



# Oil industry role in a low carbon future world

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## Cautionary Note

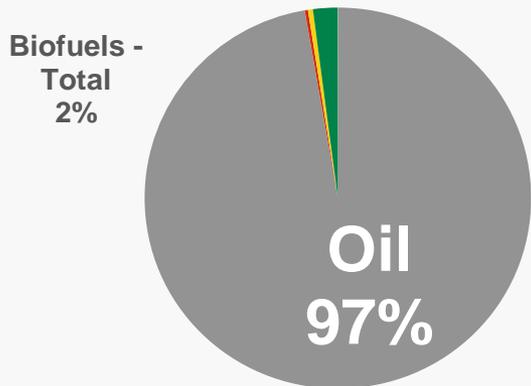


The companies in which Royal Dutch Shell plc directly and indirectly owns investments are separate entities. In this announcement "Shell", "Shell Group" and "Royal Dutch Shell" are sometimes used for convenience where references are made to Royal Dutch Shell plc and its subsidiaries in general. Likewise, 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 announcement refer to companies in which Shell either directly or indirectly has control, by having either a majority of the voting rights or the right to exercise a controlling influence. The companies in which Shell has significant influence but not control are referred to as "associated companies" or "associates" and companies in which Shell has joint control are referred to as "jointly controlled entities". In this announcement, associates and jointly controlled entities are also referred to as "equity-accounted investments". 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.

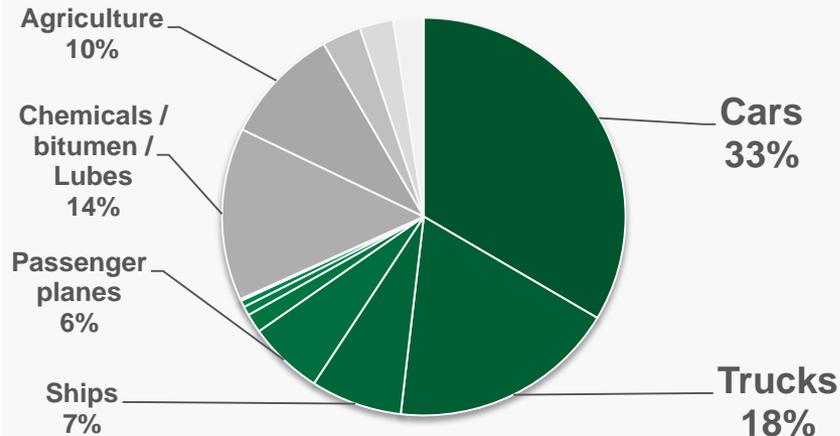
This announcement contains forward looking statements concerning the financial condition, results of operations and businesses of Shell and the Shell Group. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are 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 Shell and the Shell Group 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", "seek", "should", "target", "will" and similar terms and phrases. There are a number of factors that could affect the future operations of Shell and the Shell Group and could cause those results to differ materially from those expressed in the forward looking statements included in this announcement, 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. All forward looking statements contained in this announcement 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 factors that may affect future results are contained in Shell's 20-F for the year ended 31 December 2014 (available at [www.shell.com/investor](http://www.shell.com/investor) and [www.sec.gov](http://www.sec.gov)). These factors also should be considered by the reader. Each forward looking statement speaks only as of the date of this presentation, 20th August 2015. Neither Shell nor any of its subsidiaries nor the Shell Group 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 announcement.

# Oil will continue to play a major role in mobility, but there is no “business as usual”.

2012: Global Liquid Products Supply



2012: Global Liquid Products\* Demand



## A “Business as Usual” mobility future ...

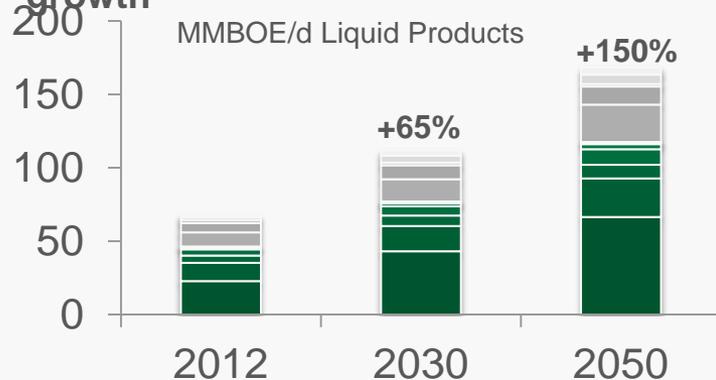
Return to Long-term trend GDP Growth

Trend efficiency improvements

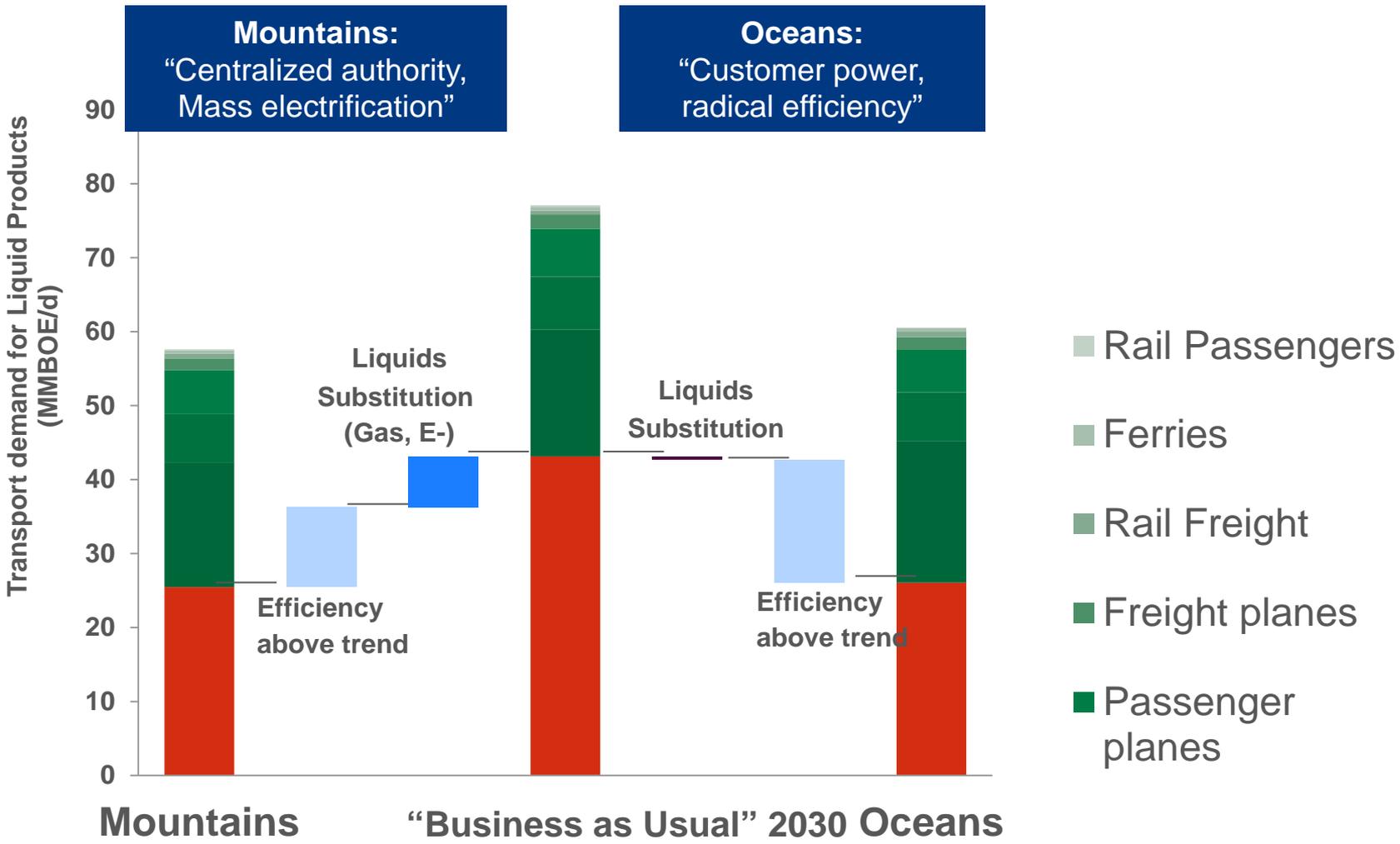
Global mass substitution of liquids



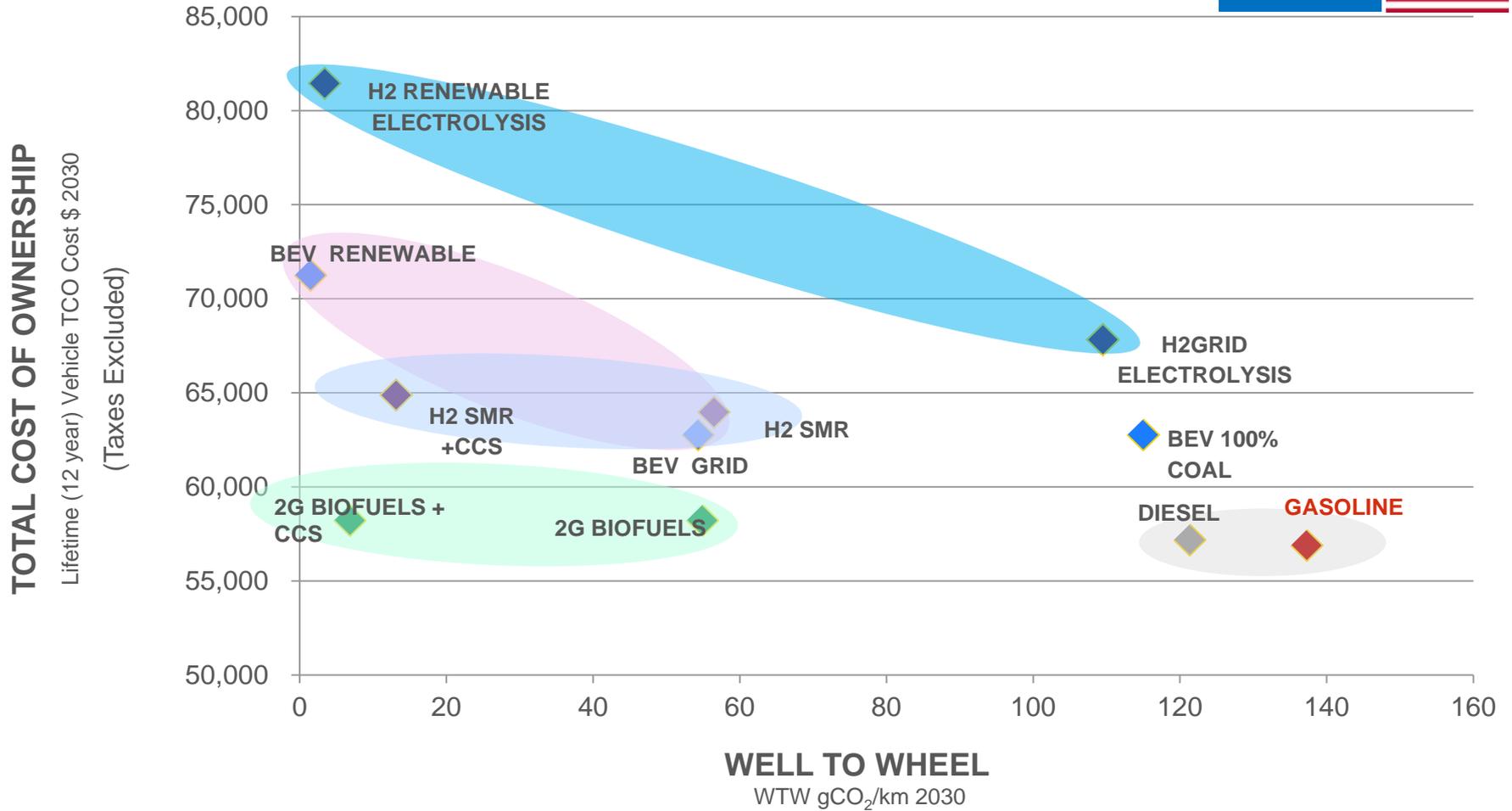
## .. leads to infeasible liquids demand growth



**Both Shell scenarios imply a transformation in light duty transport by 2030, to balance liquids supply. Heavy duty transport remains liquids dependent.**



# Regulation drives vehicle + fuel + infrastructure solutions to compete on Cost and Carbon. Consumer preferences remain unclear.



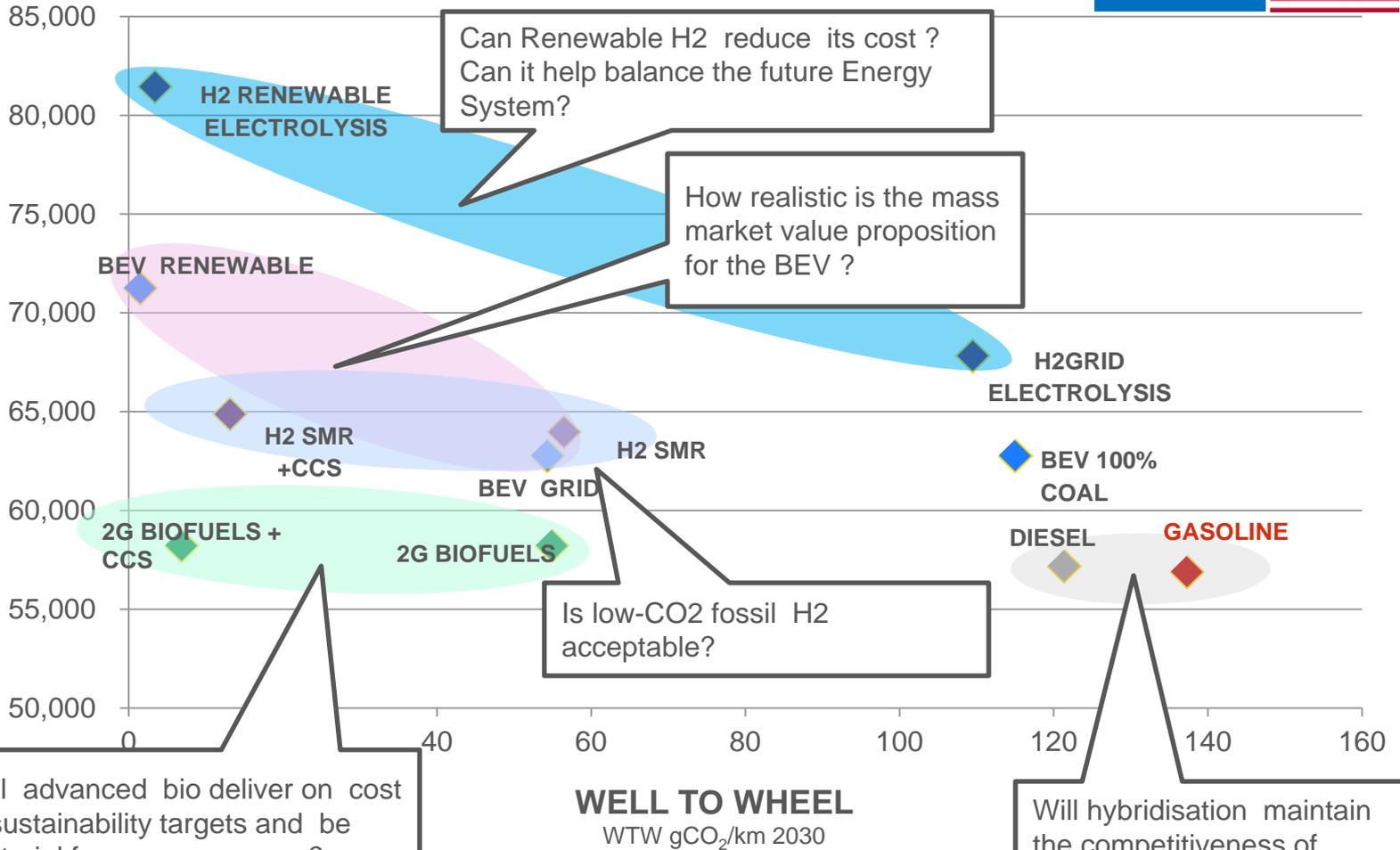
# Each combination has significant uncertainties that complicate the investment case.



**TOTAL COST OF OWNERSHIP**

Lifetime (12 year) Vehicle TCO Cost \$ 2030

(Taxes Excluded)



Can Renewable H2 reduce its cost?  
Can it help balance the future Energy System?

How realistic is the mass market value proposition for the BEV?

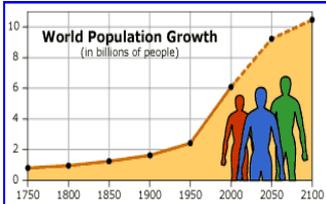
Is low-CO2 fossil H2 acceptable?

Will advanced bio deliver on cost & sustainability targets and be material for passenger cars?

Will hybridisation maintain the competitiveness of Combustion?

# The Mobility transition is broader than alternative fuels and drive trains

## DRIVING BELIEFS



Higher Energy Demand

More Urbanisation

Oil is Constrained

New Technology Options

Lower CO2 & Emissions

Diversity of Energy Supplies

Changing Customer Values & Social Acceptance

## Mobility Transition

Existing Vehicles & Fuels	Alternative Fuels & Drivetrains	Data Connectivity & New Business Models
<ul style="list-style-type: none"> <li>■ Better ICE, efficiency improvements, reduced emissions</li> <li>■ New Fuels - Hi Octane</li> <li>■ New Engines - Dual Fuels</li> </ul>	<ul style="list-style-type: none"> <li>■ Biofuels</li> <li>■ Hydrogen Mobility</li> <li>■ Electric Mobility</li> <li>■ LNG, GTL ...</li> </ul>	<ul style="list-style-type: none"> <li>■ Digital touch points with customers</li> <li>■ Fleets, Ride Share, Co-parcelling</li> <li>■ Driverless Cars</li> <li>■ Mobility as a Service</li> </ul>
<p>2009: 239 g/km 2015: 128.3 g/km 2020 EU TARGET: 95g/km 164.9 g/km</p>		

