

Royal Dutch Shell Oil Sands Shareholder Resolution – May 2010

At Royal Dutch Shell's forthcoming AGM we have been asked to vote on a Shareholder Resolution:

Resolution 23: Direct the Audit Committee or a Risk Committee of the Board to Commission and Review a Report on Investment Risks Associated with Future Canadian Oil Sands Projects

Both Management and Research Recommendations and Electronic Voting (RREV) have recommended voting against this resolution. After engaging with Royal Dutch Shell and conducting our own research, we believe the company's response to issues raised in the shareholder proposal, to have been satisfactorily addressed.

Royal Dutch Shell have outlined their assumptions on world energy demand and oil price volatility (citing the International Energy Agency's (IEA) World Energy Outlook 2009 report), they have also provided details on pricing estimates for future carbon emissions. In its economic assessment Royal Dutch Shell assumes a higher CO₂ price than that currently being charged in Alberta. Independent studies have been conducted on the impact of emissions from oil sands based fuels, and a recent report produced by IHS Cambridge Energy Research Associates suggests that on a life-cycle basis oil sands are, around 5-15% more CO₂ intensive compared to conventional crude. Royal Dutch Shell is however, continuing to research into alternative methods of extraction which will further reduce emission levels.

The company has stated that as part of the company's established investment approval process for all its projects they look at health, safety and environmental impacts. The company has also advocated its support for the Blueprint scenario, in relation to the future challenges of entering a low carbon world (please view link below for further details*).

BAPIML has voted against the shareholder resolution.

If you require further information please click on the links provided below.

http://www.shell.com/home/content/aboutshell/our_strategy/shell_global_scenarios/shell_energy_scenarios_2050/shell_energy_scenarios_02042008.html*

http://www.shell.com/home/content/investor/news_and_library/press_releases/2010/report_on_oil_sands_17032010.html