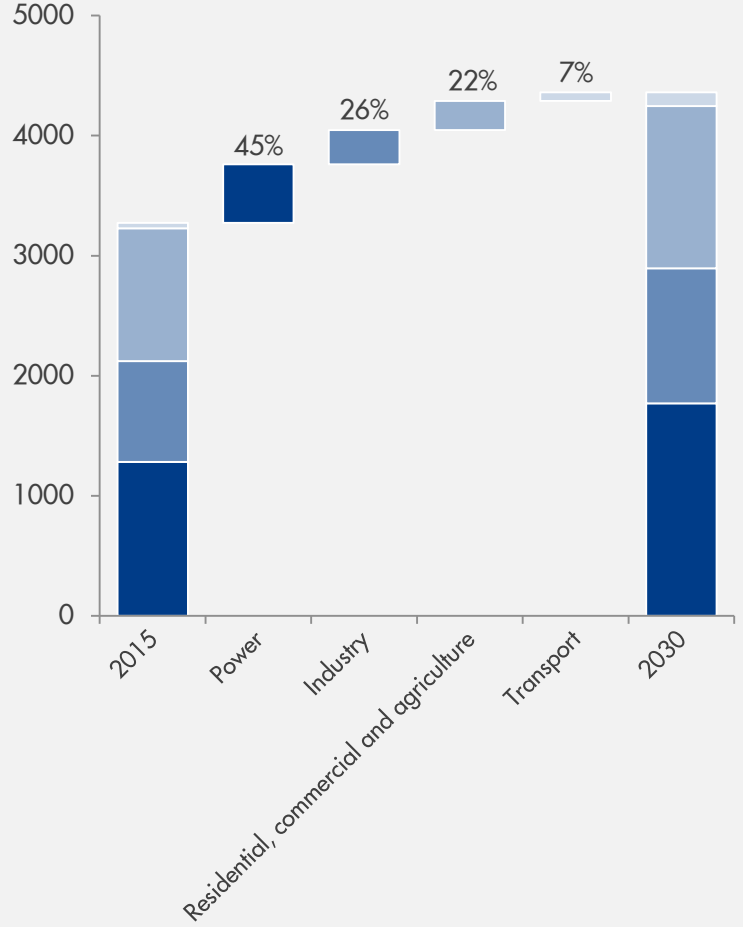
Gas playing a prominent role in meeting growing energy demand

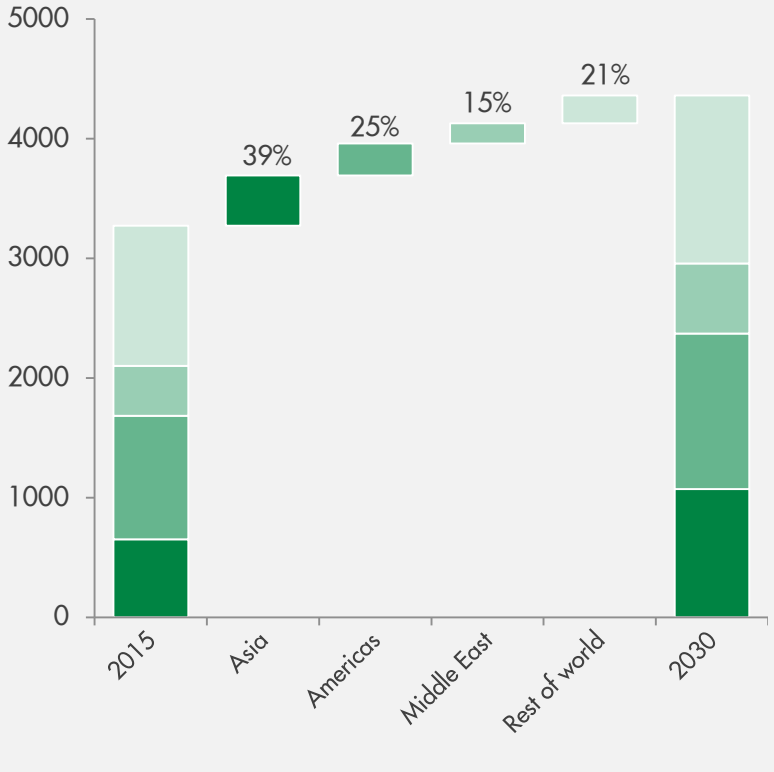
Global energy demand growth by fuel (bcm)



Global gas demand growth by sector (bcm)



Global gas demand growth by region (bcm)



Source: Shell interpretation of Wood Mackenzie Q4 2016 data

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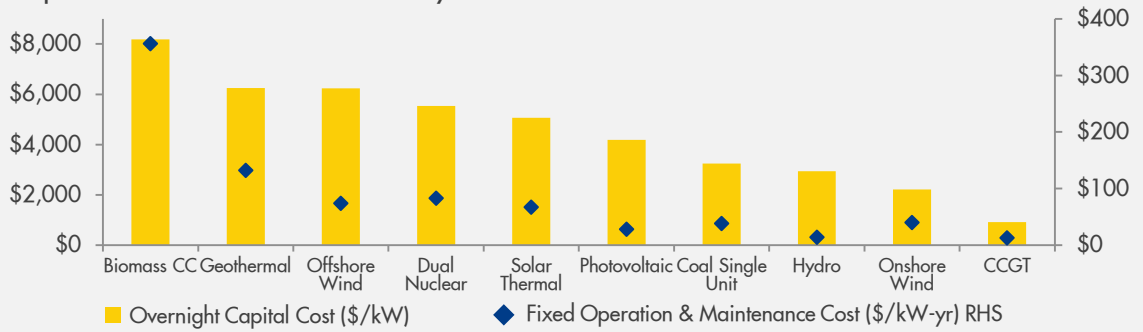
Gas provides competitive, flexible, cleaner energy

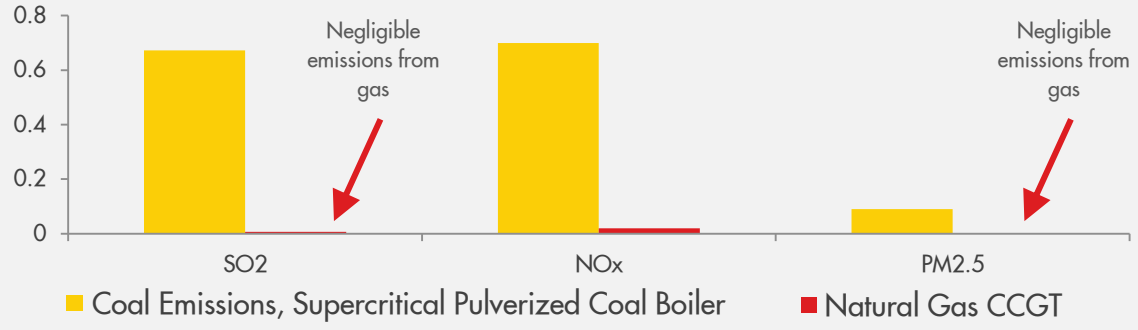
Gas plants are cheaper to build & operate

Capital Cost Of Power Plants KW/yr



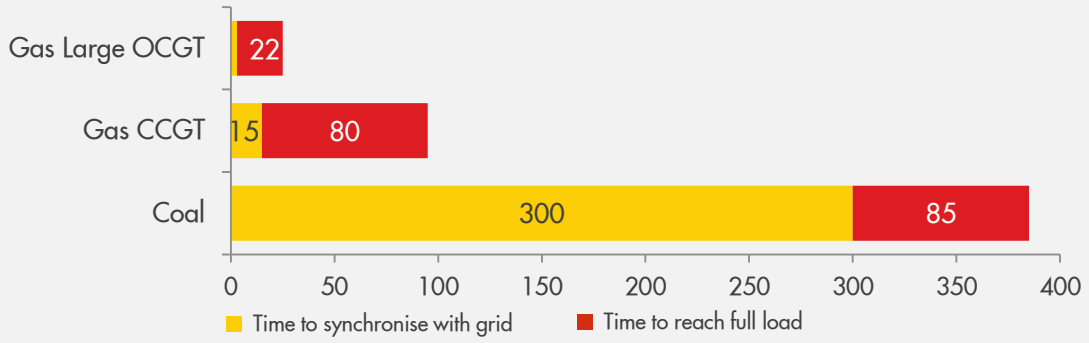
Addressing local air quality concerns

lb/MWh gross



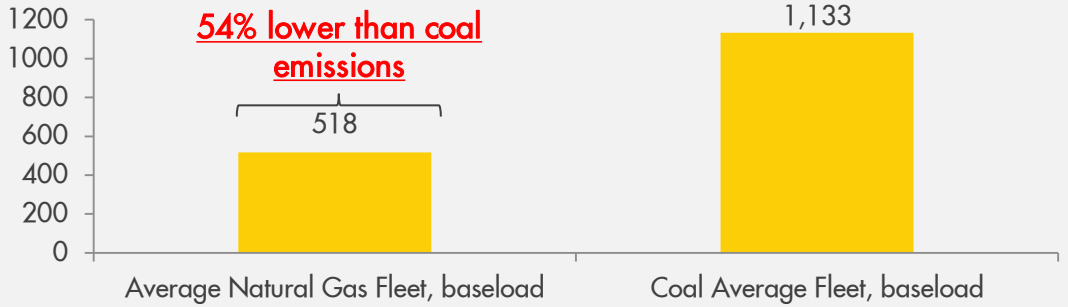
Supporting renewable generation growth

Average Time Required To Come Online, Minutes



Facilitating climate change objectives

Life-cycle GHG Emissions: kg CO2e/MWh,100-year Global Warming Potential



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Source: IEA, NETL 2015-Cost & Performance baseline for Fossil Energy Plants, NETL; Life Cycle Greenhouse Gas, DECC

Policymakers increasingly choose gas

G20 2016 CHINA	Leaders' Communique pledged to 'enhance collaboration on solutions that promote natural gas' as 'a less emission-intensive fossil fuel'
IMO INTERNATIONAL MARITIME ORGANIZATION	170+ members agreed sulphur limit in shipping fuel of 0.5% from 2020 LNG as a fuel contains virtually zero sulphur vs. 3.5% specification for global marine fuel today
	13th Five Year Plan targets 45 bcm of incremental gas consumption by 2020. China has suspended more than 100 coal-fired plants either approved or under construction
	"We have given priority to move towards a gas based economy. Effort must be made to increase natural gas production while also creating import infrastructure to meet the growing domestic demand." *Prime Minister Modi*
	EU Liquefied Natural Gas Strategy acknowledged critical role of gas in support of energy security, increasing competitiveness and greenhouse gas emissions targets
MARRAKECH COP22 | CMP12 UN CLIMATE CHANGE CONFERENCE 2016	France and Canada announced plans to phase out coal fired generation by 2023 and 2030 respectively. They join Austria, Belgium, Britain, Denmark and Portugal in pledging to close coal fired generation by the end of the next decade

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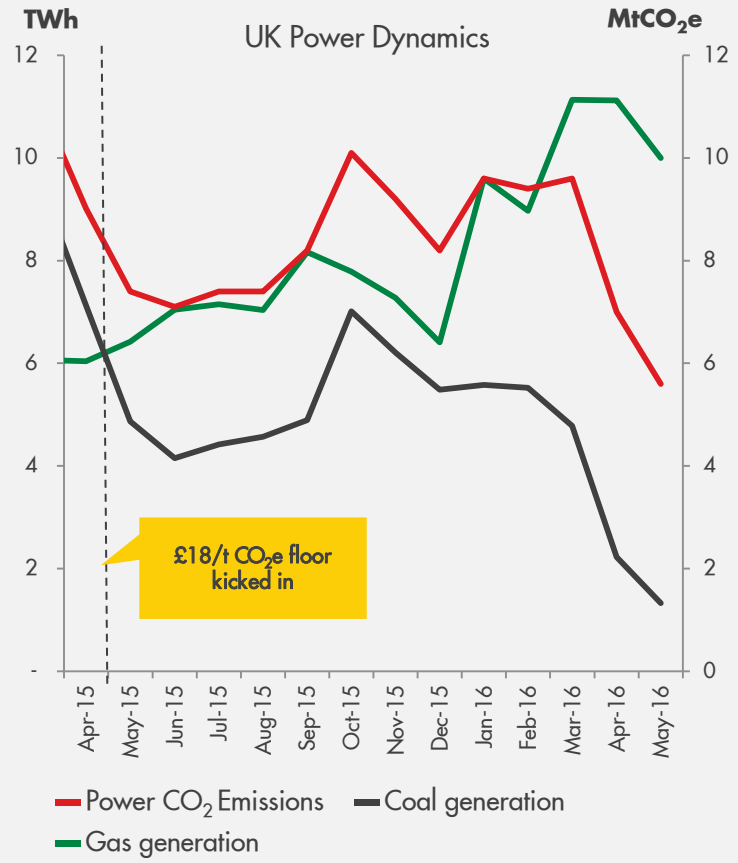
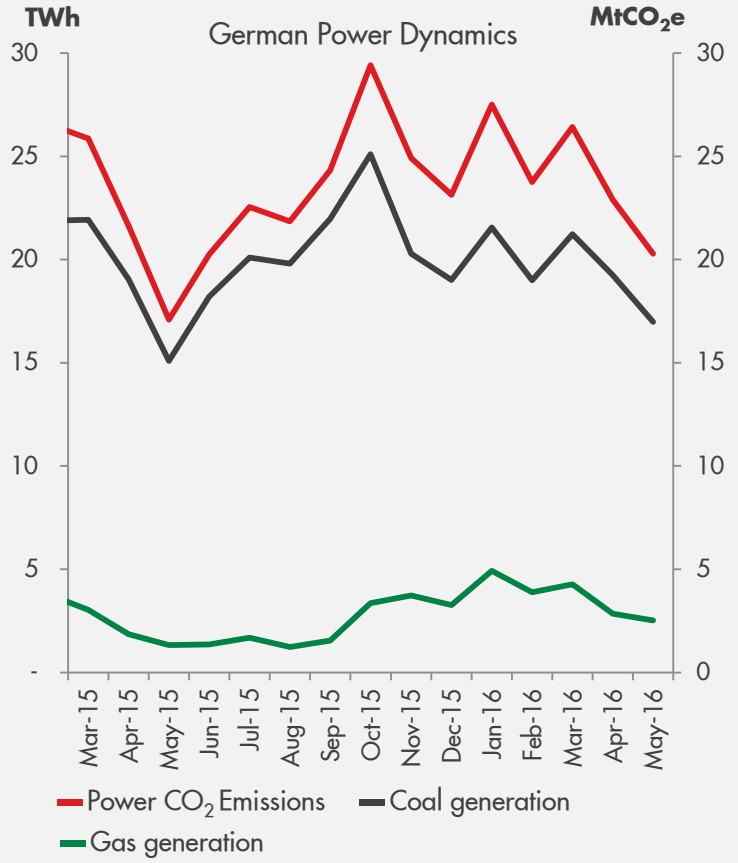
Emission reduction policies drive increased gas demand

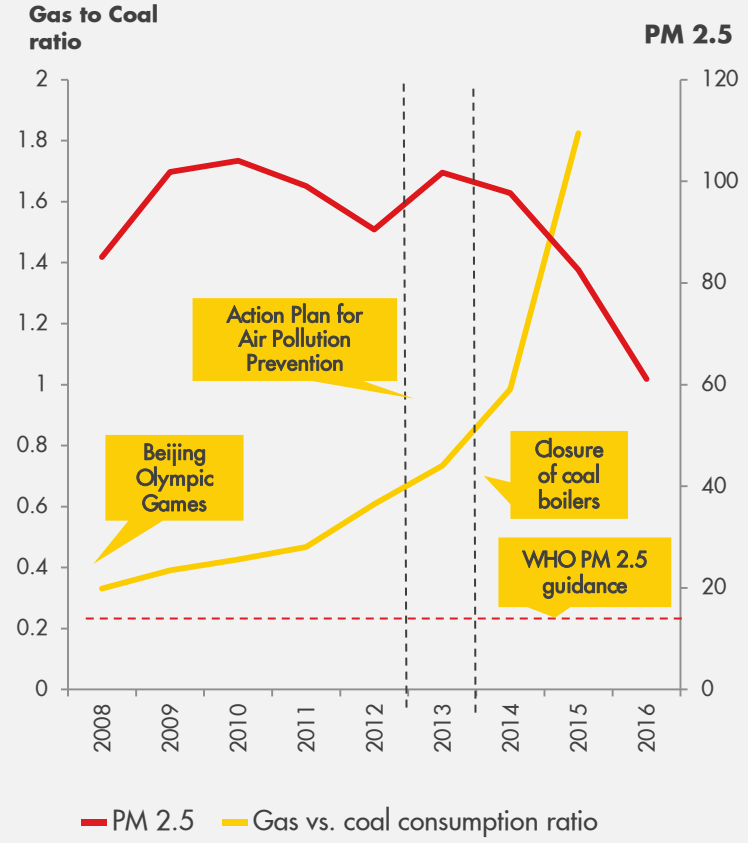
UK: Lower CO_2 emissions



Germany: Static CO_2 emissions



Beijing: Improving air quality



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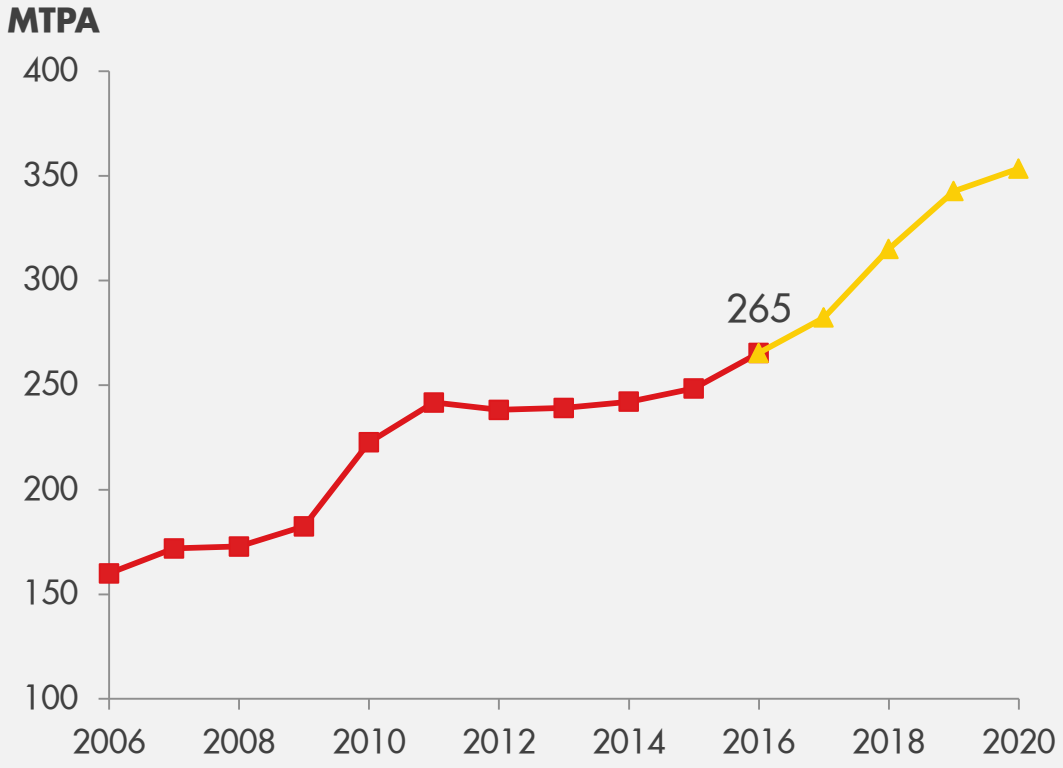
Source: Aurora Energy Research; Embassy of the USA – Beijing, China; National Bureau of Statistics of China

One-third of new LNG supply growth already online

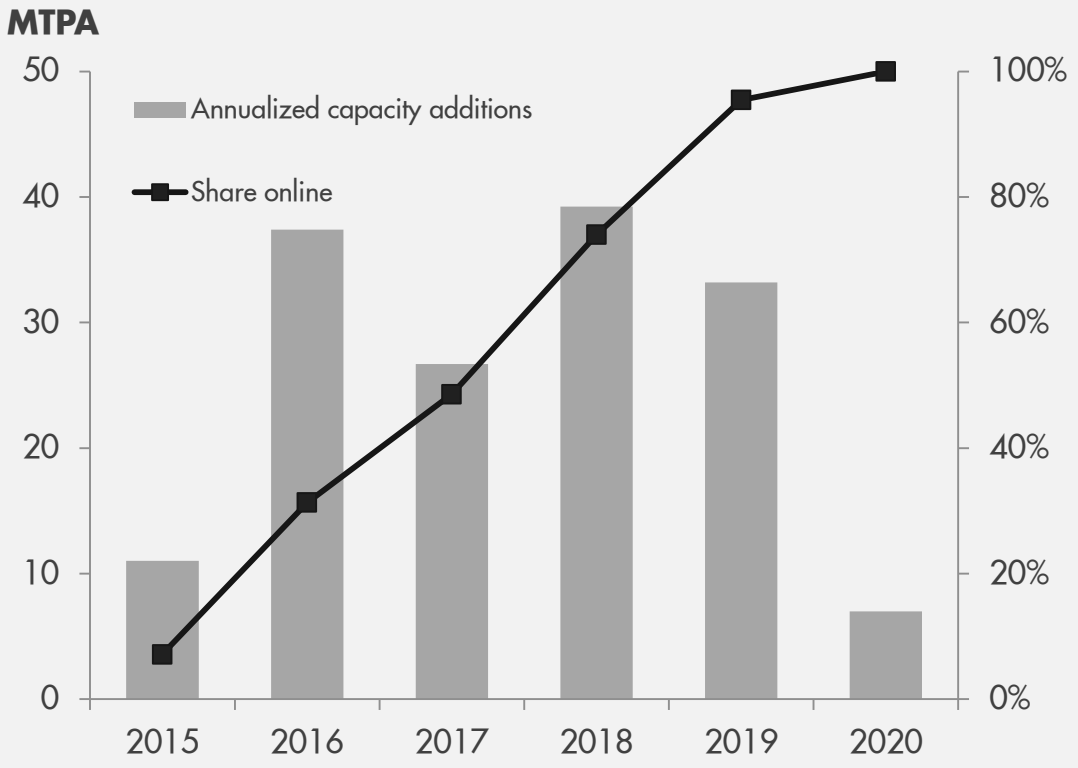
LNG volume set to expand 50% from 2014 to 2020

Delivered volume



Source: Shell interpretation of IHS (LNG Waterborne Trade, Liquefaction Projects Database) and Wood Mackenzie Q4 2016 data

Capacity additions



Note: only includes projects online by 2016 or currently under construction

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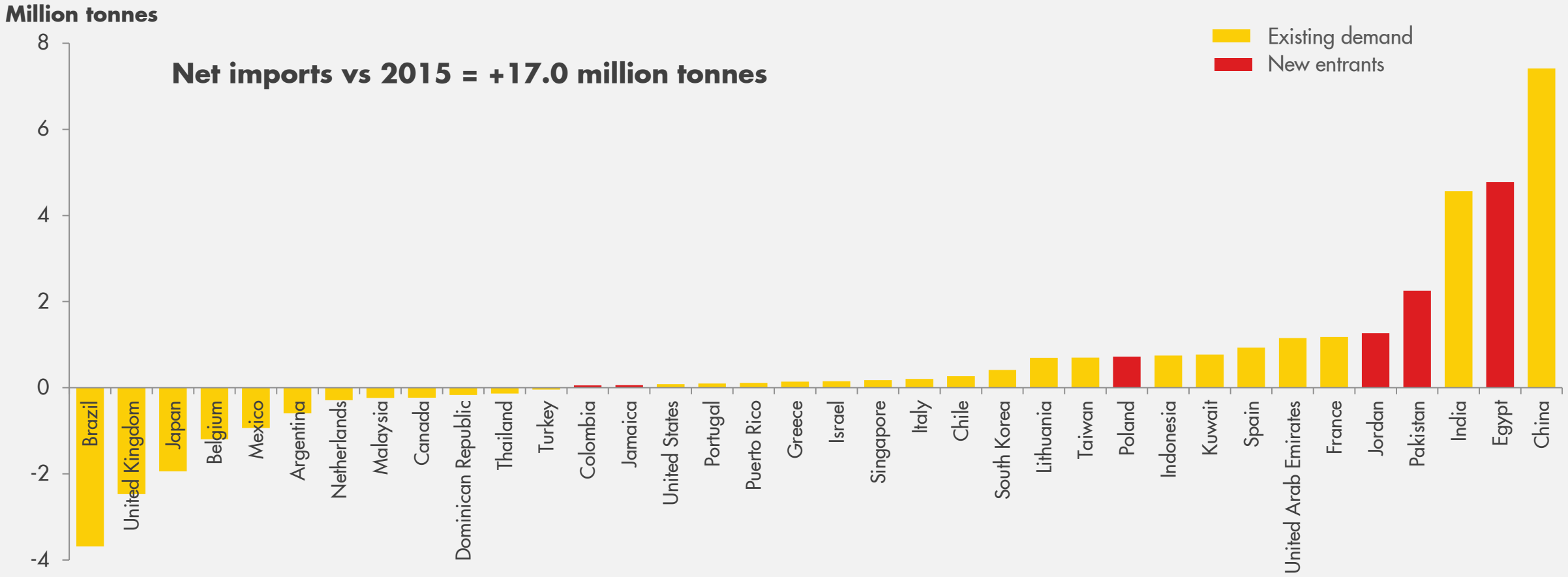
2016 import growth dominated by China, India & new entrants



Source: Shell interpretation of IHS (LNG Waterborne Trade) data, delivered volumes; red denotes new entrants (2015-2016)

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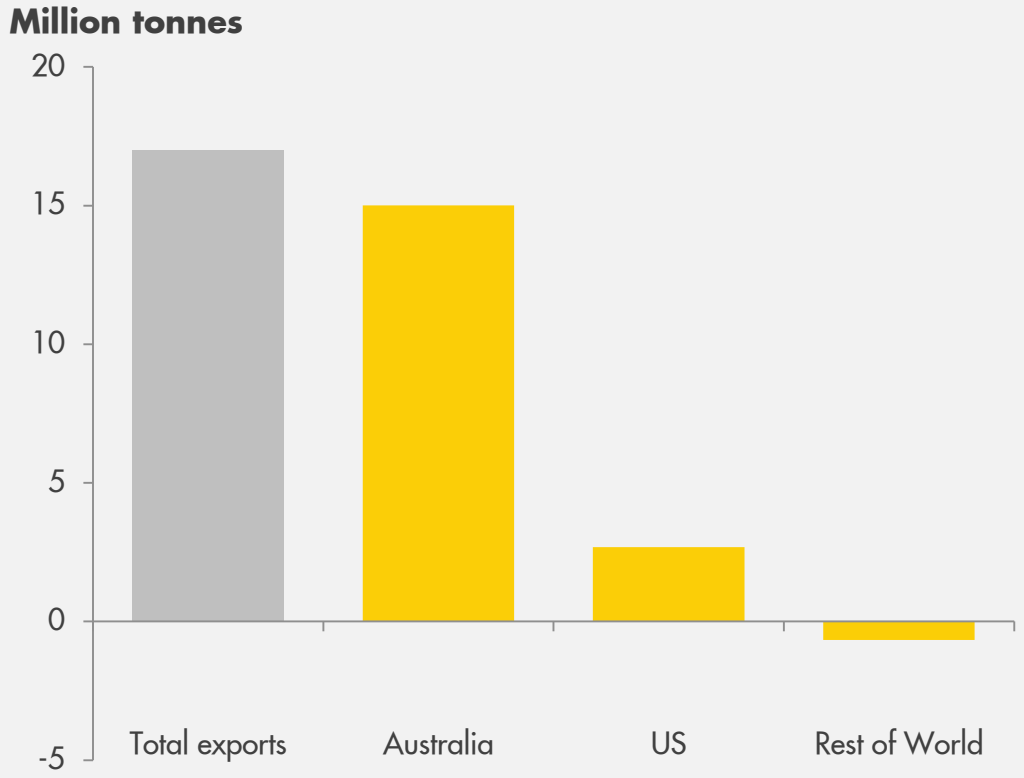
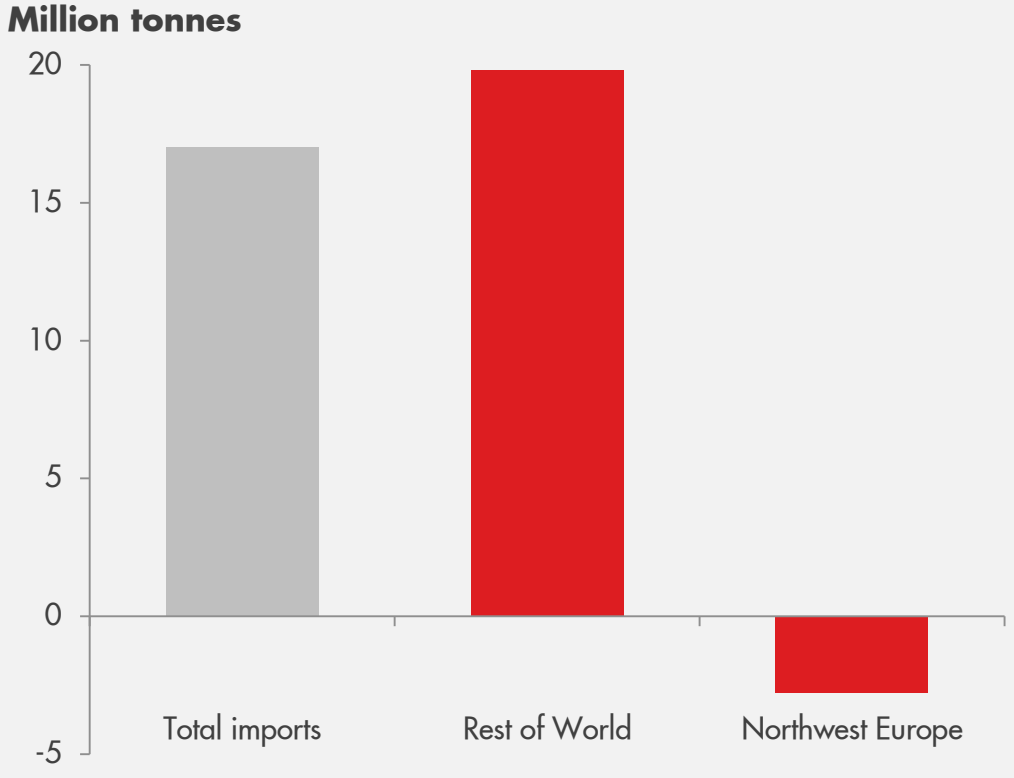
Growth in LNG demand absorbed increase in supply

Net exports: 2016 YoY



Net imports: 2016 YoY



Source: Shell interpretation of IHS data, delivered volumes

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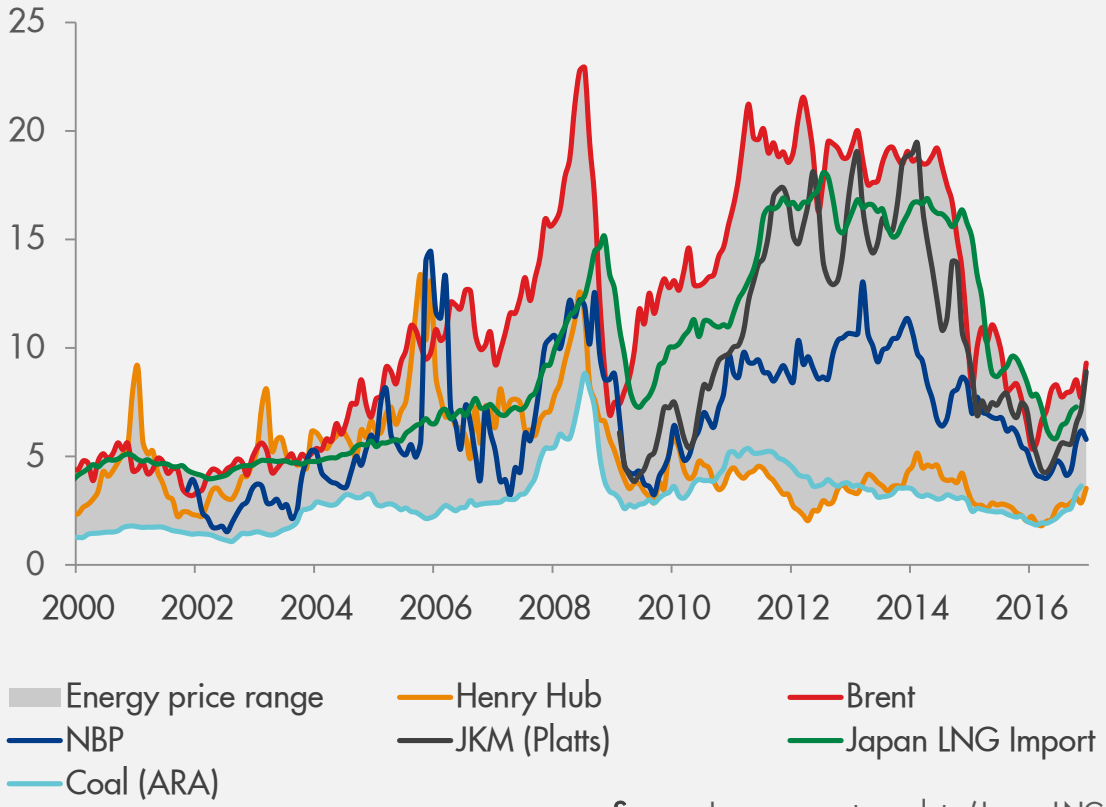
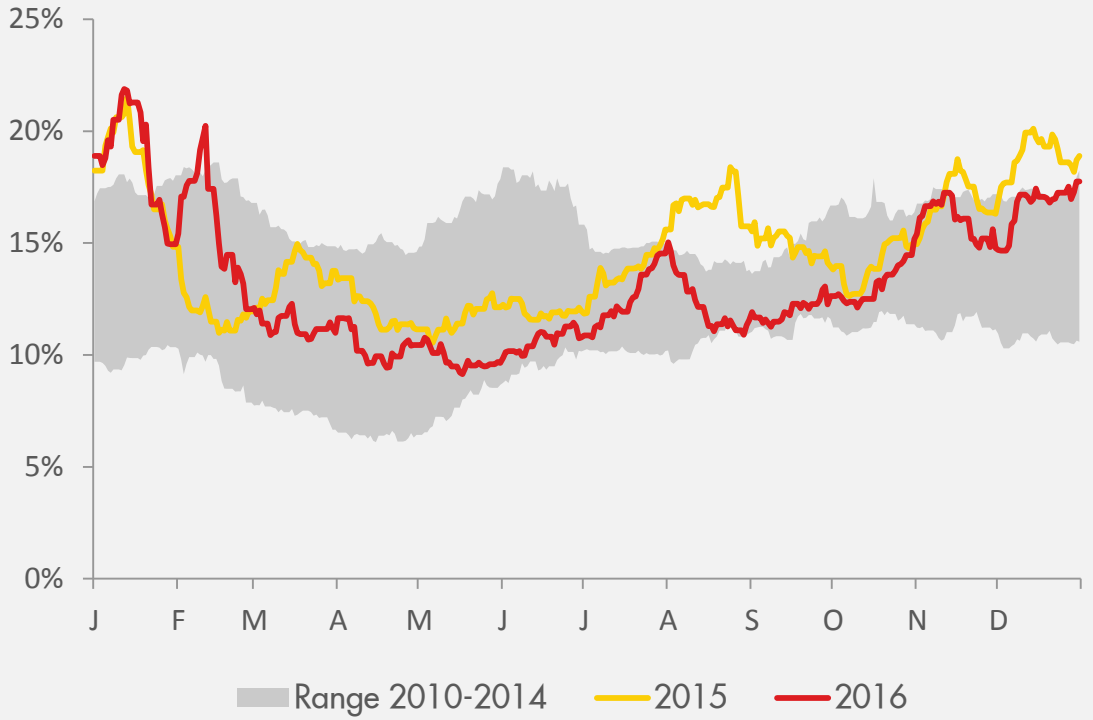
Robust spot prices reflect the market's ability to absorb new supply

Global LNG prices ($/MMBTU)



Asia spot (JKM as % Brent)



Source: Japanese customs data (Japan LNG import), Platts (JKM), ICE (NBP, Brent, ARA coal), NYMEX (Henry Hub)

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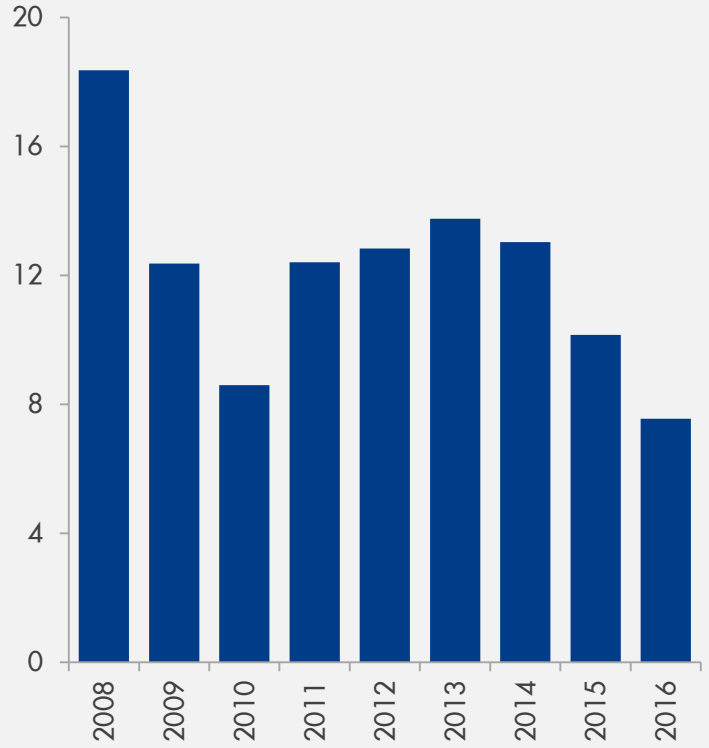
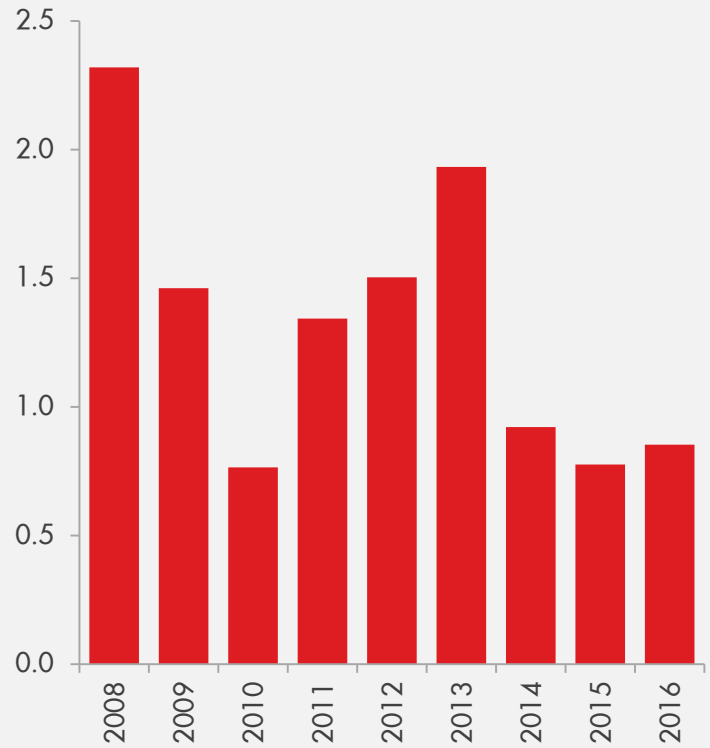
Trend to shorter and smaller contracts with emerging buyers

Average contract length, years

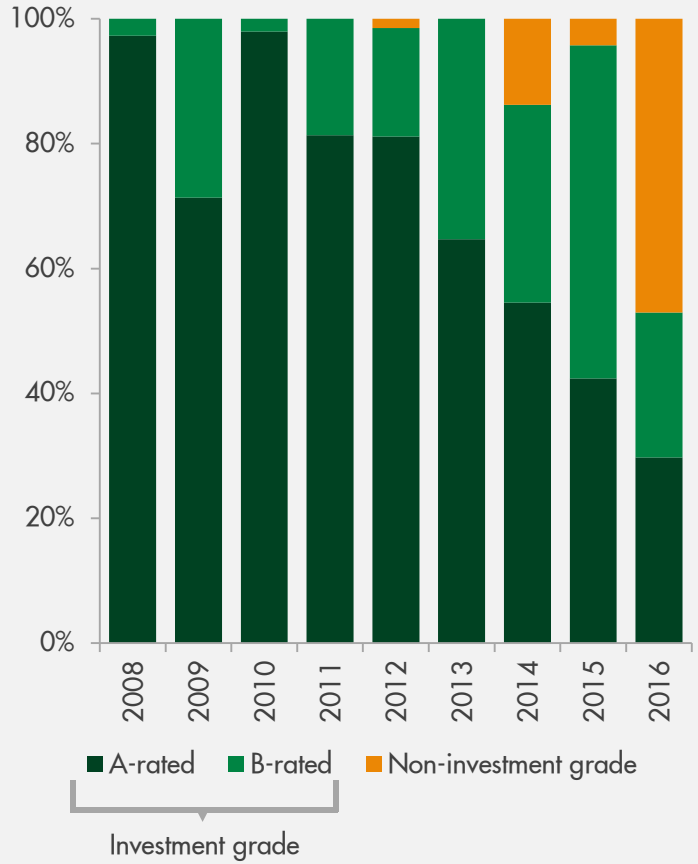


Source: Shell interpretation of IHS (Energy LNG Sales Contracts Database), Moody's and Fitch data

Average contract volume, MTPA



LNG buyer credit ratings



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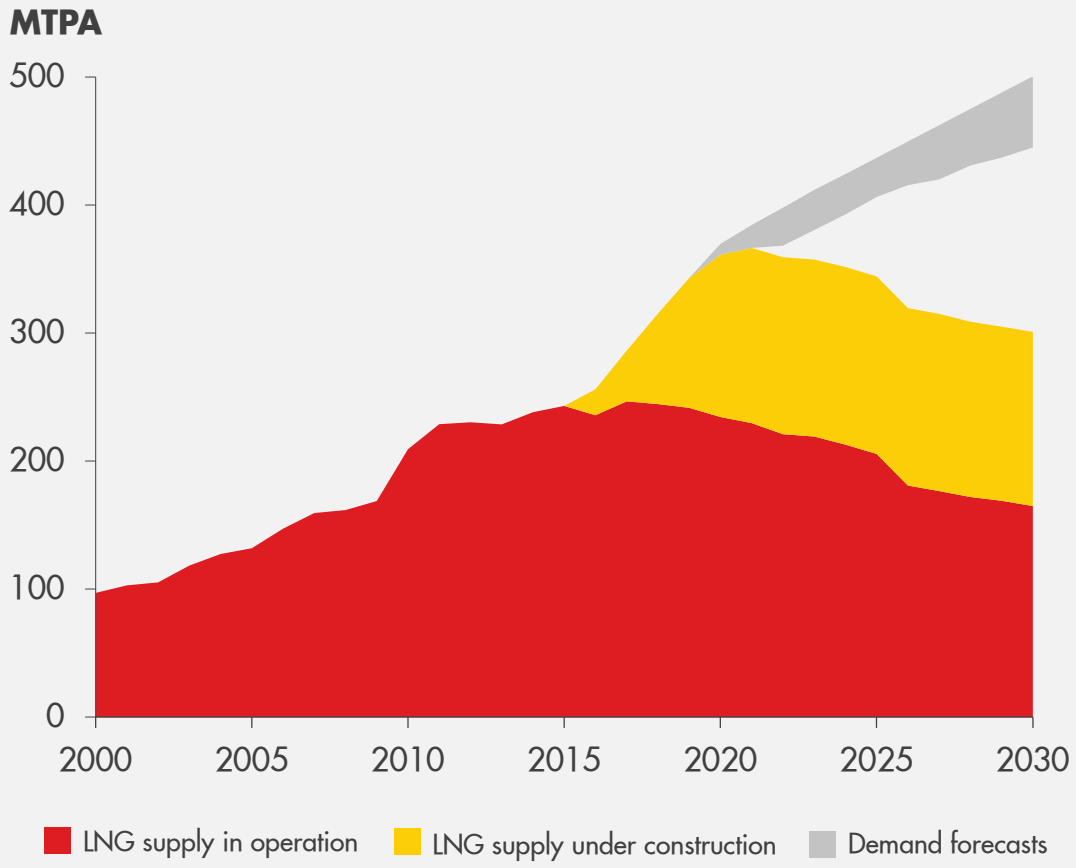
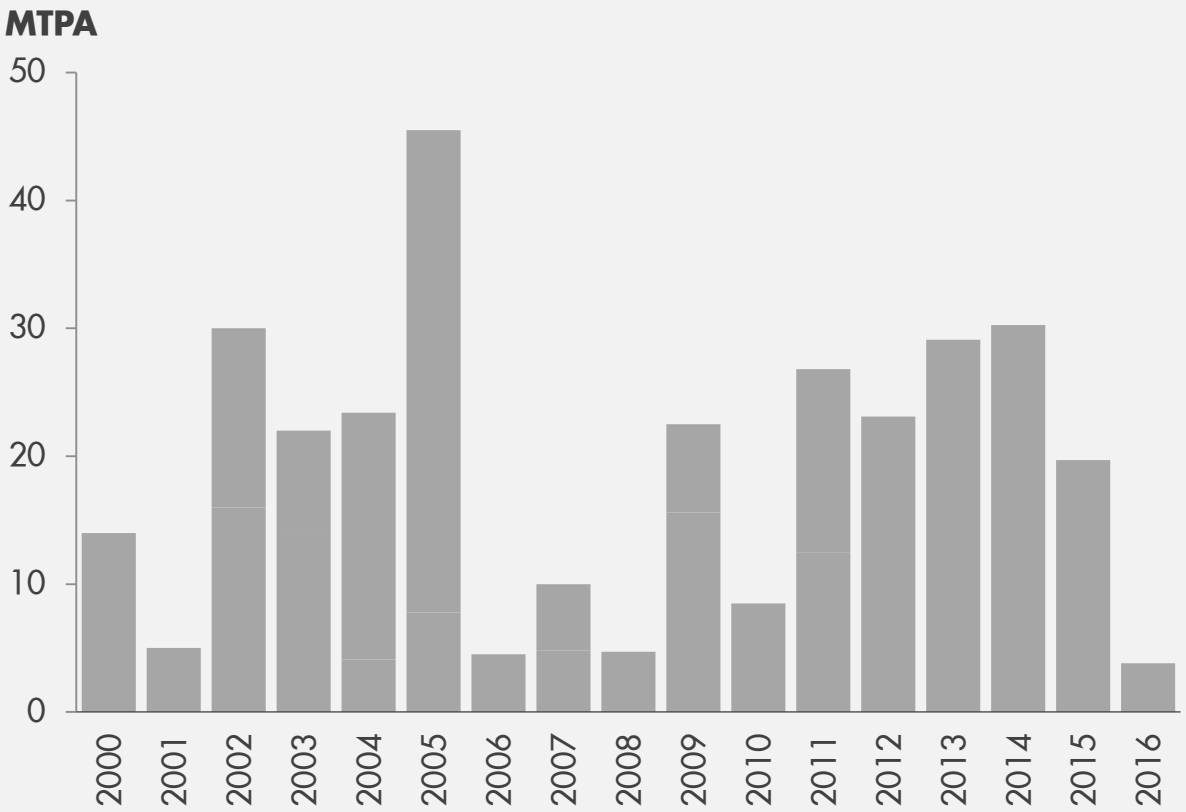
New FIDs required to meet demand growth after 2020

LNG supply/demand gap



Overview of LNG FIDs



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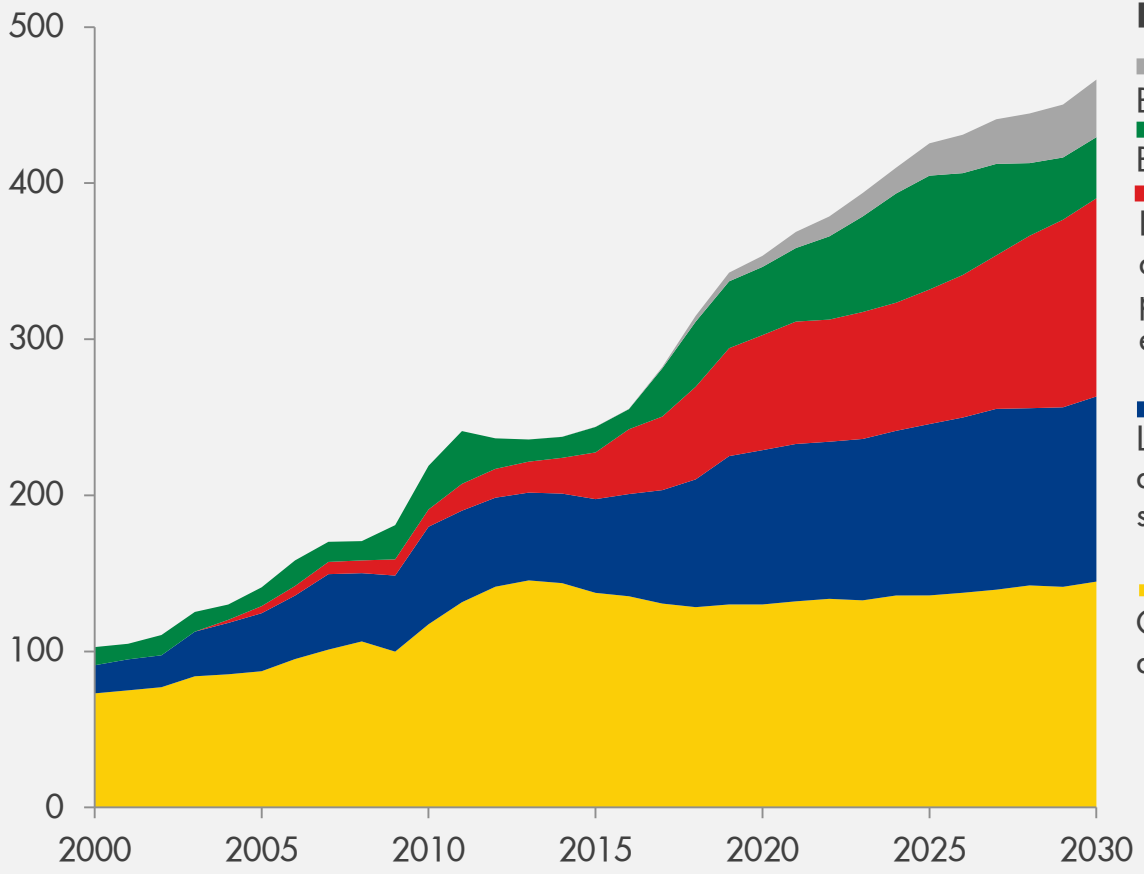
Source: Shell interpretation of Wood Mackenzie Q4 2016, IHS, Poten, Gas Strategies and PFC.

Changing drivers of LNG demand growth

LNG imports by role in meeting gas demand (MTPA)



LNG demand driver	Countries/regions		
Bunker fuel	■ Atlantic	■ Middle East	■ Pacific
Balances LNG supply	■ Northwest Europe		
LNG replaces declining domestic production into existing demand	■ India ■ Thailand ■ Indonesia ■ Malaysia ■ Pakistan*	■ Egypt* ■ Kuwait ■ UAE ■ Colombia*	■ Bangladesh* ■ Bahrain* ■ Philippines* ■ Vietnam*
LNG complements domestic and pipeline supply	■ Southern Cone ■ Eastern Europe ■ Southern Europe ■ North America	■ China ■ Singapore	■ Morocco* ■ Jordan* ■ Israel
Gas supply solely dependent on LNG	■ Japan ■ Korea ■ Taiwan	■ Puerto Rico ■ Dominican Republic	■ Jamaica* ■ Panama*

Source: Shell interpretation of Wood Mackenzie Q4 2016 data
* Denotes new or emerging LNG importing countries

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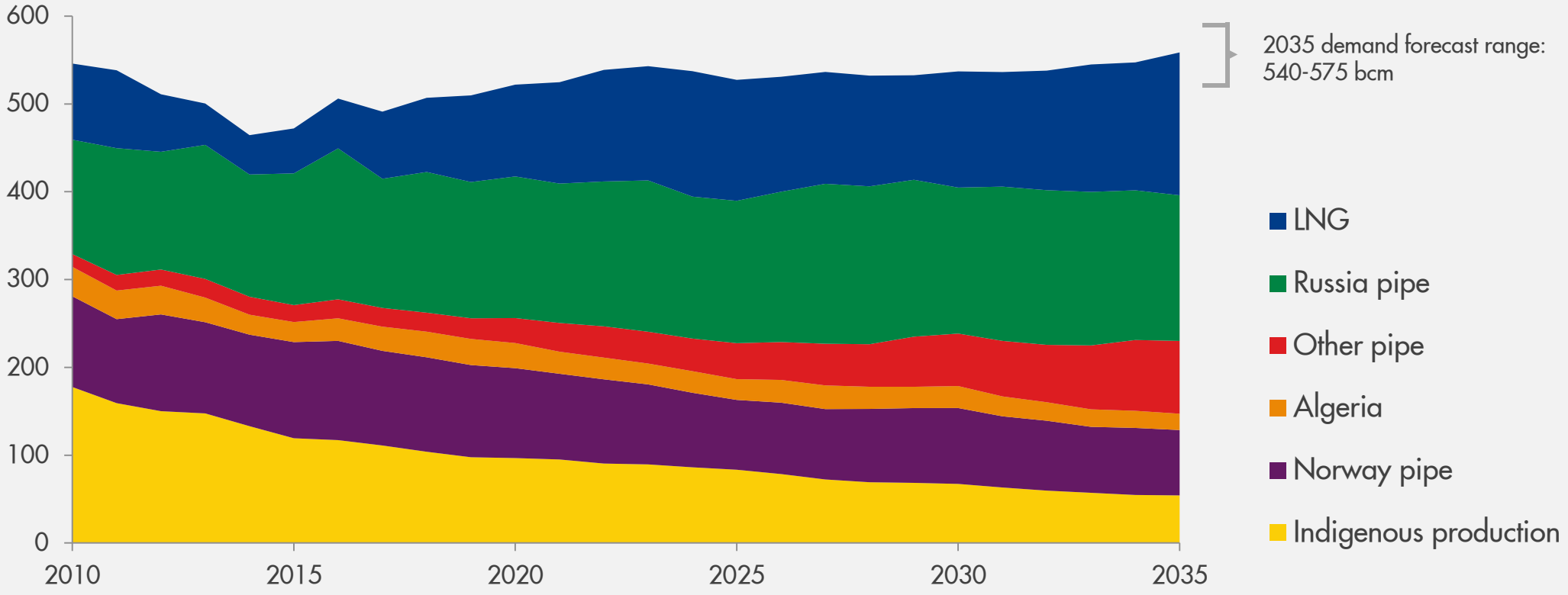
LNG to take larger share of European gas demand

European gas supply (bcm)



Source: Shell interpretation of Wood Mackenzie Q4 2016, IHS, and Eurogas data

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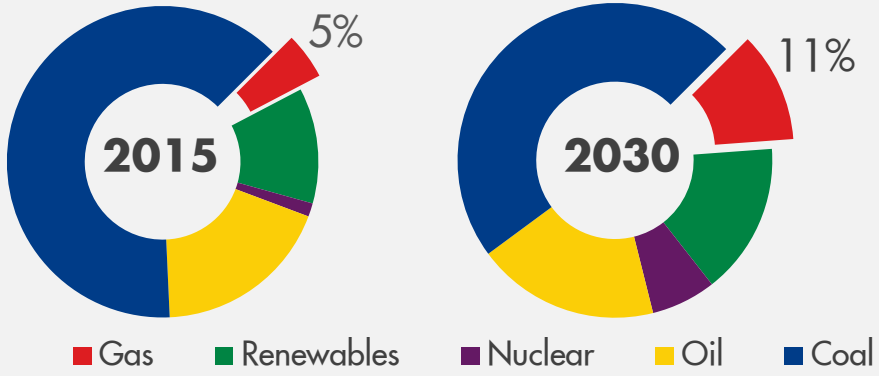
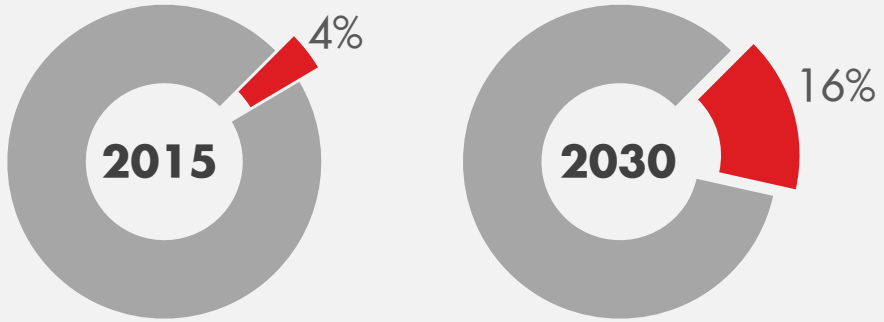
Policy and macroeconomics driving gas demand growth in China

China total primary energy demand

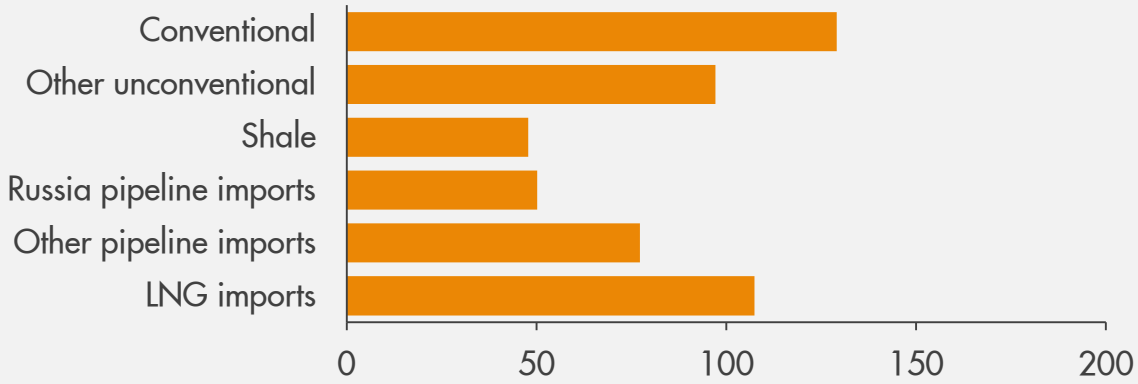


China's share of global LNG demand

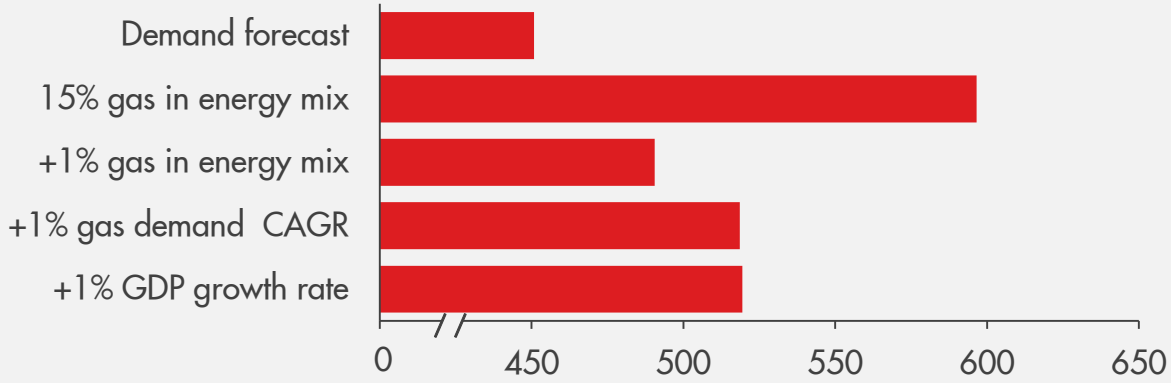


Source: Shell interpretation of Wood Mackenzie Q4 2016 data

Gas supply by source 2030, bcm



Gas demand potential 2030, bcm



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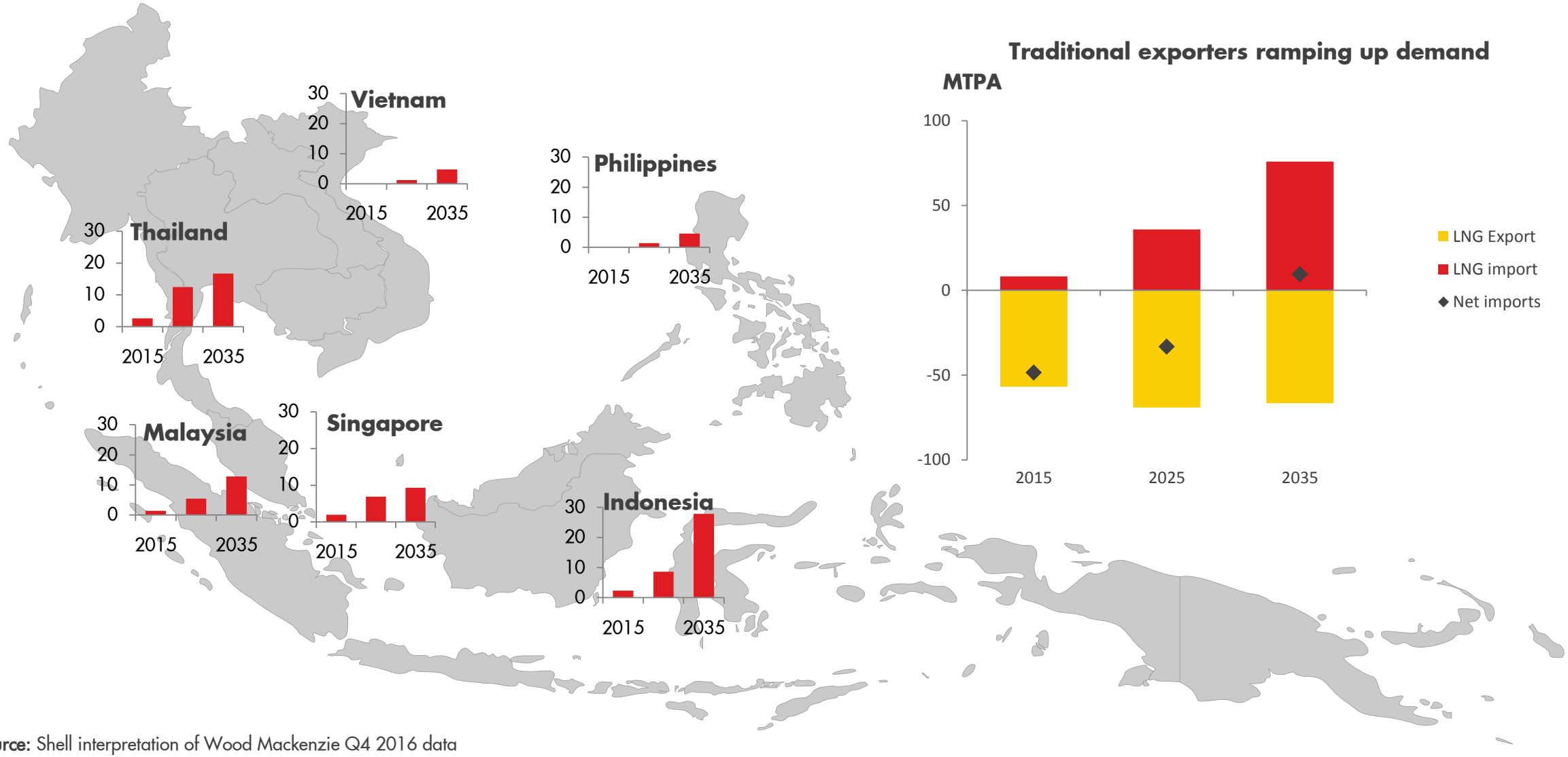
Southeast Asia to become net LNG importer by 2035



Source: Shell interpretation of Wood Mackenzie Q4 2016 data

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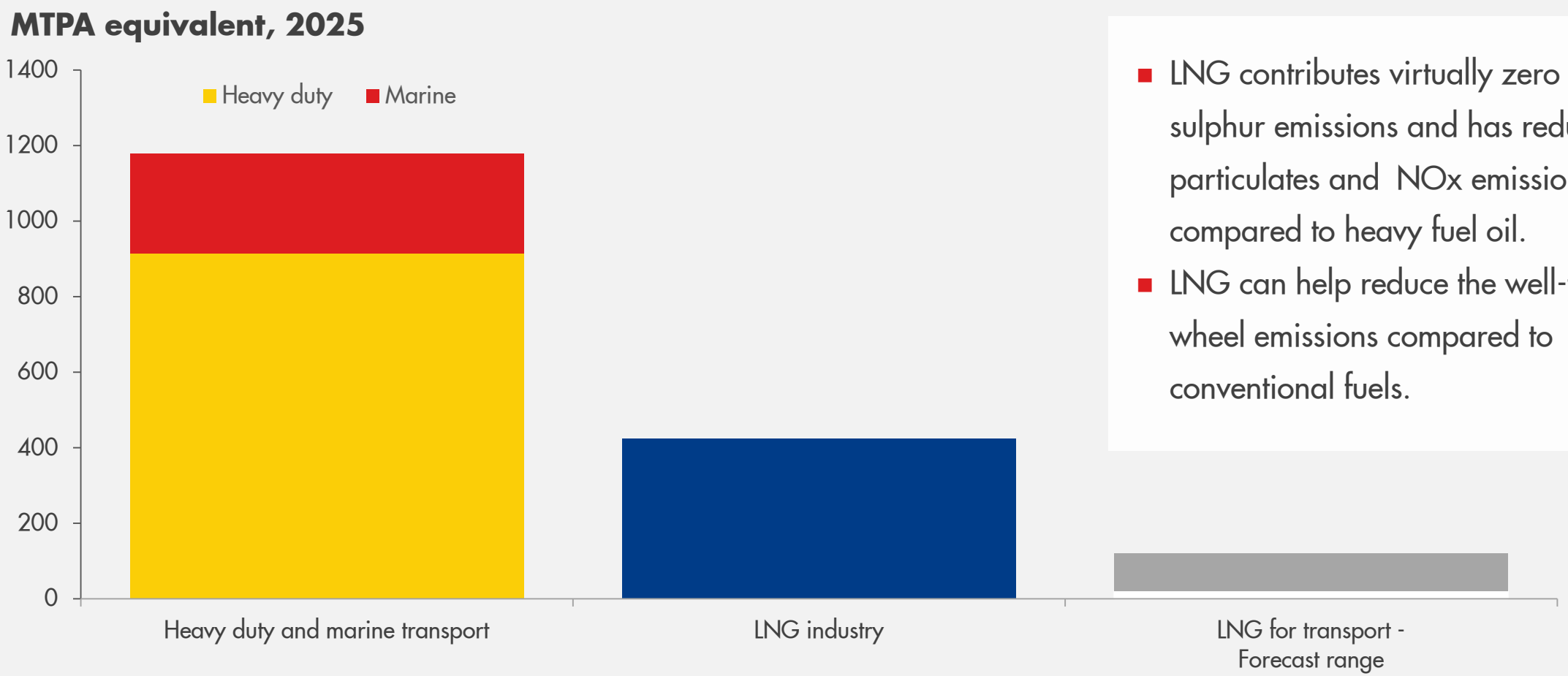
Potential demand upside from transport sector



- LNG contributes virtually zero sulphur emissions and has reduced particulates and NOx emissions, compared to heavy fuel oil.
- LNG can help reduce the well-to-wheel emissions compared to conventional fuels.

Source: Shell interpretation of Wood Mackenzie and IHS

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Summary

- Strong growth in LNG supply in 2016, one-third of new supply online
- LNG demand growth from China, India and new entrants absorbed supply growth in 2016
- Continued LNG supply growth to 2020
- Global demand for gas is expected to increase by 2% a year between 2015 and 2030; LNG is set to rise at twice that rate at 4 to 5%
- Future LNG demand growth will be driven by: policy, floating storage regasification units, replacing declining domestic gas production, small scale LNG and transport
- LNG and Russian gas imports required to balance European gas demand
- New investments required to meet growing LNG demand after 2020
- LNG trade is changing to meet the evolving needs of buyers, including shorter-term and lower-volume contracts

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