

Registered in England & Wales: 5653928

SHELL VENTURES NEW ZEALAND LIMITED

**DIRECTORS' REPORT
AND ACCOUNTS
2008**

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SHELL VENTURES NEW ZEALAND LIMITED

DIRECTORS' REPORT

The Directors submit their annual report and audited accounts for the year ended 31 December 2008.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activities of the Company are to act as a holding and financing company to other companies of the Shell Group.

The Company's profit for the financial year decreased from NZ \$522,619,000 to NZ \$387,997,000. This was principally due to a decrease in the income from shares in subsidiary undertakings. The Company received dividends of NZ \$295,000,000 (2007: NZ \$494,000,000).

Interim dividends of NZ \$500,000,000 (2007: NZ \$600,000,000) were paid in the year. The directors recommend that no further dividends be paid for the year ended 31 December 2008 (2007: NZ \$Nil).

Future outlook

No significant change in the business of the Company or of its subsidiary undertaking has taken place during the year or is expected in the immediately foreseeable future.

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

Key performance indicators

The Shell group of companies consists of the upstream businesses of Exploration & Production and Gas & Power and the downstream businesses of Oil & Chemicals. The Shell group also has interests in alternative energy sources including Renewables & Hydrogen. 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 and position of the business of the Company. The development, performance and position of the 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 has a treasury policy consistent with the Group Treasury Guidelines; this covers financing structure, foreign exchange and interest rate risk management as well as the treasury control framework. The Company also follows the Shell Control Framework. This single overall control framework is discussed on page 100 of the Annual Report of Royal Dutch Shell plc.

SHELL VENTURES NEW ZEALAND LIMITED

DIRECTORS' REPORT (Continued)

DIRECTORS

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

J.R. Crossman	Appointed 21 April 2008
V. Kuleshov	Appointed 3 October 2008
K. White	
P. Sanderson	Resigned 18 April 2008
A. Panhard	Resigned 11 July 2008

POST BALANCE SHEET EVENTS

Refer to Note 11 "Post balance sheet events".

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

The Companies Act 1985 provisions which, as mentioned above, continue to apply to the Company's annual report and accounts for this financial year, requires 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 accounts.

The Directors are responsible for keeping proper accounting records, which 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 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.

SHELL VENTURES NEW ZEALAND LIMITED

DIRECTORS' REPORT (Continued)

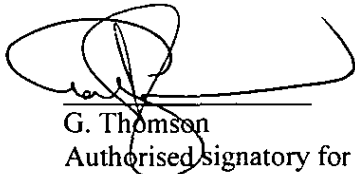
DISCLOSURE OF INFORMATION TO AUDITORS

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.

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, have expressed their willingness to continue in office as auditors of the Company and a resolution proposing their reappointment will be put to the member at the annual general meeting.

By order of the Board



G. Thomson
Authorised signatory for
Shell Corporate Secretary Limited
Company Secretary
9th November, 2009

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF SHELL VENTURES NEW ZEALAND LIMITED

We have audited the accounts of Shell Ventures New Zealand Limited for the year ended 31 December 2008, which comprise the profit and loss account, the balance sheet and the related notes. These accounts have been prepared under the accounting policies set out therein.

Respective responsibilities of Directors and auditors

The directors' responsibilities for preparing the accounts 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 accounts 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 member 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 accounts 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 accounts.

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

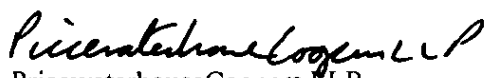
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion:

- the accounts 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 accounts have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the accounts.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Glasgow

30 November 2009

SHELL VENTURES NEW ZEALAND LIMITED**PROFIT AND LOSS ACCOUNT****For the year ended 31 December 2008****Continuing operations**

	Note	2008 NZ \$000	2007 NZ \$000
Administrative expenses		-	(64)
OPERATING LOSS		-	(64)
Income from shares in subsidiary undertakings		295,000	494,000
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		295,000	493,936
Other interest receivable and similar income	2	191,695	155,203
Interest payable and similar charges	3	-	(9,897)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		486,695	639,242
Tax on profit on ordinary activities	5	(98,698)	(116,623)
PROFIT FOR THE YEAR		387,997	522,619

The reported profit on ordinary activities and the amount retained for the year are presented on a historical cost basis.

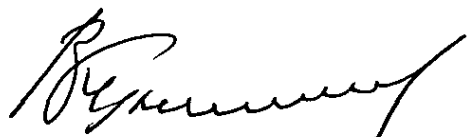
There were no other recognised gains and losses other than the profit for the current year and the prior year and accordingly a statement of total recognised gains and losses has not been presented.

SHELL VENTURES NEW ZEALAND LIMITED**BALANCE SHEET**

As at 31 December 2008

	Note	2008 NZ \$000	2007 NZ \$000
FIXED ASSETS			
Investments	6	8,000	8,000
CURRENT ASSETS			
Debtors- amounts falling due within one year	7	182,385	285,195
Debtors- amounts falling due after more than one year	7	1,473,910	1,473,910
Cash at bank and on hand		32,930	40
		<u>1,689,225</u>	<u>1,759,145</u>
CREDITORS: amounts falling due within one year	8	<u>(118,220)</u>	<u>(76,137)</u>
NET CURRENT ASSETS		<u>1,571,005</u>	<u>1,683,008</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,579,005</u>	<u>1,691,008</u>
CAPITAL AND RESERVES			
Called up share capital	9	1,538,910	1,538,910
Profit and loss account	10	40,095	152,098
SHAREHOLDER'S FUNDS	10	<u>1,579,005</u>	<u>1,691,008</u>

The accounts on pages 5 to 12 were approved by the Board of Directors on 9th November 2009 and were signed on its behalf by:



V. Kuleshov
Director

SHELL VENTURES NEW ZEALAND LIMITED

NOTES TO THE ACCOUNTS

For the year ended 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; in accordance with the Companies Act 1985 and applicable Accounting Standards in the UK and the accounting policies as described below.

The accounting policies have been consistently applied. There have been no changes in accounting policies in 2008.

b) Group accounts

Group accounts of the Company and its subsidiary undertaking have not been prepared. The Company is exempt from the requirement to prepare consolidated accounts under the provisions of Section 228 of the Companies Act 1985 (as amended by Section 5 of the Companies Act 1989). The accounts present information about the Company as an individual undertaking and not about its group.

The immediate parent company is The Shell Petroleum Company Limited.

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

The accounts of the Company and its subsidiary undertaking 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

c) Fixed asset investments

These comprise investments in shares that the Directors intend to hold on a continuing basis in the Company's business. The investments are stated at cost less provisions for impairment. A review for the potential impairment of an investment is carried out by the Company 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. Impairments thus arising are recorded in the profit and loss account.

d) Income from shares in Group undertakings

Income from shares in Group undertakings and participating undertakings represents dividends, relating to the current year and prior periods, provided that the Company has approved the dividend.

SHELL VENTURES NEW ZEALAND LIMITED

NOTES TO THE ACCOUNTS (Continued)

For the year ended 31 December 2008

1. Accounting policies (Continued)

e) 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.

f) Foreign currency translation

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

Monetary assets and liabilities recorded in foreign currencies have been expressed in NZ 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 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.

The exchange rate at 31 December 2008 was 1NZ\$ = £0.4011 (2007: 1NZ\$ = £0.3885).

g) Netting-off policy

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

- (i) Currently has a legally enforceable right to set off the recognised amounts; and
- (ii) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

h) 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.

i) Related party disclosures

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

SHELL VENTURES NEW ZEALAND LIMITED**NOTES TO THE ACCOUNTS (Continued)****For the year ended 31 December 2008****2. Other interest receivable and similar income**

	2008	2007
	NZ \$000	NZ \$000
Interest from Group undertakings:		
Fellow subsidiary undertakings	181,327	151,705
Profit on currency translation	10,368	3,498
	<hr/>	<hr/>
	191,695	155,203
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3. Interest payable and similar charges

	2008	2007
	NZ \$000	NZ \$000
Loans from Group undertakings:		
Fellow subsidiary undertakings	-	9,897
	<hr/>	<hr/>
	-	9,897
	<hr/>	<hr/>

4. Profit on ordinary activities before tax

Profit on ordinary activities before tax is stated after crediting the following:

	2008	2007
	NZ \$000	NZ \$000
Currency Translation:		
Financing	(10,368)	(3,498)

Audit fees of NZ\$ 71,000 (2007: NZ\$ 64,000) were paid by other entities in the Shell Group of companies on behalf of the Company.

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 Ventures New Zealand Limited because the consolidated accounts of Royal Dutch Shell plc are required to disclose non-audit fees on a consolidated basis.

The directors did not receive any emoluments in respect of their services to the Company (2007: NZ\$ Nil).

The Company had no employees during 2008 (2007: None).

SHELL VENTURES NEW ZEALAND LIMITED**NOTES TO THE ACCOUNTS (Continued)****For the year ended 31 December 2008****5. Tax on profit on ordinary activities**

The charge for the year of NZ \$98,698,000 (2007: NZ \$116,623,000) is made up as follows:

	2008 NZ \$000	2007 NZ \$000
UK corporation tax at the standard rate of 28.5% (2007: 30%)	52,470	42,523
Adjustments in respect of prior years	(18)	-
Tax imposed outside of the UK	46,246	74,100
Total tax charge	<u>98,698</u>	<u>116,623</u>

The tax assessed for the year differs from the standard rate of UK corporation tax rate of (28.5%).
The differences are explained below:

	2008 NZ \$000	2007 NZ \$000
Profit on ordinary activities before tax	(486,695)	(639,242)
Tax on profit on ordinary activities at standard UK corporation tax rate of 28.5% (2007: 30%)	<u>138,708</u>	<u>191,773</u>
Effects of:		
Income not assessable	(84,075)	(149,250)
Tax imposed outside of the UK	46,246	74,100
Other timing differences	(2,163)	-
Adjustments to tax charge in respect of prior years	(18)	-
Current tax charge for the year	<u>98,698</u>	<u>116,623</u>

SHELL VENTURES NEW ZEALAND LIMITED

NOTES TO THE ACCOUNTS (Continued)

For the year ended 31 December 2008

6. Fixed assets - Investments

	Shares in group undertakings NZ \$000
Cost and net book value	
Balance at 1 January and 31 December 2008	8,000

The investment relates to a holding of ordinary and redeemable preference shares in Shell Investments NZ Limited, a company engaged in oil and gas exploration and production in New Zealand. Information pursuant to Schedule 5 of the Companies Act 1985 is as follows:

	Country of incorporation	Principal activity	% of shares held directly
Shell Investments NZ Limited *	New Zealand	Exploration and production	100%

* 1,165,000 ordinary shares and 100,000 redeemable preference shares.

7. Debtors

	2008 Within 1 Year NZ \$000	2008 Over 1 Year NZ \$000	2007 Within 1 Year NZ \$000	2007 Over 1 Year NZ \$000
Amounts owed by Group undertakings:				
Fellow subsidiary undertakings	182,385	1,473,910	285,195	1,473,910
	<u>1,656,295</u>		<u>1,759,105</u>	

The amount owed by the fellow subsidiary undertakings after more than 1 year is accruing at an average interest rate of 9.94% (2007: 9.94%) per annum and is receivable on 17 December 2012 and 25 September 2014.

8. Creditors: amounts falling due within one year

	2008 NZ \$000	2007 NZ \$000
Loans from Group undertakings:		
Parent undertaking	32,481	-
Tax payable	85,657	76,055
Other creditors	82	82
	<u>118,220</u>	<u>76,137</u>

SHELL VENTURES NEW ZEALAND LIMITED

NOTES TO THE ACCOUNTS (Continued)

For the year ended 31 December 2008

9. Called up share capital

	2008	2007
	NZ \$000	NZ \$000
Authorised		
1,600,000 (2007: 1,600,000) ordinary shares of NZ \$1 each	1,600,000	1,600,000
Allotted, called up and fully paid		
1,538,910 (2007: 1,538,910) ordinary shares of NZ \$1 each	1,538,910	1,538,910

10. Reconciliation of movements in reserves and shareholder's funds

	Share capital NZ \$000	Profit and loss account NZ \$000	Shareholder's funds NZ \$000
At 1 January 2007	1,265,000	229,479	1,494,479
Share issues	273,910	-	273,910
Profit for the year	-	522,619	522,619
Dividends paid	-	(600,000)	(600,000)
At 1 January 2008	1,538,910	152,098	1,691,008
Profit for the year	-	387,997	387,997
Dividends paid	-	(500,000)	(500,000)
At 31 December 2008	1,538,910	40,095	1,579,005

11. Post balance sheet events

In 2009, the Company received interim dividends of total amount NZ \$282,352,941 from Shell Investments NZ Limited.

In 2009, the Company paid interim dividends of total amount NZ \$210,000,000 to The Shell Petroleum Company Limited.