

Registered in England and Wales: 4973913

SHELL SAUDI VENTURES LIMITED

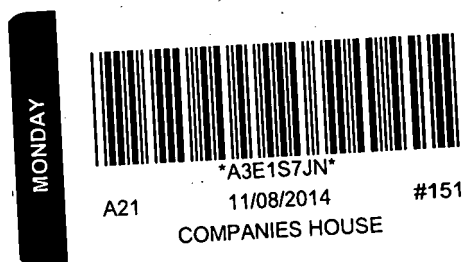
DIRECTORS' REPORT

AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2013

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SHELL SAUDI VENTURES LIMITED

STRATEGIC REPORT

The Directors present their strategic report on the company for the year ended 31 December 2013.

Shell Saudi Ventures Limited (also referred to as the "Company") is one of the entities within the "Shell Group". In this context the term "Shell Group" and "Companies of the Shell Group" or "Group companies" means companies in which Royal Dutch Shell plc, either directly or indirectly, has control either through a majority of the voting rights or the right to exercise a controlling influence or to obtain the majority of the benefits and be exposed to the majority of the risks. Companies in which Group companies have significant influence but not control are classified as "Associated companies". Royal Dutch Shell plc, a company incorporated in England and Wales, is known as the "Parent Company" of the Shell Group. In this Report "Shell", "Shell Group" and "Royal Dutch Shell" are sometimes used for convenience where references are made to Royal Dutch Shell and its subsidiaries in general. These expressions are also used where no useful purpose is served by identifying the particular company or companies.

BUSINESS REVIEW

The Company is a holding company for a 50% investment in South Rub Al-Khali Company Limited ("SRAK"), a company with exploration activities in Saudi Arabia. The Company's loss for the financial year decreased from USD 584,087,000 to USD 76,743,604. This was mainly due to decrease in the amounts written off investments by USD 532,183,000 slightly offset by USD 22,701,000 for a provision recorded in administrative expenses for the Company's commitment towards SRAK obligations.

The entity is currently reporting a net liability of USD 26,058,000 (2012: USD 114,000). During the period 1 January 2014 to 29 April 2014, the Company had issued 17.9 million ordinary shares of USD 1 each amounting to USD 17.9 million and further additional equity shares will be issued to its shareholder B.V. Dordtsche Petroleum Maatschappij as and when required which will enable the Company to meet its liabilities as they fall due.

Principal Risks and Uncertainties

The Shell Group has a single risk based control framework – The Shell Control Framework – to identify and manage risks. The Shell Control Framework applies to all wholly owned Shell companies and to those ventures and other companies in which Royal Dutch Shell has directly or indirectly a controlling interest. From the perspective of the Company, the principal risks and uncertainties affecting the Company are considered to be those that affect the Shell Group. Accordingly, the principal risks and uncertainties of the Shell Group, which are discussed on pages 11 to 14 of Royal Dutch Shell's Annual Report and Form 20-F for the year ended 31 December 2013 (the "Group Report"), include those of the Company. (The Group Report does not form part of this report).

Key Performance Indicators

Companies of the Shell Group comprise the Upstream businesses of Exploration and Production, Gas and Power and Oil Sands and the Downstream businesses of Oil Products and Chemicals. The Company's key performance indicators, that give an understanding of the development, performance and position of the business, are aligned with those of the Shell Group. The development, performance and position of the various businesses is discussed on pages 23 to 47 of the Group Report and the key performance indicators through which the Group's performance is measured are as set out on pages 20 to 21 of the Group Report.

By order of the Board



Elizabeth Williams
Authorised signatory for
Shell Corporate Secretary Limited
Company Secretary
11 June 2014

SHELL SAUDI VENTURES LIMITED

DIRECTORS' REPORT

The Directors present their report and audited accounts for the year ended 31 December 2013.

The Directors' report and audited accounts of the Company have been prepared in accordance with the Companies Act 2006.

Dividends

No interim dividend was paid in the year (2012: USD nil). The Directors recommend that no dividend be paid for the year ended 31 December 2013 (2012: USD nil).

Future Outlook

The Company is in the process of exploring with Saudi Aramco and the Ministry of Petroleum and Mineral Resources of the Kingdom of Saudi Arabia potential options for the future of the Company. The Company continues to write down the entire investment in South Rub Al-Khali Company Limited (SRAK) as the investment is no longer a profitable or viable investment. On November 10, 2013, the Shareholders of SRAK resolved to voluntarily cease its commercial operations and have submitted a request to the Ministry of Petroleum and Mineral Resources (MinPet) to withdraw from the Upstream Project Agreement, prior to completion of the minimum work program of the Second Exploration Program, for which MinPet's approval is pending.

No decision has been taken to liquidate SRAK or the Company. The accounts have been prepared under the going concern concept on the basis that additional equity shares will be issued to its shareholder B.V. Dordtsche Petroleum Maatschappij as and when required which will enable the Company to meet its liabilities as they fall due.

DIRECTORS

The Directors of the Company, who served throughout the year and to the date of this report (except as noted) were:

B. K. Levell

E.M. Verdonk

J. Osborne

G.J. Archibald

S. Constant – Glemas

Appointed 18 February 2013

Resigned 4 February 2013

FINANCIAL RISK MANAGEMENT

The Company's Directors are required to follow the requirements of Shell Group risk management policies, which include specific guidelines on the management of market, credit and liquidity risk, and advice on the use of financial instruments to manage them. Shell Group risk management policies can be found in the Group Report (see pages 68 to 70 and note 20).

POST BALANCE SHEET EVENTS

Refer to note 12 "Post balance sheet events"

SHELL SAUDI VENTURES LIMITED

DIRECTORS' REPORT (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report and the Company's accounts in accordance with applicable laws and regulations.

Company law requires the Directors to prepare accounts for each financial year. Under that law the Directors have elected to prepare the Company's accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these accounts, the Directors are required to:

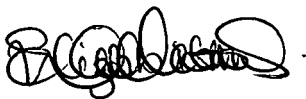
- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

All Directors in office at the date of approval of the Directors' report confirm that in so far as each of the Directors is aware, there is no relevant audit information (meaning information needed by the Company's auditors in connection with preparing their report) that has not been disclosed to the Company's auditors. Each of the Directors believes that he or she has taken all steps that ought to have been taken to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board



Elizabeth Williams
Authorised signatory for
Shell Corporate Secretary Limited
Company Secretary
11 June 2014

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHELL SAUDI VENTURES LIMITED

Report on the financial statements

Our opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say below.

What we have audited

The financial statements for the year ended 31 December 2013, which are prepared by Shell Saudi Ventures Limited, comprise:

- Profit and Loss Account;
- Balance Sheet;
- the Accounting Policies; and
- related notes.

The financial reporting framework that has been applied in their preparation comprises applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgments, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) (ISAs (UK & Ireland)). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the directors report and accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report if, in our opinion, certain disclosures of directors' remuneration specified by law have not been made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

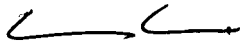
Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHELL SAUDI VENTURES LIMITED (continued)

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Lorraine Quinn (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Glasgow

11 June 2014

SHELL SAUDI VENTURES LIMITED**PROFIT AND LOSS ACCOUNT****For the year ended 31 December 2013**

Continuing operations	Note	2013 USD '000	2012 USD '000
Administrative expenses		(26,498)	(3,797)
OPERATING LOSS		(26,498)	(3,797)
Amounts written off investments	4	(49,500)	(581,683)
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		(75,998)	(585,480)
Interest receivable and similar income		79	52
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(75,919)	(585,428)
Tax on loss on ordinary activities	3	(825)	1,341
LOSS FOR THE FINANCIAL YEAR		(76,744)	(584,087)

There is no material difference between the loss on ordinary activities before taxation and the loss for the year stated above and their historical cost equivalents.

There were no recognised gains and losses other than the loss for the current year and the prior year and accordingly a statement of total recognised gains and losses has not been presented.

SHELL SAUDI VENTURES LIMITED**REGISTERED IN ENGLAND AND WALES: 4973913****BALANCE SHEET****As at 31 December 2013**

	Note	2013 USD '000	2012 USD '000
FIXED ASSETS			
Investments	4	-	-
CURRENT ASSETS			
Debtors	5	634	1,379
Cash at bank and in hand		-	3
		634	1,382
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	6	(2,281)	(1,496)
NET CURRENT LIABILITIES		(1,647)	(114)
TOTAL ASSETS LESS CURRENT LIABILITIES		(1,647)	(114)
PROVISION FOR LIABILITIES	7	(24,411)	-
NET LIABILITIES		(26,058)	(114)
CAPITAL AND RESERVES			
Called up share capital	8	653,201	602,401
Profit and loss account	9	(679,259)	(602,515)
TOTAL SHAREHOLDERS' DEFICIT	9	(26,058)	(114)

The accounts on pages 6 to 13 were approved by the Board of Directors on 11 June 2014 and were signed on its behalf by:



G.J. Archibald
Director

11 June 2014

SHELL SAUDI VENTURES LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 December 2013

1. Accounting policies

a) Accounting convention and compliance with Accounting Standards

The accounts have been prepared on a going concern basis under the historical cost convention, in accordance with the Companies Act 2006, applicable Accounting Standards in the UK (UK GAAP), and the accounting policies as described below.

There are no immediate plans to liquidate the Company. The accounts have been prepared under the going concern concept on the basis that additional equity shares will be issued to its shareholder B.V. Dordtsche Petroleum Maatschappij as and when required which will enable the Company to meet its liabilities as they fall due.

The accounting policies have been consistently applied. There have been no changes in accounting policies in 2013.

b) Group accounts

Group accounts of the Company and its subsidiary undertakings and its participating undertakings have not been prepared. The Company is exempt from the requirement to prepare group accounts under the provisions of Section 400 of the Companies Act 2006. The accounts present information about the Company as an individual undertaking and not about its group.

The immediate parent companies are Shell Austria Gesellschaft.m.b.h holding 77%, a company registered in Austria, and B.V. Dordtsche Petroleum Maatschappij holding 23%, a company registered in the Netherlands.

The ultimate parent company and controlling company is Royal Dutch Shell plc, which is incorporated in England and Wales.

The consolidated accounts of Royal Dutch Shell plc are available from:

Royal Dutch Shell plc
Tel: +31 888 800 844
email: order@shell.com

c) Fundamental accounting concept

The Balance Sheet at 31 December 2013 reports a net liability of USD 26,058,000 (2012: USD 114,000). The accounts have been prepared under the going concern concept on the basis that additional equity shares will be issued to its shareholder B.V. Dordtsche Petroleum Maatschappij as and when required which will enable the Company to meet its liabilities as they fall due.

d) Fixed asset investments

These comprise investments in shares that the Company intends to hold on a continuing basis. The investments are stated at cost, less provisions for impairment. The Company carries out a review for the potential impairment of an investment if events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. Such impairment reviews are performed in accordance with Financial Reporting Standard ("FRS") 11. Any impairments are recorded in the profit and loss account.

SHELL SAUDI VENTURES LIMITED
NOTES TO THE ACCOUNTS (continued)
For the year ended 31 December 2013

1. Accounting policies (continued)

e) Corporation Tax

The Company records a tax charge or credit in the profit and loss account calculated at the tax rate prevailing in the year for tax payable to HM Revenue and Customs, or for Group relief to surrender to or to be received from other Group undertakings, and for which payment may be requested.

f) Foreign currency translation

Income and expense items denominated in foreign currencies are translated into US Dollars at the rate ruling on their transaction date.

Monetary assets and liabilities recorded in foreign currencies have been expressed in US Dollars at the rates of exchange ruling at the year end. Differences on translation are included in the profit and loss account. Non-monetary assets and liabilities denominated in a foreign currency are translated using exchange rates at the date of transaction. No subsequent translations are made once this has occurred.

Foreign currency amounts have been translated at USD 1.6526: £ 1 (2012: USD 1.6166: £ 1), being the relevant exchange rate prevailing at the balance sheet date.

g) Provisions

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

h) Netting-off policy

Balances with other companies of the Shell Group are stated gross, unless both of the following conditions are met:

- a. Currently there is a legally enforceable right to set off the recognised amounts; and
- b. There is intent either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

i) Cash flow statement

In accordance with the exemption allowed by paragraph 5(a) of FRS 1, a cash flow statement for the Company has not been provided.

j) Related party disclosures

In accordance with the exemption allowed by paragraph 3(c) of FRS 8, no disclosure is made of transactions with wholly owned companies of the Shell Group.

SHELL SAUDI VENTURES LIMITED
NOTES TO THE ACCOUNTS (continued)
For the year ended 31 December 2013

2. Loss on ordinary activities before taxation

The Company had no employees during 2013 (2012: none).

None of the Directors received any emoluments in respect of their services to the Company (2012: none.)

The Auditors' remuneration of £14,184 (2012: £15,116) in respect of the statutory audit was borne by other group companies for both the current and preceding years.

Fees paid to PricewaterhouseCoopers LLP and its associates for non-audit services to the Company itself are not disclosed in the individual accounts of Shell Saudi Ventures Limited because the Royal Dutch Shell plc consolidated accounts are required to disclose such fees on a consolidated basis.

3. Tax on loss on ordinary activities

The tax charge for the year of USD 825,000 (2012: credit of USD 1,341,000) is made up as follows:

	2013 USD '000	2012 USD '000
UK corporation tax credit on results for the period	(860)	(931)
Adjustments in respect of prior years	<u>1,685</u>	<u>(410)</u>
Total current tax charge/(credit)	<u>825</u>	<u>(1,341)</u>

The tax assessed for the year differs from the standard effective rate of corporation tax in the UK of 23.25% (2012: 24.5%). The differences are explained below:

	2013 USD '000	2012 USD '000
Loss on ordinary activities before taxation	<u>(75,919)</u>	<u>(585,428)</u>
Tax on loss on ordinary activities at standard UK corporation tax rate of 23.25% (2012: 24.5%)	(17,651)	(143,430)
Effects of:		
Expenses not deductible/(chargeable)	5,282	(13)
Amount written off investments	11,509	142,512
Adjustments in respect of prior years	<u>1,685</u>	<u>(410)</u>
Current tax charge/(credit) for the year	<u>825</u>	<u>(1,341)</u>

The average main rate of UK Corporation tax for the year to 31 December 2013 was 23.25% for current tax in the year to 31 December 2013 (2012: 24.5%).

SHELL SAUDI VENTURES LIMITED
NOTES TO THE ACCOUNTS (continued)
For the year ended 31 December 2013

3. Tax on loss on ordinary activities (continued)

Factors affecting current and future tax charges

Changes to the UK corporation tax rate were introduced by the UK Finance Act 2012, including a reduction to the UK main corporation tax rate to 24% effective as from 1 April 2012 and a further tax rate reduction to 23% effective as from 1 April 2013. Further changes reducing the UK corporation tax rate to 21% effective from 1 April 2014, and to 20% effective from 1 April 2015 were introduced by the Finance Act 2013 and enacted on 17 July 2013.

4. Fixed assets – Investments

	Participating undertaking Shares USD '000
Cost	
Balance at 1 January 2013	581,683
Additions	<u>49,500</u>
Balance at 31 December 2013	<u>631,183</u>
Amounts written off	
Balance at 1 January 2013	(581,683)
Additions	<u>(49,500)</u>
Balance at 31 December 2013	<u>(631,183)</u>
Net book amount	
At 31 December 2013	<u>-</u>
At 31 December 2012	<u>-</u>

The investment relates to a holding of ordinary shares of South Rub Al-Khali Company Limited, an exploration joint venture in Saudi Arabia. Information pursuant to SI 2008/410 Schedule 4 is as follows:

	Country of incorporation	Class of share	Principal activity	% of shares held directly
South Rub Al-Khali Company Limited	Bermuda	Ordinary	Exploration	50%

An impairment review has been performed and the investment has been written down to nil.

SHELL SAUDI VENTURES LIMITED
NOTES TO THE ACCOUNTS (continued)
For the year ended 31 December 2013

5. Debtors

	2013 Within 1 Year USD '000	2012 Within 1 Year USD '000
Tax receivable	<u>634</u>	<u>1,379</u>

6. Creditors: amounts falling due within one year

	2013 USD '000	2012 USD '000
Amounts owed to Group undertakings:		
Fellow subsidiary undertakings	<u>2,281</u>	<u>1,496</u>

7. Provision for liabilities

	2013 USD '000
Balance at 1 January 2013	-
Additions	<u>24,411</u>
Balance at 31 December 2013	<u>24,411</u>

The provision for liabilities relates to the Company's contractual commitment to fulfill its obligations towards South Rub Al-Khali Company Limited up to the point that the agreement is terminated. Out of the above, USD 10 million relates to penalty for the undrilled Exploration well as per the Upstream Project Agreement. The provision has not been discounted and is expected to be utilised in 2014.

8. Called up share capital

	2013 USD '000	2012 USD '000
Authorised		
656,900,000 (2012: 656,900,000) ordinary shares of USD 1 each	<u>656,900</u>	<u>656,900</u>
Allotted and fully paid		
653,200,616 (2012: 602,400,616) ordinary shares of USD 1 each	<u>653,201</u>	<u>602,401</u>

During the year 50,800,000, ordinary shares were issued for cash. The nominal value of these shares was USD 1 and the consideration received was USD 50,800,000.

Capital injections from B.V. Dordtsche Petroleum Maatschappij, the parent undertaking have been made in 2014. Refer to note 12.

SHELL SAUDI VENTURES LIMITED
NOTES TO THE ACCOUNTS (continued)
For the year ended 31 December 2013

9. Reconciliation of movements in reserves and shareholders' funds

	Profit and loss account USD '000	Share capital USD '000	Shareholders' funds USD '000
At 1 January 2012	(18,428)	528,151	509,723
Share issues	-	74,250	74,250
Loss for the year	(584,087)	-	(584,087)
At 1 January 2013	(602,515)	602,401	(114)
Share issues	-	50,800	50,800
Loss for the year	(76,744)	-	(76,744)
At 31 December 2013	(679,259)	653,201	(26,058)

10. Guarantees provided by other Shell Companies

Shell Petroleum N.V. a company of Royal Dutch Shell plc, has guaranteed the performance of obligations of SRAK towards the Government of the Kingdom of Saudi Arabia. Upon exit and transfer of assets and liabilities to the Saudi Government, Shell Petroleum N.V. will seek the formal release of this guarantee.

11. Financial commitments

At 31 December 2013, the Company had no (2012: USD 11.7 million*) financial commitments, other than those shown on the Balance Sheet, towards its investment in South Rub Al-Khali Limited.

* Restated – "The 2012 commitment has been restated from USD 23.4 million to USD 11.7 million to reflect the Company's 50% share of USD 23.4 million held in South Rub Al-Khali".

12. Post balance sheet event

From 1 January 2014 to 29 April 2014, the Company issued 17.9 million ordinary shares of USD 1 each amounting to USD 17.9 million.

On 7 May 2014, the Board passed a resolution in order to facilitate the removal of the Company's authorised share capital limit.