

Registered in England & Wales: 4099896

SHELL PROPERTY ASIA LIMITED

DIRECTOR'S REPORT

AND ACCOUNTS

2008

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SHELL PROPERTY ASIA LIMITED

DIRECTOR'S REPORT

The Director submits the annual report and audited accounts for the year ended 31 December 2008.

The annual report and audited accounts of the Company have been prepared in accordance with 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.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the Company is to hold properties in Asia and, in particular, in Japan. It holds its only property in Kashima, Japan, acquired in December 2000.

The Company's loss for the financial year is JPY 7,959,943 (2007: 8,026,637).

The Director recommends that no dividend be paid for the year ended 31 December 2008 (2007: Nil).

DIRECTOR

The Director of the Company, who served throughout the year and to the date of this report was:

Shell Corporate Director Limited

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The Director is responsible for preparing the Annual Report and the accounts 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 Director confirms that the above requirements have been complied with in preparing the accounts.

The Director is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and enables him or her 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. He or she is 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 PROPERTY ASIA LIMITED

DIRECTOR'S REPORT (Continued)

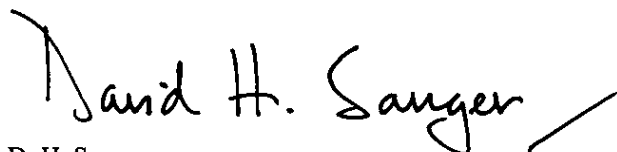
DISCLOSURE OF INFORMATION TO AUDITORS

The Director in office at the date of approval of the accounts confirms that so far as the Director 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. The Director believes that all steps have been taken that ought to have been taken to ensure that the Company's auditors are aware of any relevant audit information.

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 Pricewaterhouse Coopers 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



D. H. Sanger
Authorised signatory for
Shell Corporate Secretary Limited
Company Secretary

6 July 2009

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF SHELL PROPERTY ASIA LIMITED

We have audited the financial statements of Shell Property Asia Limited 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 Director's 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 Director's 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 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 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 Director's 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 Director's remuneration and other transactions is not disclosed.

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

Basis of audit opinion

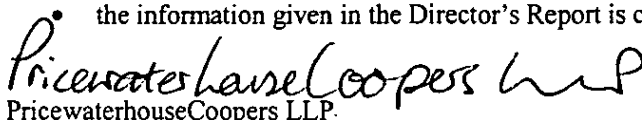
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the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

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 loss 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 Director's Report is consistent with the financial statements.


PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Glasgow

7 July 2009

SHELL PROPERTY ASIA LIMITED
PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2008

Continuing operations	Note	2008 JPY	2007 JPY
Administrative expenses		(5,957,800)	(5,957,800)
LOSS ON ORDINARY ACTIVITIES BEFORE TAX		(5,957,800)	(5,957,800)
Tax on loss on ordinary activities	3	(2,002,143)	(2,068,837)
LOSS FOR THE YEAR		(7,959,943)	(8,026,637)

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

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

SHELL PROPERTY ASIA LIMITED**BALANCE SHEET****At 31 December 2008**

	Note	2008 JPY	2007 JPY
FIXED ASSETS			
Tangible assets	4	812,296,020	812,296,020
CURRENT ASSETS			
Debtors	5	219,076,918	227,784,018
		<u>219,076,918</u>	<u>227,784,018</u>
CREDITORS: amounts falling due within one year	6	(2,138,794)	(2,885,951)
NET CURRENT ASSETS		<u>216,938,124</u>	<u>224,898,067</u>
NET ASSETS		<u>1,029,234,144</u>	<u>1,037,194,087</u>
CAPITAL AND RESERVES			
Called up share capital	7	1,431,589,653	1,431,589,653
Profit and loss account	8	(402,355,509)	(394,395,566)
SHAREHOLDER'S FUNDS		<u>1,029,234,144</u>	<u>1,037,194,087</u>

The accounts on pages 4 to 10 were approved by the Director on **6 July 2009** and were signed on its behalf by:

Graham Talbot
 Authorised signatory for
 Shell Corporate Director Limited
 Director



SHELL PROPERTY ASIA 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 and 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

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 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) 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.

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.

d) Foreign currency translation

Income and expense items denominated in foreign currencies are translated into Japanese Yen ("JPY") at the rate ruling on their transaction date.

Monetary assets and liabilities recorded in foreign currencies have been expressed in Japanese Yen at the rates of exchange ruling at year-end. Differences on translation are included in the profit and loss account.

As at 31 December 2008 the rate of exchange to Great British Pounds ("GBP") was JPY 130.60: GBP 1 (2007 JPY 223.79: GBP 1).

SHELL PROPERTY ASIA LIMITED
NOTES TO THE ACCOUNTS (Continued)
For the year ended 31 December 2008

1. Accounting policies (Continued)

e) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and provision for impairment. A review for the potential impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of a fixed asset may not be recoverable. Such impairment reviews are performed in accordance with FRS 11. Impairments thus arising are recorded in the profit and loss account.

If after an impairment loss has been recognised, the recoverable amount of a fixed asset increases because of a change in economic conditions or in the expected use of the asset, the resulting reversal of the impairment loss is recognised in the current period to the extent that it increases the carrying amount of the fixed asset up to the amount it would have been had the original impairment not occurred.

Depreciation is not charged on freehold land.

f) 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.

g) 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.

2. Loss on ordinary activities before tax

Audit fees of GBP 7,853 (2007: GBP 7,800) were paid by a fellow subsidiary undertaking on behalf of the Company, in respect of audit work, performed in the UK.

No fees were paid to the auditor in respect of any other work (2007: Nil).

The Director did not receive any emoluments (2007: Nil) in respect of services to the Company.

The Company had no employees during 2008 (2007: Nil).

SHELL PROPERTY ASIA LIMITED
NOTES TO THE ACCOUNTS (Continued)
For the year ended 31 December 2008

3. Tax on loss on ordinary activities

The tax charge for the year of JPY 2,002,143 (2007: JPY 2,068,837) is made up as follows:

	2008 JPY	2007 JPY
UK corporation tax at the standard rate of 28.5% (2007: 30%)	69,956	2,068,837
Adjustment in respect of prior years	1,932,187	-
	<u>2,002,143</u>	<u>2,068,837</u>

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

	2008 JPY	2007 JPY
Loss on ordinary activities before tax	5,957,800	(5,957,800)
Tax on loss on ordinary activities at standard UK corporation tax rate of 28.5% (2007: 30%)	(1,697,974)	(1,787,340)
Effects of:		
Tax on imputed interest	1,767,930	3,856,177
Adjustment in respect of prior years	1,932,187	-
Current tax charge for the year	<u>2,002,143</u>	<u>2,068,837</u>

With effect from 1 April 2008, the corporation tax rate for non upstream companies was reduced to 28%. Profits earned in the period 1st January 2008 to 31st March will continue to be taxed as 30% giving a full year tax rate of 28.5% for Current tax.

4. Tangible fixed assets

	Freehold land JPY
Cost	
Balance at 1 January 2008 and 31 December 2008	<u>1,161,802,400</u>
Amounts provided	
Balance at 1 January 2008 and 31 December 2008	<u>(349,506,380)</u>
Net book amount	
At 31 December 2008	<u>812,296,020</u>
At 31 December 2007	<u>812,296,020</u>

5. Debtors

6. Creditors: amounts falling due within one year

7. Called up share capital

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SHELL PROPERTY ASIA LIMITED
NOTES TO THE ACCOUNTS (Continued)
For the year ended 31 December 2008

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

	Share capital JPY	Profit and loss account JPY	Shareholder's funds JPY
At 1 January 2007	1,431,589,653	(386,368,929)	1,045,220,724
Loss for the year	-	(8,026,637)	(8,026,637)
At 1 January 2008	1,431,589,653	(394,395,566)	1,037,194,087
Loss for the year	-	(7,959,943)	(7,959,943)
At 31 December 2008	1,431,589,653	(402,355,509)	1,029,234,144