

Registration number: 00596107

Shell Overseas Holdings Limited

Annual Report

and

Financial Statements

For the year ended 31 December 2018



Shell Overseas Holdings Limited

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Shell Overseas Holdings Limited

Strategic report for the year ended 31 December 2018

The Directors present their Strategic report on Shell Overseas Holdings Limited (also referred to as the "Company") for the year ended 31 December 2018.

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 where Royal Dutch Shell plc, either directly or indirectly, is exposed to, or has rights to, variable returns from its involvement with the Company and has the ability to affect those returns through its power over the Company. 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, that owns, directly or indirectly, investments in numerous Shell Group companies. Shell is an international energy company with expertise in the exploration, development, production, refining and marketing of oil and natural gas; the manufacturing and marketing of chemicals and investments in low-carbon energy solutions and other commercial opportunities linked to the energy transition.

The principal activities of the Company mainly comprise investing in and financing companies of the Shell Group. The Company will continue with these activities for the foreseeable future.

The Company's result for the financial year decreased from a profit of \$510.6 million to a loss of \$1,330.0 million. This was principally due to an increase in impairments from \$181.2 million in 2017 to \$2,169.8 million in 2018 and increase in interest payable from \$315.4 million in 2017 to \$573.9 million in 2018. The decrease in profit has been effected by an increase in income from shares in subsidiary undertakings from \$452.0 million in 2017 to \$741.8 million in 2018, increase in income from participating undertakings from \$228.1 million in 2017 to \$524.3 million in 2018 and result on disposal of investments which has been changed from profit of \$134.1 million in 2017 to loss of \$176.2 million in 2018.

The Directors consider that the year end financial position of the Company was satisfactory.

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 15 to 20 of Royal Dutch Shell's Annual Report and Form 20-F for the year ended 31 December 2018 (the "Group Report"), include those of the Company. (The Group Report does not form part of this report).

Shell Overseas Holdings Limited

Strategic report for the year ended 31 December 2018 (continued)

Key Performance Indicators

Companies of the Shell Group comprise the Upstream businesses of Exploration and Production, Integrated Gas and New Energies 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 29 to 61 of the Group Report and the key performance indicators through which the Group's performance is measured are as set out on pages 27 to 28 of the Group Report.


Human Rights

Respect for human rights is embedded in the Shell Group's Business Principles and Code of Conduct. This approach is informed by the Universal Declaration of Human Rights, the core conventions of the International Labour Organization and the United Nations' Guiding Principles on Business and Human Rights.

The Shell Group works closely with other companies and non-governmental organisations to continuously improve the way it applies these principles, with a focus on four key areas: communities, security, labour rights, and supply chain. The Shell Group has systems and processes in place for managing projects, contracting and procurement, recruitment and employment, security and social performance and requires all Group companies and contractors to respect the human rights of their workforce and neighbouring communities.

The Shell Group's Modern Slavery Statement provides more details about the process applied. It can be found at www.shell.com/uk-modern-slavery-act.html.

Approved by the Board on13/9/2019 and signed on its behalf by:

DocuSigned by:

.....
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G.P. Thomson
Authorised signatory for
Shell Corporate Secretary Limited
Company secretary

Shell Overseas Holdings Limited

Directors' report for the year ended 31 December 2018

The Directors present their report and the financial statements for the year ended 31 December 2018.

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

Dividends

No dividends were paid during the year (2017: nil).

Future Outlook

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

Research and development

The Company has available the services of Shell Research Limited, a fellow subsidiary undertaking of the Company, and other research companies of the Shell Group to carry out research and development where it is applicable in its businesses. The Directors regard the investment in research and development as integral to the continuing success of the business.

Directors of the Company

The Directors, who held office during the year, and to the date of this report (except as noted) were as follows:

M.J. Ashworth

M.J. ten Brink (resigned 1 August 2019)

B.A. Fermin (resigned 1 June 2019)

A.D. McLean

R. O'Brien

J. Wilson (resigned 9 November 2018)

The following director was appointed after the year end:

E. C. Andrew (appointed 1 April 2019)

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 103 to 104 and note 18).

Events after the end of the reporting period

Refer to note 18 "Events after the end of the reporting period".

Shell Overseas Holdings Limited

Directors' report for the year ended 31 December 2018 (continued)

Statement of Directors' responsibilities

The Directors acknowledge their responsibilities for preparing the Strategic report, Directors' report and the Company's financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). Under company law the Directors must not approve the financial statements 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 financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a 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 financial statements 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 the auditor

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on 13/9/2019 and signed on its behalf by:

DocuSigned by:

Gary Thomson

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G.P.Thomson

Authorised signatory for

Shell Corporate Secretary Limited

Company secretary

Independent Auditor's report to the Member of Shell Overseas Holdings Limited

Opinion

We have audited the financial statements of Shell Overseas Holdings Limited (the "Company") for the year ended 31 December 2018, which comprise the Profit and loss account, Statement of comprehensive income, Balance sheet, Statement of changes in equity, and the related notes 1 to 19, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent Auditor's report to the Member of Shell Overseas Holdings Limited (continued)

Other information

The other information comprises the information included in the annual report set out on pages 1 to 4, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and the Directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent Auditor's report to the Member of Shell Overseas Holdings Limited (continued)

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's member, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Khilan Shah (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date: *20 September 2019*

Shell Overseas Holdings Limited

Profit and loss account for the year ended 31 December 2018

Continuing operations

| | Note | 2018 \$ m | 2017 \$ m |
|---|----------|------------------|---------------|
| Administrative expenses | | (20.5) | (37.1) |
| Other income | | 1.2 | - |
| OPERATING LOSS | 6 | (19.3) | (37.1) |
| Income from shares in subsidiary undertakings | | 741.8 | 452.0 |
| Income from participating undertakings | | 524.3 | 228.1 |
| Income from other fixed asset investments | | 151.0 | 70.8 |
| Amounts provided against investments | 9 | (2,169.8) | (166.7) |
| Amounts provided against other debtors | | - | (14.5) |
| (Loss)/profit from disposals of investments | | (176.2) | 134.1 |
| (LOSS)/PROFIT BEFORE INTEREST AND TAXATION | | (948.2) | 666.7 |
| Interest receivable and similar income | 4 | 104.2 | 83.6 |
| Interest payable and similar charges | 5 | (573.9) | (315.4) |
| (LOSS)/PROFIT BEFORE TAXATION | | (1,417.9) | 434.9 |
| Tax on (loss)/profit | 8 | 87.9 | 75.7 |
| (LOSS)/PROFIT FOR THE YEAR | | (1,330.0) | 510.6 |

Shell Overseas Holdings Limited

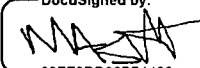
Statement of comprehensive income for the year ended 31 December 2018

| | 2018 | 2017 |
|--|------------------|--------------|
| | \$ m | \$ m |
| (Loss)/profit for the year | (1,330.0) | 510.6 |
| | - | - |
| Items that will not be reclassified subsequently to profit or loss | | |
| Changes in the fair value of equity investments at fair value through other comprehensive income | 192.0 | - |
| Other comprehensive income for the year, net of tax | 192.0 | - |
| Total comprehensive income for the year | (1,138.0) | 510.6 |

Shell Overseas Holdings Limited
(Registration number: 00596107)
Balance sheet as at 31 December 2018

| | Note | 2018 \$ m | 2017 \$ m |
|--|------|------------------------------|------------------------------|
| Fixed assets | | | |
| Investments | 9 | 25,236.0 | 29,006.7 |
| Current assets | | | |
| Debtors: amounts due after one year | 10 | 843.7 | 880.3 |
| Debtors: amounts due within one year | 10 | 3,436.9 | 897.6 |
| Creditors: Amounts falling due within one year | 11 | <u>(445.9)</u> | <u>(412.1)</u> |
| Net current assets | | <u>2,991.0</u> | <u>485.5</u> |
| Total assets less current liabilities | | 29,070.7 | 30,372.5 |
| Creditors: Amounts falling due after more than one year | 12 | (26,202.5) | (26,202.5) |
| Provisions | 13 | <u>(15.6)</u> | <u>(9.8)</u> |
| Net assets | | <u><u>2,852.6</u></u> | <u><u>4,160.2</u></u> |
| Equity | | | |
| Called up share capital | 14 | 2,692.0 | 2,692.0 |
| Other reserves | | 33.5 | 1,465.0 |
| Profit and loss account | | <u>127.1</u> | <u>3.2</u> |
| Total equity | | <u><u>2,852.6</u></u> | <u><u>4,160.2</u></u> |

The financial statements on pages 8 to 37 were authorised for issue by the Board of Directors on ..13/9/2019 and signed on its behalf by:

DocuSigned by:

 ..00EP3DD988B1486..:.....
 M.J. Ashworth
 Director

Shell Overseas Holdings Limited

Statement of changes in equity for the year ended 31 December 2018

| | Called up share capital \$ m | Profit and loss account \$ m | Other reserves \$ m | Total \$ m |
|--|------------------------------------|------------------------------------|---------------------------|---------------|
| Balance as at 01 January 2017 | 2,692.0 | (507.4) | 1,465.0 | 3,649.6 |
| Profit for the year | - | 510.6 | - | 510.6 |
| Total comprehensive income for the year | - | 510.6 | - | 510.6 |
| Balance as at 31 December 2017 | 2,692.0 | 3.2 | 1,465.0 | 4,160.2 |
| Balance as at 01 January 2018 (as previously published) | 2,692.0 | 3.2 | 1,465.0 | 4,160.2 |
| Impact of IFRS 9 adoption (refer note 1) | - | (11.1) | (158.5) | (169.6) |
| Balance as at 01 January 2018 (as revised) | 2,692.0 | (7.9) | 1,306.5 | 3,990.6 |
| (Loss) for the year | - | (1,330.0) | - | (1,330.0) |
| Other comprehensive income for the year | - | - | 192.0 | 192.0 |
| Total comprehensive income for the year | - | (1,330.0) | 192.0 | (1,138.0) |
| Transfer* | - | 1,465.0 | (1,465.0) | - |
| Balance as at 31 December 2018 | 2,692.0 | 127.1 | 33.5 | 2,852.6 |

* In May 2014, the Company acquired an additional interest in Shell Olie Gasudvinding Danmark B.V. from Shell Exploration and Production Holdings B.V., a subsidiary of the Company. The profit generated in Shell Exploration and Production Holdings B.V. has been passed back to the Company in the form of dividend of \$1,465.0 million, which was considered undistributable until disposal or impairment of the investment. As the investment is now classified as held for sale under IFRS 5, the reserve has been reclassified to profit or loss.

Shell Overseas Holdings Limited

Notes to the financial statements for the year ended 31 December 2018

General information

The Company is a private company limited by share capital incorporated in England and Wales. The address of its registered office is: Shell Centre, London, SE1 7NA, United Kingdom.

1 Accounting policies

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework, which involves the application of International Financial Reporting Standards (“IFRS”) with a reduced level of disclosure. The financial statements have been prepared under the historical cost convention, except for certain items measured at fair value, and in accordance with the Companies Act 2006.

As applied to the Company, there are no material differences between EU endorsed IFRS and IFRS as issued by the International Accounting Standards Board.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, except for the adoption of IFRS 9 and IFRS 15.

New standards applied

The Company applied IFRS 9 and IFRS 15 for the first time. The adoption of IFRS 15 has had no material impact on the Company’s retained earnings or balance sheet as at 1 January 2018. The nature and effect of the changes as a result of adoption of IFRS 9 is described below.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018.

The Company has applied IFRS 9 using the modified retrospective approach with no restatement of comparative information and differences being recorded in opening retained earnings at 1 January 2018.

The effect of adopting IFRS 9 is as follows:

Classification and measurement

The classification and measurement requirements of IFRS 9 did not have a significant impact on the Company’s financial liabilities.

Shell Overseas Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

1 Accounting policies (continued)

The following are the changes in the classification of the Company's financial assets:

Equity investments previously classified as other investments measured at cost are now classified and measured as financial assets at fair value through OCI (FVOCI) under IFRS 9. On the date of initial application, 1 January 2018, the equity investments of the Company were reclassified from Other investments to FVOCI. The carrying amount of the other equity investment under IAS 39 was \$2,729.7 million, under IFRS 9 this was revised to \$2,571.2 million. There were no other changes in measurement classification.

The other impact on the measurement of financial assets under IFRS 9 is the change to the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Company to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss.

Set out below is the reconciliation of the closing impairment allowances in accordance with IAS 39 to the opening loss / (profit) allowances determined in accordance with IFRS 9:

| | Allowance for impairment under IAS 39 as at 31 December 2017 | Remeasurement | 1 January 2018 |
|--|---|----------------------|-----------------------|
| | \$ m | \$ m | \$ m |
| Non-current financial assets | | | |
| Trade debtors | - | 0.1 | 0.1 |
| Loans and receivables | - | 11.0 | 11.0 |
| Equity investments fair valued through OCI | - | 158.5 | 158.5 |
| | <u>-</u> | <u>169.6</u> | <u>169.6</u> |

Impact of changes in accounting policies on retained earnings

The impact on the Company's retained earnings as at 1 January 2018 is as follows:

| | 2018 \$ m |
|--|----------------------|
| Balance as at 01 January 2018 (as previously published) | 3.2 |
| Increase in provision for expected credit losses | <u>(11.1)</u> |
| Balance as at 01 January 2018 (as revised) | <u>(7.9)</u> |

Upon the adoption of IFRS 9, the Company was required to recognise ECLs which resulted in a decrease in retained earnings as at 1 January 2018.

Shell Overseas Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

1 Accounting policies (continued)

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2 "Critical accounting judgements and key sources of estimation uncertainty".

The following exemptions from the disclosure requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of paragraph 79(a)(iv) of IAS 1 'Presentation of financial statements'
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - (i) paragraph 79(a)(iv) of IAS 1 'Presentation of financial statements';
 - (ii) paragraph 73(e) of IAS 16 'Property, plant and equipment';
 - (iii) paragraph 118(e) of IAS 38 'Intangible assets' (reconciliation between the carrying amount at the beginning and end of the period);
 - (i) 10(d), (statement of cash flows);
 - (ii) 10(f) (a balance sheet as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements);
 - (iii) 16 (statement of compliance with all IFRS);
 - (iv) 38A (requirement to present a minimum of two statements for each of the primary financial statements, including cash flow statements and related notes);
 - (v) 38B-D (additional comparative information);
 - (vi) 40A-D (requirements for a third balance sheet);
 - (vii) 111 (cash flow statement information); and
 - (viii) 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows';
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- Paragraph 17 and 18A of IAS 24, 'Related party disclosures' (key management compensation);
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more wholly owned members of a group.

Consolidation

The financial statements contain information about Shell Overseas Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, Royal Dutch Shell plc, a company incorporated in England and Wales.

Shell Overseas Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

1 Accounting policies (continued)

Income from shares in subsidiary and participating undertakings

Income from shares in subsidiary and participating undertakings represents dividends relating to the current year and prior periods, provided that the dividends have been approved by the Company.

Taxation

Tax is recognised in profit or loss, except that tax attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income or directly in equity.

Current tax

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date 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.

Deferred tax

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised when, on the basis of the most recent available evidence, it is regarded as probable that there will be suitable taxable profits from which the future reversal of the underlying temporary differences can be deducted.

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

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset deferred tax assets against deferred tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Amounts relating to deferred tax are undiscounted.

Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'US Dollars' (\$), which is also the Company's functional currency.

Shell Overseas Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

1 Accounting policies (continued)

(ii) Transactions and balances

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

Monetary assets and liabilities recorded in foreign currencies have been expressed in \$ 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 the transaction. No subsequent translations are made once this has occurred.

Financial instruments

Financial assets

Financial assets are classified at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The classification of financial assets is determined by the contractual cash flows and where applicable the business model for managing the financial assets.

A financial asset is measured at amortised cost if the objective of the business model is to hold the financial asset in order to collect contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest. Financial assets at amortised cost are initially recognised at fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequently the financial asset is measured using the effective interest method less any impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. All equity instruments and other debt instruments are recognised at fair value. For equity instruments, on initial recognition, an irrevocable election (on an instrument-by-instrument basis) can be made to designate these as at FVOCI (without recycling to profit and loss) instead of FVTPL. Dividends received on equity instruments are recognised as other income in profit or loss when the right of payment has been established, except when the company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income.

Investments in securities

Investments in securities (also referred to as “securities”) comprise equity and debt securities. Equity securities are recognised at FVOCI (without recycling). On sale, net gains and losses previously accumulated in other comprehensive income are transferred to retained earnings. Debt securities are recognised at fair value with unrealised holding gains and losses recognised in OCI. On sale, net gains and losses previously accumulated in OCI are recognised in income.

Shell Overseas Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

1 Accounting policies (continued)

Impairment of financial assets

The impairment requirements for expected credit losses are applied to financial assets measured at amortised cost, financial assets measured at FVOCI and financial guarantees contracts to which IFRS 9 is applied and that are not accounted for at FVTPL and lease receivables under IFRS 15 that give rise to a conditional right to consideration. If the credit risk on the financial asset has increased significantly since initial recognition, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses. In other instances, the loss allowance for the financial asset is measured at an amount equal to the twelve month expected credit losses (ECLs). Changes in loss allowances are recognised in profit and loss. For trade debtors that do not contain a significant financing component, the simplified approach is applied recognising expected lifetime credit losses from initial recognition.

Financial liabilities

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL, such as instruments held for trading, or the Company has opted to measure them at FVTPL. Debt and trade creditors are recognised initially at fair value based on amounts exchanged, net of transaction costs, and subsequently at amortised cost. Interest expense on debt is accounted for using the effective interest method and is recognised in income.

Derivative contracts

Derivative contracts are held at fair value. Gains or losses arising from changes in fair value are recognised in the profit and loss account within interest income or expense in the period in which they arise.

Assets held for sale

An asset is classified as held for sale if its carrying amount will be recovered principally through sale rather than through continuing use, which is when the sale is highly probable and it is available for immediate sale. Assets classified as held for sale are measured at the lower of the carrying amount upon classification and the fair value less costs to sell.

Investment in subsidiaries and participating undertakings

These comprise investments in shares and loans that the Company intends to hold on a continuing basis. The investments in subsidiaries and participating undertakings 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 IAS 36. Any impairments are recorded in the profit and loss account.

If, after an impairment loss has been recognised, the recoverable amount of an investment 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 year to the extent that it increases the carrying amount of the investment up to the amount it would have been had the original impairment not occurred.

Shell Overseas Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

1 Accounting policies (continued)

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value at a rate intended to reflect the time value of money where the effect of time value of money is material.

Netting off policy

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

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

2 Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of investments

For the purposes of determining whether impairment of investments has occurred, and the extent of any impairment or its reversal, management review a range of measures relating to the underlying entity's performance, including the net present value of future cash flows. In assessing these measures, management make a number of assumptions relating (but not restricted) to future oil and gas prices, expected production volumes and refining margins appropriate to the local circumstances and environment. These assumptions and the judgements of management that are based on them are subject to change as new information becomes available. Changes in economic conditions can also affect the rate used to discount future cash flow estimates.

Provision for expected credit losses of trade debtors

The Company computes probability of default rates for third party trade debtors based on historical loss experience adjusted for current and forward looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. For intra-group trade debtors, the Company uses an internal credit rating to determine the probability of default. Internal credit ratings are based on methodologies adopted by independent credit rating agencies.

Shell Overseas Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

2 Critical accounting judgements and key sources of estimation uncertainty (continued)

Fair value of financial assets and liabilities

Where the fair value of financial assets and liabilities cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is derived from observable markets where available, but where this is not feasible, a degree of judgement is required in determining assumptions used in the models. Changes in assumptions used in the models could affect the reported fair value of financial assets and liabilities.

3 Financial instruments

The Company has the following financial assets and liabilities measured at fair value through profit or loss:

| | 2018 | 2017 |
|----------------------------------|------------|------------|
| | \$ m | \$ m |
| Derivative financial liabilities | <u>4.7</u> | <u>8.2</u> |

The Company enters into swap contracts to mitigate the exchange rate risk for certain foreign currency exchange movements. At 31 December 2018, the outstanding contracts all mature within 3 months (2017: 3 months) of the year end.

The swap contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The valuation of derivatives instruments are carried out on commercial terms and conditions and at market rates.

4 Interest receivable and similar income

| | 2018 | 2017 |
|-----------------------------------|--------------|-------------|
| | \$ m | \$ m |
| Interest from Group undertakings: | | |
| Subsidiary undertakings | 39.6 | 38.2 |
| Fellow subsidiary undertakings | 25.6 | 3.2 |
| Gain on currency translation | 13.5 | 21.3 |
| Other interest income | <u>25.5</u> | <u>20.9</u> |
| | <u>104.2</u> | <u>83.6</u> |

Shell Overseas Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

5 Interest payable and similar charges

| | 2018 | 2017 |
|--|--------------|--------------|
| | \$ m | \$ m |
| Interest on loans from Group undertakings: | | |
| Fellow subsidiary undertakings | <u>573.9</u> | <u>315.4</u> |
| | <u>573.9</u> | <u>315.4</u> |

6 Operating loss

The Company had no employees during 2018 (2017: none).

None of the Directors received any emoluments (2017: none) in respect of their services to the Company.

7 Auditor's remuneration

The Auditor's remuneration of \$10,713 (2017: \$15,163) in respect of the statutory audit was borne by another group company for both the current and preceding years.

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

Shell Overseas Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

8 Tax on (loss)/profit

Tax (credit) in the profit and loss account

The tax credit for the year of \$87.9 million (2017: \$75.7 million) is made up as follows:

| | 2018 | 2017 |
|---|----------------------|----------------------|
| | \$ m | \$ m |
| Current taxation | | |
| UK corporation tax | (87.9) | (48.5) |
| UK corporation tax adjustment to prior periods | (0.4) | (52.5) |
| Foreign tax | - | 21.3 |
| Total current tax credit | <u>(88.3)</u> | <u>(79.7)</u> |
| Deferred taxation | | |
| Arising from changes in tax rates and laws | 0.4 | 4.1 |
| Arising from adjustment in respect of prior periods | - | (0.1) |
| Total deferred tax charge | <u>0.4</u> | <u>4.0</u> |
| Tax credit in the profit and loss account | <u><u>(87.9)</u></u> | <u><u>(75.7)</u></u> |

Shell Overseas Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

8 Tax on (loss)/profit (continued)

Reconciliation of total tax (credit)

The tax on loss/(profit) before tax for the year differs from the standard rate of corporation tax in the UK of 19.00% (2017 : 19.25%).

The differences are reconciled below:

| | 2018 | 2017 |
|--|----------------------|----------------------|
| | \$ m | \$ m |
| Loss/(profit) before tax | 1,417.9 | (434.9) |
| Tax on loss/(profit) calculated at standard rate (2018: 19.00%) (2017: 19.25%) | (269.4) | 83.7 |
| Effects of: | | |
| Income exempt from taxation | (269.3) | (174.1) |
| Expenses not deductible | 451.7 | 42.4 |
| Adjustments in respect of prior periods | (0.4) | (52.6) |
| Tax imposed outside the UK | - | 21.3 |
| Deferred tax expense relating to changes in tax rates or laws | 0.4 | 4.1 |
| Tax on imputed interest | <u>(0.9)</u> | <u>(0.5)</u> |
| Total tax credit | <u><u>(87.9)</u></u> | <u><u>(75.7)</u></u> |

UK Finance Act (No 2) Act 2015 which introduced reductions in the UK corporation tax rate to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020 was enacted on 15 November 2015.

UK Finance Act 2016 which introduced further reductions in the UK corporation tax rate to 17% effective 1 April 2020 was enacted on 15 September 2016.

Shell Overseas Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

9 Investments

| | Subsidiary undertakings shares \$ m | Participating undertakings shares \$ m | Asset held for sale \$ m | Equity investments at FVOCI \$ m | Total \$ m |
|---|--|---|---|---|-----------------------|
| Cost | | | | | |
| Balance at 01 January 2018 | 24,801.8 | 736.1 | 2,784.2 | 2,790.0 | 31,112.1 |
| Impact of IFRS 9 adoption (refer note 1) | - | - | - | (158.5) | (158.5) |
| Additions | 15.5 | - | - | 0.4 | 15.9 |
| Capital repayment | (61.8) | - | - | - | (61.8) |
| Change in fair value of investments | - | - | - | 192.0 | 192.0 |
| Disposals | (438.9) | - | (2,784.2) | - | (3,223.1) |
| Re-classification to asset held for sale | <u>(4,021.0)</u> | <u>-</u> | <u>4,021.0</u> | <u>-</u> | <u>-</u> |
| Balance at 31 December 2018 | <u>20,295.6</u> | <u>736.1</u> | <u>4,021.0</u> | <u>2,823.9</u> | <u>27,876.6</u> |
| Amounts provided | | | | | |
| Balance at 01 January 2018 | 484.0 | - | 1,561.1 | 60.3 | 2,105.4 |
| Additions | 2,169.8 | - | - | - | 2,169.8 |
| Disposals | (73.5) | - | (1,561.1) | - | (1,634.6) |
| Re-classification to asset held for sale | <u>(2,111.0)</u> | <u>-</u> | <u>2,111.0</u> | <u>-</u> | <u>-</u> |
| Balance at 31 December 2018 | <u>469.3</u> | <u>-</u> | <u>2,111.0</u> | <u>60.3</u> | <u>2,640.6</u> |
| Carrying amount | | | | | |
| At 31 December 2018 | <u>19,826.3</u> | <u>736.1</u> | <u>1,910.0</u> | <u>2,763.6</u> | <u>25,236.0</u> |
| At 31 December 2017 | <u>24,317.8</u> | <u>736.1</u> | <u>1,223.1</u> | <u>2,729.7</u> | <u>29,006.7</u> |

Shell Overseas Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

9 Investments (continued)

In October 2018, the Company reached an agreement with Norwegian Energy Company ASA (Noreco), to sell its shares in Shell Olie-og Gasudvinding Danmark B.V. (SOGU) for a consideration amount of \$1.9 billion. It is a wholly-owned subsidiary that holds a 36.8% non-operating interest in the Danish Underground Consortium. The share sale completed on 31 July 2019.

The Directors believe that the carrying value of the investments is supported by their underlying net assets or future discounted cash flows.

Impairment reviews as per IAS 36 have been performed and investments have been written down, or up, where appropriate to their recoverable amounts. This has been based on estimated future cash flows, valuations and subsidiary accounts, where applicable, using a discount rate of 6%.

List of investments

A list of the Company's subsidiary and participating undertakings as at 31 December 2018 is included in note 19.

Shell Overseas Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

10 Debtors

Debtors: amounts due within one year

| | 2018 | 2017 |
|-------------------------------------|----------------|--------------|
| | \$ m | \$ m |
| Amounts owed by Group undertakings: | | |
| Parent undertakings | 5.1 | 5.3 |
| Subsidiary undertakings | 1.7 | 11.3 |
| Fellow subsidiary undertakings | 3,188.3 | 736.3 |
| Other debtors | 37.2 | 13.2 |
| Tax receivable | 204.6 | 131.5 |
| | <u>3,436.9</u> | <u>897.6</u> |

Debtors: amounts due after one year

| | 2018 | 2017 |
|-------------------------------------|--------------|--------------|
| | \$ m | \$ m |
| Amounts owed by Group undertakings: | | |
| Subsidiary undertakings | 843.7 | 878.9 |
| Other debtors | - | 1.4 |
| | <u>843.7</u> | <u>880.3</u> |

Of the amounts owed by subsidiary undertakings after one year, the Company accrues interest at 3 month EURIBOR plus margins ranging from 0.63% to 4.57% with the last loan receivable due in February 2023. Impairments have been made to other debtors during 2018 of \$nil (2017: \$14.5 million).

The gross carrying value recorded at amortised cost and FVTPL for financial assets as at 31 December 2018 is as follows:

| | 2018 | 2017 |
|--|----------------|----------------|
| | \$ m | \$ m |
| At amortised cost | | |
| Amounts owed by Group undertakings | 3,193.2 | 741.6 |
| Trade receivables | - | 14.6 |
| Loans receivable | 855.6 | 890.2 |
| | <u>4,048.8</u> | <u>1,646.4</u> |
| At fair value through profit and loss | | |
| Amounts owed by other debtors | <u>25.2</u> | <u>-</u> |

Shell Overseas Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

10 Debtors (continued)

| | 2018 | | |
|--|---------------------------------------|---------------------------------|---------------------------------|
| | Gross carrying amount \$ m | ECL allowance \$ m | Carrying amount \$ m |
| Amounts owed by Group undertakings | 3,193.2 | - | 3,193.2 |
| Trade receivables | - | - | - |
| Loans receivable | 855.6 | 9.9 | 845.7 |
| | <u>4,048.8</u> | <u>9.9</u> | <u>4,038.9</u> |
| | | | |
| | 2017 | | |
| | Gross carrying amount \$ m | ECL allowance \$ m | Carrying amount \$ m |
| Amounts owed by Group undertakings | 741.6 | - | 741.6 |
| Trade receivables | 14.6 | - | 14.6 |
| Loans receivable | 890.2 | - | 890.2 |
| | <u>1,646.4</u> | <u>-</u> | <u>1,646.4</u> |
| | | | |
| At fair value through profit and loss | 2018 | | |
| | Gross carrying amount \$ m | Carrying amount \$ m | |
| Amounts owed by other debtors | <u>25.2</u> | <u>25.2</u> | |

The impairment provision required under IFRS 9 was calculated using 12 month ECL.

The Company has recorded debtors at amortised cost and equity investments at FVOCI.

11 Creditors: amounts falling due within one year

| | 2018 \$ m | 2017 \$ m |
|------------------------------------|----------------------|----------------------|
| Amounts owed to Group undertakings | | |
| Parent undertakings | 1.9 | 2.0 |
| Subsidiary undertakings | 249.1 | 314.9 |
| Fellow subsidiary undertakings | 122.1 | 87.0 |
| Deferred taxes | 4.6 | - |
| Accrued expenses | 6.5 | 6.5 |
| Other creditors | <u>61.7</u> | <u>1.7</u> |
| | <u>445.9</u> | <u>412.1</u> |

Shell Overseas Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

12 Creditors: amounts falling due after more than one year

| | 2018 \$ m | 2017 \$ m |
|---|--------------|--------------|
| Amount due to Group undertaking | | |
| Loan from a fellow subsidiary undertaking | 26,202.5 | 26,202.5 |

The loan from a fellow subsidiary undertaking is an interest bearing loan with interest charged at 3 month USD LIBOR. The loan is repayable in May 2020. The amounts represent the partial drawdown on a \$30.0 billion committed facility provided by a fellow Group company.

13 Provisions

| | Other provisions \$ m |
|--|--------------------------|
| Balance as at 1 January 2018 | 9.8 |
| Increase in provisions | 7.3 |
| Provisions used | (1.3) |
| Decrease due to foreign exchange differences | (0.2) |
| Balance as at 31 December 2018 | 15.6 |

The provision for liabilities represents provision for indemnities, arising from acquisition and disposal activity in prior years.

14 Called up share capital

Allotted, called up and fully paid shares

| | 2018 No. | 2018 \$ m | 2017 No. | 2017 \$ m |
|---------------------------------|---------------|--------------|---------------|--------------|
| Issued share capital of £1 each | 1,492,201,474 | 2,692.0 | 1,492,201,474 | 2,692.0 |

15 Dividends

The Directors recommend no dividend be paid for the year ended 31 December 2018 (2017: Nil).

Shell Overseas Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

16 Contingent liabilities

In the ordinary course of business, the Company has provided guarantees to third parties on behalf of subsidiaries. In the judgement of the Directors, no material liability is expected to arise from these guarantees.

17 Commitments

Other financial commitments

The total amount of other financial commitments not provided in the financial statements was \$12.1 million (2017 - \$0.5 million).

18 Events after the end of the reporting period

With effect from 4 June 2019, the issued share capital of Shell Bermuda (Overseas) Holdings, a subsidiary undertaking, was reduced from £240 million (480 million shares of £0.5 each) to £24 million (480 million shares of £0.05 each).

A loan from a fellow subsidiary undertaking of \$26,202.5 million is due to be repaid in May 2020. Subsequent to the year-end, a binding agreement has been reached whereby the fellow subsidiary undertaking has committed to provide a new interest-bearing loan from May 2020 to replace the existing facility for a period of up to ten years.

Shell Overseas Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

19 List of investments

Details of the Subsidiaries as at 31 December 2018 are as follows:

| Name of Subsidiary | Registered office and Country of incorporation | Class of shares | % of ownership |
|--|---|-----------------|-------------------|
| Austen & Butta Pty Ltd* | Shell House, 562 Wellington Street, Perth, Wa 6000 Australia | Ordinary | 100% |
| Fuelink Pty Ltd* | Shell House, 562 Wellington Street, Perth, Wa 6000 Australia | Ordinary | 100% |
| North West Shelf Lng Pty Ltd* | Shell House, 562 Wellington Street, Perth, Wa 6000 Australia | Ordinary | 100% |
| Provident & Pensions Holdings Proprietary Limited* | Shell House, 562 Wellington Street, Perth, Wa 6000 Australia | Ordinary | 100% |
| Sasf Pty Ltd* | Shell House, 562 Wellington Street, Perth, Wa 6000 Australia | Ordinary | 100% |
| Shell Australia Flng Pty Ltd* | Shell House, 562 Wellington Street, Perth, Wa 6000 Australia | Ordinary | 100% |
| Shell Australia Pty Ltd* | Shell House, 562 Wellington Street, Perth, Wa 6000 Australia | Ordinary | 100% |
| Shell Australia Services Company Pty Ltd* | Shell House, 562 Wellington Street, Perth, Wa 6000 Australia | Ordinary | 100% |

Shell Overseas Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

19 List of investments (continued)

| Name of Subsidiary | Registered office and Country of incorporation | Class of shares | % of ownership |
|---|---|------------------------|---------------------------|
| Shell Custodian Pty Ltd* | Shell House, 562 Wellington Street, Perth, Wa 6000 Australia | Ordinary | 100% |
| Shell Development (Psc19) Pty Ltd* | Shell House, 562 Wellington Street, Perth, Wa 6000 Australia | Ordinary | 100% |
| Shell Development (Psc20) Pty Ltd* | Shell House, 562 Wellington Street, Perth, Wa 6000 Australia | Ordinary | 100% |
| Shell Energy Australia Pty Ltd* | Level 30, 275 George Street, Brisbane, Qld 4000 Australia | Ordinary | 100% |
| Shell Energy Holdings Australia Limited* | Shell House, 562 Wellington Street, Perth, Wa 6000 Australia | Ordinary | 100% |
| Shell Energy Investments Australia Pty Ltd* | Shell House, 562 Wellington Street, Perth, Wa 6000 Australia | Ordinary | 100% |
| Shell Global Solutions Australia Pty Ltd* | Shell House, 562 Wellington Street, Perth, Wa 6000 Australia | Ordinary | 100% |
| Shell Tankers Australia Pty Ltd* | Shell House, 562 Wellington Street, Perth, Wa 6000 Australia | Ordinary | 100% |
| Trident Lng Shipping Services Pty Ltd* | Shell House, 562 Wellington Street, Perth, Wa 6000 Australia | Ordinary | 100% |

Shell Overseas Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

19 List of investments (continued)

| Name of Subsidiary | Registered office and Country of incorporation | Class of shares | % of ownership |
|---|---|------------------------|-----------------------|
| Trident Shipping Services Pty Ltd* | Shell House, 562 Wellington Street, Perth, Wa 6000 Australia | Ordinary | 100% |
| Shell E & P Ireland Offshore Inc. | P.O. Box N4805, St. Andrew'S Court, Frederick Street Steps, Nassau Bahamas | Ordinary | 100% |
| Gas Investments & Services Company Limited* | 3rd Floor Continental Building, 25 Church Street, Hamilton, Hm 12 Bermuda | Ordinary | 85% |
| Kuwait Shell Limited | 3rd Floor Continental Building, 25 Church Street, Hamilton, Hm 12 Bermuda | Ordinary | 100% |
| Shell Australia Natural Gas Shipping Limited* | 3rd Floor Continental Building, 25 Church Street, Hamilton, Hm 12 Bermuda | Ordinary | 100% |
| Shell Bermuda (Overseas) Limited | 3rd Floor Continental Building, 25 Church Street, Hamilton, Hm 12 Bermuda | Ordinary | 100% |
| Shell Deepwater Borneo Limited | 3rd Floor Continental Building, 25 Church Street, Hamilton, Hm 12 Bermuda | Ordinary | 100% |
| Shell Overseas Holdings (Oman) Limited | 3rd Floor Continental Building, 25 Church Street, Hamilton, Hm 12 Bermuda | Ordinary | 100% |

Shell Overseas Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

19 List of investments (continued)

| Name of Subsidiary | Registered office and Country of incorporation | Class of shares | % of ownership |
|--|--|-----------------|-------------------|
| Shell Petroleum (Malaysia) Ltd | 3rd Floor Continental Building, 25 Church Street, Hamilton, Hm 12 Bermuda | Ordinary | 100% |
| Shell Saudi Arabia (Refining) Limited | 3rd Floor Continental Building, 25 Church Street, Hamilton, Hm 12 Bermuda | Ordinary | 100% |
| Shell Olie-Og Gasudvinding Danmark Pipelines Aps* | Midtermolen 3, 4, Copenhagen, 2100 Denmark | Ordinary | 100% |
| Shell & Moh Aviation Fuels A.E. | 151 Kifisias Ave., Marousi, Athens, 15124 Greece | Ordinary | 51% |
| Shell International Exploration And Development Italia S.P.A. | Piazza Dell'Indipendenza 11/B, Rome, 00185 Italy | Ordinary | 100% |
| Shell Italia E&P S.P.A. | Piazza Dell'Indipendenza 11/B, Rome, 00185 Italy | Ordinary | 100% |
| Pertini Vista Sdn. Bhd.* | Lot 6.05, Level 6, KPMG Tower, 8 First Avenue Bandar Utama, Petaling Jaya/Selangor Darul Ehsan, 47800 Malaysia | Ordinary | 100% |
| Shell Malaysia Trading Sendirian Berhad | Lot 6.05, Level 6, KPMG Tower, 8 First Avenue Bandar Utama, Petaling Jaya/Selangor Darul Ehsan, 47800 Malaysia | Ordinary | 100% |

Shell Overseas Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

19 List of investments (continued)

| Name of Subsidiary | Registered office and Country of incorporation | Class of shares | % of ownership |
|--|--|-----------------|-------------------|
| Shell People Services Asia Sdn. Bhd. | Lot 6.05, Level 6, KPMG Tower, 8 First Avenue Bandar Utama, Petaling Jaya/Selangor Darul Ehsan, 47800 Malaysia | Ordinary | 100% |
| Shell Timur Sdn. Bhd. | Lot 6.05, Level 6, KPMG Tower, 8 First Avenue Bandar Utama, Petaling Jaya/Selangor Darul Ehsan, 47800 Malaysia | Ordinary | 70% |
| Shell Olie - Og Gasudvinding Danmark B.V. | Carel Van Bylandtlaan 30, The Hague, 2596 Hr Netherlands | Ordinary | 100% |
| Delta Business Development Limited | Freeman House, 21/22 Marina, P.M.B. 2418, Lagos Nigeria | Ordinary | 100% |
| Shell Development Oman Llc | P.O. Box 74, Mina Al Fahal, Muscat, 116 Oman (Sultanate Of) | Ordinary | 100% |
| Shell Polska Sp. Z O.O. | Ul. Bitwy Warszawskiej 1920 R. Nr 7A, Warsaw, 02-366 Poland | Ordinary | 100% |
| Shell Oil & Gas (Malaysia) Llc* | Morning Star Holdings Limited, Main Street, Suite 556, Charlestown, Nevis, West Indies Saint Kitts & Nevis | Ordinary | 90% |
| Shell Adria D.O.O. | Bravnicarjeva Ulica 13, Ljubljana, 1000 Slovenia | Ordinary | 100% |

Shell Overseas Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

19 List of investments (continued)

| Name of Subsidiary | Registered office and Country of incorporation | Class of shares | % of ownership |
|-----------------------------------|--|------------------------|---------------------------|
| Shell Slovakia S.R.O. | Einsteinova 23, Bratislava, 851 01 Slovakia | Ordinary | 100% |
| Shell Trading Switzerland Ag | Baarermatte, Baar, 6340 Switzerland | Ordinary | 100% |
| Cpc Shell Lubricants Co. Ltd | No 2, Tso-Nan Road, Nan-Tze District, P.O. Box 25-30, Kaohsiung, 811 Taiwan | Ordinary | 51% |
| Shell Taiwan Limited | International Trade Building, Room 2001, 20th Floor, 333, Keelung Road Section 1, Taipei, 110 Taiwan | Ordinary | 100% |
| Shell Trinidad Ltd | Shell Energy House, 5 St. Clair Avenue, Port Of Spain Trinidad & Tobago | Ordinary | 100% |
| Angkor Shell Limited | Shell Centre, London, SE1 7NA United Kingdom | Ordinary | 100% |
| Enterprise Oil Norge Limited | 8 York Road, London, SE1 7NA United Kingdom | Ordinary | 100% |
| Enterprise Oil Operations Limited | 8 York Road, London, SE1 7NA United Kingdom | Ordinary | 100% |
| Khmer Shell Limited | Shell Centre, London, SE1 7NA United Kingdom | Ordinary | 100% |

Shell Overseas Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

19 List of investments (continued)

| Name of Subsidiary | Registered office and Country of incorporation | Class of shares | % of ownership |
|---|---|------------------------|---------------------------|
| Shell Arabia Car Service Limited | Shell Centre, London, SE1 7NA United Kingdom | Ordinary | 100% |
| Shell Business Development Middle East Limited | Shell Centre, London, SE1 7NA United Kingdom | Ordinary | 100% |
| Shell Caribbean Investments Limited | Shell Centre, London, SE1 7NA United Kingdom | Ordinary | 100% |
| Shell Chemicals Support Services Asia Limited | Shell Centre, London, SE1 7NA United Kingdom | Ordinary | 100% |
| Shell Company (Pacific Islands) Limited | Shell Centre, London, SE1 7NA United Kingdom | Ordinary | 100% |
| Shell Energy Investments Limited | Shell Centre, London, SE1 7NA United Kingdom | Ordinary | 100% |
| Shell Information Technology International Limited | 8 York Road, London, SE1 7NA United Kingdom | Ordinary | 100% |
| Shell Malaysia Limited | Shell Centre, London, SE1 7NA United Kingdom | Ordinary | 100% |
| Shell Supplementary Pension Plan Trustees Limited | Shell Centre, London, SE1 7NA United Kingdom | Ordinary | 100% |

Shell Overseas Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

19 List of investments (continued)

| Name of Subsidiary | Registered office and Country of incorporation | Class of shares | % of ownership |
|---|---|------------------------|---------------------------|
| The Shell Company (W.I.) Limited | Shell Centre, London, SE1 7NA United Kingdom | Ordinary | 100% |
| The Shell Company Of Hong Kong Limited | Shell Centre, London, SE1 7NA United Kingdom | Ordinary | 100% |
| The Shell Company Of India Limited | Shell Centre, London, SE1 7NA United Kingdom | Ordinary | 100% |
| The Shell Company Of Thailand Limited | Shell Centre, London, SE1 7NA United Kingdom | Ordinary | 100% |
| The Shell Company Of West Africa Limited | Shell Centre, London, SE1 7NA United Kingdom | Ordinary | 100% |
| The Shell Marketing Company Of Borneo Limited | Shell Centre, London, SE1 7NA United Kingdom | Ordinary | 100% |

* indicates indirect investment of the Company.

Shell Overseas Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

19 List of investments (continued)

Details of the participating undertakings as at 31 December 2018 are as follows:

| Name of participating undertaking | Registered office and County of incorporation | Class of shares | % of ownership |
|--|---|----------------------------|----------------|
| Brunei LNG Sendirian Berhad | Lumut, Seria, Kc2935 Negara Brunei Daruss | Ordinary | 25% |
| Brunei Shell Marketing Company Sendirian Berhad | Brunei Shell Petroleum Company, Sendirian Berhad, Seria, Kb2933 Negara Brunei Daruss | Ordinary | 50% |
| Shell Olie Og Gas Holding B.V. | Carel Van Bylandtlaan 30, The Hague, 2596 Hr Netherlands | Redeemable, Non-redeemable | 49% |
| Shell Global Solutions Holdings (Thailand) Limited | 10 Soonthornkosa Road, Klongtoey, Bangkok, 10110 Thailand | Ordinary | 49% |
| Sharjah Fuelling Services Company Ltd. | P.O. Box 4225, Sharjah, 4225 United Arab Emirates | Ordinary | 49% |

Summarised financial information for the material participating undertaking

Please find below summarised financial information for participating undertaking that is material to the Company:

| | 2017 \$ m |
|---------------------------------------|--------------|
| Shell Olie Og Gas Holding B.V. | |
| Current assets | 1.6 |
| Non-current assets | 3,381.4 |
| Current liabilities | - |
| Non-current liabilities | - |
| Profit for the year | 194.9 |