

SHELL ENERGY TRADING LIMITED

31 DECEMBER 2008

Company Registration Number 4162523

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SHELL ENERGY TRADING LIMITED

DIRECTORS' REPORT

The Directors submit their Annual Report and the audited accounts for the year ended 31 December 2008.

The annual report and audited accounts of Shell Energy Trading Limited ("the Company") have been prepared in accordance with the Companies Act 1985 (as amended by the Companies Act 2006) and those provisions of the Companies Act 1985 which, by virtue of transitional provisions, continue to apply (as amended by the Companies Act 2006) to the Company as the Company's financial year commenced before 6 April 2008.

DIRECTORS AND DIRECTORS' INTERESTS

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

P.J.V. Trimmer
A.W. Longden
R.E. Corran
W. E. Mende
T.A. Colgan

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

Shell Energy Trading Limited was formed to act as the principal Shell Group company engaged in gas and electricity trading across Europe.

The accounts are denominated in Euros because the majority of the Company's income and expense is denominated in Euros.

The profit on ordinary activities before taxation amounted to EURO 15,576,064 (2007: EURO 1,955,282 profit). Net Assets at 31 December 2008 were EURO 58,941,793 (2007: EURO 47,574,126). The Directors do not recommend the payment of a dividend for the year ended 31 December 2008 (2007: Nil).

Future Outlook

Areas of focus for 2009 are the opportunities presented by further gas and power liberalisation across Europe and operational optimisation of existing businesses.

Principal Risks and Uncertainties

Royal Dutch Shell plc 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 plc 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 Group. Accordingly, the principal risks and uncertainties of the Royal Dutch Shell Group which are discussed on page 14 to 16 of Royal Dutch Shell plc's Annual Report and Form 20-F for the year ended December 31, 2008 (the "Group Report") include those of the Company. (The Group Report does not form part of this report).

The principal risks that the Company is exposed to are discussed in the Financial Risk Management section below.

SHELL ENERGY TRADING LIMITED

DIRECTORS' REPORT (continued)

Key performance indicators

The Group consists of the upstream businesses of Exploration and Production and Gas & Power and the downstream businesses of Oil Products and Chemicals. The Group also has interests in alternative energy sources including Renewables and Hydrogen. The performance of the Company's trading activity is assessed as part of a Shell Trading Scorecard; this sets clear priorities and enables the tracking of progress against targets during the year. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the Group's various businesses is discussed at pages 19 to 55 of the Group Report and the Key performance indicators through which the Group's performance is measured are as set out on pages 56 to 57 of the Group Report. (The Group Report does not form part of this report).

FINANCIAL RISK MANAGEMENT

The Company's risk management policies require the management of exposures in respect of price, timing and currency risks that arise from its energy trading business activities. The Company uses a range of conventional derivative financial instruments available in related commodity markets to manage these risks. These instruments include forward contracts, swaps, options and futures.

The main financial risks faced by the Company through its normal business activities are market (price) risk, credit risk and liquidity risk. These risks and the Company's approach to dealing with them are discussed below.

Market risk is the possibility that changes in natural gas and power prices or currency exchange rates will adversely affect the value of the Company's financial assets, liabilities or expected future cash flows. The Company has established policies, mandates and exposure limits in order to limit these risks. The Company enters into various transactions using derivative financial instruments to manage these risks, there are established processes to ensure close financial and management control around the use of these instruments. The control framework includes; regular review of mandated trading limits by senior management, daily monitoring of risk exposure using value-at-risk principles, marking to market of all trading exposures with independent finance review of the market values applied to trading exposures.

Credit risk is the potential exposure of the Company to loss in the event of non-performance by a counterparty. The Company controls credit risk through credit approvals, limits, use of netting arrangements, prepayments, collateral and monitoring procedures. Counterparty credit checks, independent of the traders, are undertaken before contractual commitment.

Cash flow / liquidity risk is the risk that suitable sources of funding for the Company's business activities may not be available. The Company actively maintains a funding arrangement with Shell Treasury Centre Limited, this allows for both short term borrowings and short term deposits. The Company believes it has access to sufficient funding and also has undrawn committed borrowing facilities to ensure that there are sufficiently available funds for its operations.

DIRECTORS' INTERESTS IN SHARES OF ROYAL DUTCH SHELL

Following changes to UK company law by the Companies Act 2006, which changes came in to effect on 6 April 2007, the requirement to maintain a register of Directors' interests and to disclose these interests in the Company's statutory report and accounts has been repealed. Consequently the Company no longer maintains a register of Directors' interests nor makes a disclosure in this regard.

SHELL ENERGY TRADING LIMITED

DIRECTORS' REPORT (continued)

CREDITOR PAYMENT POLICY

1. For purchases, standard industry settlement terms shall be adopted where they exist.
2. Standard terms shall be clearly defined in all commercial contracts.
3. Payment shall be made according to these terms, subject to both parties meeting their legal obligations.
4. The authority to vary from standard settlement terms shall be recorded in the Schedule of Authorities
5. The Company typically pays its main energy trading suppliers by the 20th of the month following the month of delivery in line with agreed contractual payment terms.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The Companies Act 1985 provisions, which continue to apply to the Company's annual report and accounts for this financial year, require the Directors to prepare accounts for each financial year, which 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 those accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 confirm that they have complied with the above requirements in preparing the financial statements. An exception to the application of UK GAAP (SSAP 9) and the Companies Act is that the Company records its Gas stocks at fair value with movements recognised in the income statement. This departure and the reasons therein, are explained in note 1 (d).

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts comply with the Companies Act 1985 provisions which, as mentioned above, continue to apply to the Company's annual report and accounts for this financial year. 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 accounts confirm that 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.

SHELL ENERGY TRADING LIMITED

DIRECTORS' REPORT (continued)

INDEPENDENT AUDITORS

The Company has passed an Elective Resolution pursuant to section 386 of the Companies Act 1985 to dispense with the annual reappointment of auditors. As this Elective Resolution was in force before 1 October 2007 and has not been revoked or ceased to have effect PricewaterhouseCoopers LLP will continue in office as auditors of the Company pursuant to section 487(2) of the Companies Act 2006 as amended by the Companies Act 2006 (Commencement No 3 Consequential Amendments, Transitional Provisions and Savings) Order 2007 SI2007/2194.

By Order of the Board



Director

5 June 2009

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHELL ENERGY TRADING LIMITED

We have audited the financial statements of Shell Energy Trading Limited ("the Company") for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHELL ENERGY TRADING LIMITED (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

A handwritten signature in black ink that reads "PricewaterhouseCoopers LLP". The signature is written in a cursive, flowing style.

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

5 June 2009

SHELL ENERGY TRADING LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008

	<u>NOTE</u>	<u>2008</u> <u>EURO'000</u>	<u>2007</u> <u>EURO'000</u>
Net trading profit	2	30,779	17,436
Administrative expenses		(7,805)	(12,490)
Other Operating expenses		(7,341)	(3,252)
OPERATING PROFIT		15,633	1,694
Interest receivable and similar income	3	459	485
Interest payable and similar charges	4	(516)	(224)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	15,576	1,955
Tax on profit on ordinary activities	6	(4,208)	(78)
PROFIT FOR THE FINANCIAL YEAR		11,368	1,877
 RETAINED PROFIT FOR THE YEAR		 11,368	 1,877
Retained profit at beginning of year		29,574	27,697
Retained profit at end of year		40,942	29,574

The results shown above relate solely to continuing operations.

A reconciliation of movements in Equity shareholder's funds is shown in Note 15.

A historical cost reconciliation is shown in Note 16.

There were no recognised gains or losses for the year other than those included in the profit and loss account above.

The notes on pages 9 to 16 form an integral part of the accounts.

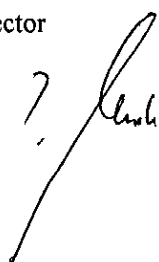
SHELL ENERGY TRADING LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2008

	<u>NOTE</u>	<u>2008</u> <u>EURO'000</u>	<u>2007 *</u> <u>EURO'000</u>
CURRENT ASSETS			
Stocks	9	10,529	18,798
Debtors	10	2,514,815	1,598,279
Cash at bank and in hand		570	21,160
		<hr/>	<hr/>
		2,525,914	1,638,237
CREDITORS			
Amounts falling due within one year	11	(2,466,972)	(1,590,663)
		<hr/>	<hr/>
NET CURRENT ASSETS / NET ASSETS		<hr/> 58,942 <hr/>	<hr/> 47,574 <hr/>
 CAPITAL AND RESERVES			
Called up Share Capital	13	18,000	18,000
Profit and Loss Account		40,942	29,574
		<hr/>	<hr/>
EQUITY SHAREHOLDER'S FUNDS	15	<hr/> 58,942 <hr/>	<hr/> 47,574 <hr/>

The accounts were approved by the Board of Directors on 5 June 2009 and were signed on its behalf by:

Director



* See Debtors (Note 10) and Creditors (Note 11) for presentational changes made to the comparative figures.

The notes on pages 9 to 16 form an integral part of the accounts.

SHELL ENERGY TRADING LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2008

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 [with the exception of the policy on valuation of stocks in note 1 (d) below] in accordance with the Companies Act 1985; applicable Accounting Standards in the UK; and the accounting policies as described below.

(b) Net trading profit

All commodity contracts and derivative financial instruments entered into by the Company as part of its energy trading activities are recognised in the financial statements on the date of trade. All open contracts are included at fair value and as a consequence unrealised and realised gains and losses are recognised in net trading profit. - see note 1 (d).

(c) Consultancy fees

Fees in respect of advice given to third parties and fellow group subsidiaries are recognised within other operating income over the period to which the advice relates or when it is earned at a point in time by reference to a contract.

(d) Stocks and open contracts (including derivatives) held for trading purposes

Gas stocks, open contracts held for trading purposes are included in the balance sheet at fair value in accordance with established industry practice. Fair value is based generally on market prices or broker quotations. To the extent that prices are not readily available fair value is based either on internal valuation models or management's estimate of amounts that could be realised under current market conditions (see note 14).

The stocks accounting policy represents a departure from both SSAP 9, which requires stock to be carried at the lower of cost and net realisable value, and from current cost accounting rules of the Companies Act 1985, which require any recognised differences between market value and historic cost to be taken to the revaluation reserve. In the view of the directors, the treatment prescribed by SSAP 9 or the current cost accounting rules would not give a true and fair view because the stocks of natural gas held are marketable commodities traded on international markets and are therefore immediately saleable.

The fair value of open contracts, which include forwards, futures, options and contracts for differences, representing both long and short positions, is included in the balance sheet under trade debtors and trade creditors respectively. Amounts are offset and the net amount reported in the balance sheet if, and only if there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise an asset and settle the liability simultaneously.

In accordance with the exemption allowed by paragraph N9 of Financial Reporting Standard 29, detailed disclosures relating to derivative financial instruments for the Company have not been provided.

(e) Foreign currency translation

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

Monetary assets and liabilities recorded in foreign currencies have been expressed in Euros 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 that have been measured at fair value in a foreign currency are translated using exchange rates at the date when the fair value was determined. No subsequent translations are made once this has occurred.

SHELL ENERGY TRADING LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2008 (continued)

(f) Cash flow statements

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

(g) 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 the 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.

In the event that payment should be made at a rate different from the tax rate prevailing in the current year, adjustments would be taken up to reflect the rate differential.

(h) Deferred Tax

Deferred tax is recognised in respect of all timing differences that have originated, but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future, have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profit and its results as stated in the accounts that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the accounts.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Amounts relating to deferred taxation are undiscounted.

(i) Related Party Disclosures

In accordance with the exemption allowed by paragraph 3(c) of Financial Reporting Standard 8, no disclosure is made of transactions with other member companies of the Shell Group or investees of the Group qualifying as related parties.

2. NET TRADING PROFIT

The Directors consider that turnover is not a meaningful measure of the results of the Company and that this is best represented by net trading profit. Net trading profit represents net profits from the trading of gas and electricity. The company has only one class of business, that of trading gas and electricity in Europe.

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2008 EURO'000	2007 EURO'000
Interest receivable from group undertakings	114	-
Interest receivable from banks	345	485
	<hr/> 459	<hr/> 485

SHELL ENERGY TRADING LIMITED**NOTES TO THE ACCOUNTS - 31 DECEMBER 2008 (continued)****4. INTEREST PAYABLE AND SIMILAR CHARGES**

	<u>2008</u> <u>EURO'000</u>	<u>2007</u> <u>EURO'000</u>
Interest payable to group undertakings	-	121
Other interest payable	516	103
	<u>516</u>	<u>224</u>

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging/(crediting) the following:-

	<u>2008</u> <u>EURO'000</u>	<u>2007</u> <u>EURO'000</u>
Staff costs:		
Wages and salaries	5,447	8,426
Social security costs	507	718
Auditors' remuneration (including expenses)		
Fees for audit work	33	42
Foreign exchange (gains)/losses (non-trading) *	7,243	2,081
Recharge of costs incurred to group undertakings	(8,853)	(8,289)

* Foreign exchange loss for 2008 includes a gain of EUR 809,757 for the revaluation of the year end UK Corporation tax liability. In 2007 this effect was reported in Note 6 Taxation.

SHELL ENERGY TRADING LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2008 (continued)

6. TAXATION

(a) The charge for the year is made up as follows:

	<u>2008</u> <u>EURO'000</u>	<u>2007</u> <u>EURO'000</u>
United Kingdom Corporation Tax at the rate of 28.5% (2007 : 30%)	4,207	89
Adjustments in respect of prior years	-	(13)
Total current tax charge	4,207	76
Deferred Tax (note 12)		
Origination and reversal of timing differences	1	2
Total deferred tax charge	1	2
Total tax charge	4,208	78

(b) Factors affecting tax charge for the period:

	<u>2008</u> <u>EURO'000</u>	<u>2007</u> <u>EURO'000</u>
Profit on ordinary activities before tax	15,576	1,955
Profit on ordinary activities multiplied by standard rate in the UK of 28.5% (2007: 30%)	4,439	587
Effects of:		
Accelerated capital allowances and other timing differences	(1)	(1)
Adjustments to tax charge in respect of prior years	-	(13)
Expenses not deductible	(231)	-
Difference in exchange on revaluation of year end tax liability*	-	(497)
Current tax charge for the period	4,207	76

* The Difference in Exchange on revaluation of year end tax liability at end 2008 is included in the Foreign exchange loss disclosed in Note 5.

SHELL ENERGY TRADING LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2008 (continued)

7. EMPLOYEES

The employees' contracts of service are with Shell International Trading and Shipping Company Limited and costs have been charged to the Company. The average number of persons working on behalf of the Company in 2008 was 52 (2007: 49). All persons were employed in the United Kingdom and were principally involved in the energy trading business

8. DIRECTORS' REMUNERATION

None of the Directors received any emoluments in respect of their services to the Company (2007 : Nil).

9. STOCKS

	<u>2008</u> EURO'000	<u>2007</u> EURO'000
Trading stocks		
Gas at market value (cost EURO 12,776,814; 2007 cost EURO 20,557,693)	10,529	18,798
	<u>10,529</u>	<u>18,798</u>

10. DEBTORS

	<u>2008</u> EURO'000	<u>2007</u> * EURO'000
<u>Amounts due within one year</u>		
Trade debtors	2,360,137	1,420,236
Amounts owed by Group undertakings	154,675	178,039
Deferred tax (note 12)	3	4
	<u>2,514,815</u>	<u>1,598,279</u>

a) Amounts included within trade debtors include the mark to market valuations of open derivative positions and amounts due to be settled in respect of matured contracts.

b) The amounts owed by Group undertakings includes EURO 14,310,757 (2007: Nil) of interest bearing deposits (loans), repayable on demand (interest receivable is disclosed in note 3). All other amounts owed by Group undertakings arose in the normal course of business and are due for settlement according to contractual credit terms.

* The 2007 comparison amounts for Trade debtors and Amounts owed by Group undertakings have been amended to reflect the revised presentation of certain accounts receivable transactions, on the same basis as 2008.

SHELL ENERGY TRADING LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2008 (continued)

11. CREDITORS

	<u>2008</u> <u>EURO'000</u>	<u>2007 *</u> <u>EURO'000</u>
<u>Amounts falling due within one year</u>		
Trade creditors	2,034,833	1,055,884
Amounts owed to Group undertakings	23,539	79,536
Corporation tax	3,435	545
Accruals and deferred income	405,165	454,698
	<u>2,466,972</u>	<u>1,590,663</u>

- a). Amounts included within trade creditors include the mark to market valuations of open derivative positions and amounts due to be settled in respect of matured contracts.
- b) The amounts owed to Group undertakings includes Euros Nil in 2008 (2007: 7,240,931) of interest bearing deposits (loans), repayable on demand (interest payable is disclosed in note 4). All other amounts owed to Group undertakings arose in the normal course of business and are due for settlement according to contractual credit terms.

* The 2007 comparison amounts for Trade creditors, Amounts owed to Group undertakings and Accruals and deferred income have been amended to reflect the revised presentation of certain accounts payable and accrual transactions, on the same basis as 2008.

12. DEFERRED TAX

	<u>2008</u> <u>EURO'000</u>	<u>2007</u> <u>EURO'000</u>
Accelerated capital allowances	<u>3</u>	<u>4</u>
	<u>3</u>	<u>4</u>
Balance at 1 January 2008	4	6
Debit to profit and loss account	<u>1</u>	<u>2</u>
Balance at 31 December 2008	<u>3</u>	<u>4</u>

There was full provision for deferred taxation liabilities and there is no un-provided deferred taxation.

13. SHARE CAPITAL

	<u>2008</u> <u>EURO'000</u>	<u>2007</u> <u>EURO'000</u>
Authorised ordinary shares of EURO 1 each	<u>18,000</u>	<u>18,000</u>
Allotted, called-up and fully paid ordinary shares of EURO 1 each	<u>18,000</u>	<u>18,000</u>

SHELL ENERGY TRADING LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2008 (continued)

14. DERIVATIVE FINANCIAL INSTRUMENTS

Contracts are typically valued using price curves for each of the different products that are built up from active market pricing data. Where limited data exists for certain products, prices are interpolated using historic and long-term pricing relationships. Certain contracts are valued in part using active quotes and in part using observable, market-corroborated data for example swaps and physical forward contracts. A limited number of contracts are valued in part using internal models due to the absence of quoted prices, including over-the-counter options.

The fair value of instruments held by the company as at 31 December 2008 and the amounts included in the profit and loss account during 2008 were as follows:

	<u>Fair value</u>	<u>Fair value</u>	<u>Unrealised</u>
	<u>Assets</u>	<u>Liabilities</u>	<u>Gain/(Loss)</u>
	<u>EURO'000</u>	<u>EURO'000</u>	<u>EURO'000</u>
Commodity physical contracts	1,905,115	(1,969,010)	(95,104)
Commodity swaps	72,219	(3,118)	69,696
Commodity options	10,827	(10,827)	-
Commodity futures	37,767	(39,164)	12,534
Foreign exchange contracts	29,828	(32,747)	(3,128)
	<u>2,055,755</u>	<u>(2,054,866)</u>	<u>16,002</u>

The fair value of instruments held by the company as at 31 December 2007 and the amounts included in the profit and loss account during 2007 were as follows:

	<u>Fair value</u>	<u>Fair value</u>	<u>Unrealised</u>
	<u>Assets</u>	<u>Liabilities</u>	<u>Gain/(Loss)</u>
	<u>EURO'000</u>	<u>EURO'000</u>	<u>EURO'000</u>
Commodity physical contracts	1,061,134	(1,029,925)	15,219
Commodity swaps	9,217	(9,813)	(657)
Commodity options	-	-	-
Commodity futures	15,287	(29,218)	(12,837)
Foreign exchange contracts	302	(94)	129
	<u>1,085,941</u>	<u>(1,069,050)</u>	<u>1,854</u>

SHELL ENERGY TRADING LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2008 (continued)

15. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDER'S FUNDS

	<u>2008</u> <u>EURO'000</u>	<u>2007</u> <u>EURO'000</u>
Opening Equity shareholder's funds	47,574	45,697
Profit for the period	11,368	1,877
Closing Equity shareholder's funds	<u>58,942</u>	<u>47,574</u>

16. HISTORICAL COST RECONCILIATION

	<u>2008</u> <u>EURO'000</u>	<u>2007</u> <u>EURO'000</u>
Reported profit on ordinary activities before taxation	15,576	1,955
Adjustment required if stock was held in compliance with SSAP9	-	-
Historical cost profit on ordinary activities before taxation	<u>15,576</u>	<u>1,955</u>

The historical cost profit on ordinary activities after taxation was EURO 11,367,666 (2007 : EURO 1,876,878) at the UK standard corporation tax rate of 28.5% (2007 : 30%).

The revaluation reserve, had the departure from the Companies Act not been applied, would have been EURO Nil at 31 December 2008 and EURO Nil at 31 December 2007.

17. ULTIMATE PARENT COMPANY

The immediate parent company is The Shell Petroleum Company Limited.

The ultimate parent company is Royal Dutch Shell plc, which is incorporated in the UK.

The accounts of the Company are incorporated in the annual report and accounts of Royal Dutch Shell.

Copies of the annual report and accounts of Royal Dutch Shell are available from:

Royal Dutch Shell plc
c/o Bankside
Tel: +44 (0)1635 232700
email: bbs@shellbankside.co.uk