June 4, 2008

Royal Dutch Petroleum Company
Carel van Bylandtlaan 16
2596 HR, The Hague, Netherlands

Dear Sir or Madam:

Sometime in the next few weeks, the Project On Government Oversight (POGO) will update its Federal Contractor Misconduct Database (http://www.contractormisconduct.org/), a compilation of information from public resources regarding government contractors, including Royal Dutch Petroleum. On October 31, 2006, we sent Royal Dutch Petroleum information regarding findings in POGO’s database. As of today, we have not received a response from you. I have enclosed the findings relevant to your company, and I am seeking verification of this data.

Any response would be greatly appreciated, as the accuracy of this information is in the best interest of all parties. Out of fairness to Royal Dutch Petroleum, please be assured that any response received by POGO will be posted on the website along with the data.

The biggest change we will be making to the database is the inclusion of more federal contractors (the top 100). We are also adding new instances that we have found in recent months and updating instances already in the database with new information. Please note that the database also includes pending instances, but these are kept separate from resolved instances and are not included in the totals.

If you have any questions, I can be reached at (202) 347-1122. Thank you for your time and consideration.

Sincerely,

Neil Gordon
Investigator

Enclosure
Instances

1. Employee Retirement Income Security Act (ERISA) Class Action
Date: 07/12/2005 (Date of Preliminary Settlement Approval)
Misconduct Type: Securities
Enforcement Agency: Non-Governmental
Contracting Party: None
Court Type: Civil
Amount: $91,000,000
Disposition: Settlement
Synopsis: “The Royal Dutch / Shell Group of Companies reported today that a settlement has been reached in a class action and related litigation brought against certain Group companies on behalf of employees participating in certain United States employee savings plans that are subject to the Employee Retirement Income Security Act of 1974 (ERISA). The class action, which is pending in United States Federal Court in New Jersey, makes certain ERISA-based claims based upon Shell’s recategorisations of its proved oil and gas reserves. An order preliminarily approving the proposed settlement has been entered. If the settlement is finally approved by the court, Shell will pay $90 million which – after certain expenses (including court-approved attorneys’ fees) are deducted – will be distributed to eligible participants in the relevant employee savings plans. Shell also has agreed to pay up to $1 million of plaintiffs’ counsel’s out-of-pocket expenses and the costs of providing notice to class members… In addition, as part of the settlement agreement, Shell has agreed to adopt certain new procedures for monitoring and training individuals appointed to fiduciary positions in savings plans that are subject to ERISA.” See related Royal Dutch Shell misconduct instances "Shareholder Derivative Lawsuit Arising Out of 2004 Reserves Recategorization," "Violations of Federal Securities Laws," and "European Shareholder Lawsuit Arising Out of 2004 Reserves Recategorization."

2. Shareholder Derivative Lawsuit Arising Out of 2004 Reserves Recategorization
Date: 08/31/2005 (Date of Preliminary Settlement Approval)
Misconduct Type: Securities
Enforcement Agency: Non-Governmental
Contracting Party: None
Court Type: Civil
Amount: $9,200,000
Disposition: Settlement
Synopsis: “The Shell Group (Shell) today announced that a settlement has been reached with the plaintiffs in shareholder derivative actions arising out of Shell’s 2004 reserves recategorisation… The cases sought corporate governance and structural changes as well as unspecified monetary damages from the current and former directors. Under the terms of the settlement, Royal Dutch Shell plc has agreed to adopt and implement certain corporate governance principles negotiated with counsel for the derivative plaintiffs and a corporate governance expert retained by plaintiffs’ counsel. The principles include policies and standards in the areas of Board composition and qualifications; membership and functions of Board committees; director and senior management compensation; financial reporting and controls; and corporate compliance and ethics. Terms of the settlement also include payment by Shell of $9.2 million in attorneys’ fees and expenses to counsel for the derivative plaintiffs.” See related Royal Dutch Shell

3. Harmful Exposure to Pesticides (Nicaragua)
   Date: 07/19/2006 (Date of Judgment)
   Misconduct Type: Health
   Enforcement Agency: Non-Governmental
   Contracting Party: None
   Court Type: Civil
   Amount: Unknown
   Disposition: Judgment Against Defendant
   Synopsis: “A $490 million judgment in favour of 466 plaintiffs in a consolidated matter that had once been nine individual cases was rendered in 2002 by a Nicaraguan court jointly against SOC [Shell Oil Company] and three other named defendants (not affiliated with SOC), based upon Nicaraguan Special Law 364 for claimed personal injuries resulting from alleged exposure to dibromochloropropane (DBCP), a pesticide manufactured by SOC prior to 1978. This special law imposes strict liability (in a predetermined amount) on international manufacturers of DBCP...SOC was not afforded the opportunity to present any defences in the Nicaraguan court, including that it was not subject to Nicaraguan jurisdiction because it had neither shipped nor sold DBCP to parties in Nicaragua. At this time, SOC has not completed the steps necessary to perfect an appeal in Nicaragua. As of December 31, 2005, we are aware of eight additional Nicaraguan judgments that have been entered in the collective amount of approximately $398.2 million in favour of 489 plaintiffs jointly against Shell Chemical Company and three other named defendants (not affiliated with Shell Chemical Company) under facts and circumstances almost identical to those relating to the judgment described above. Additional judgments are anticipated...SOC filed a declaratory judgment action seeking ultimate adjudication of the non-enforceability of the first Nicaraguan judgment in the United States District Court for the Central District of California. This district court granted summary judgment in favour of SOC, finding that the Nicaraguan court did not have jurisdiction to enter judgment against SOC and that the judgment is unenforceable in the US. The Nicaraguan plaintiffs did not appeal. It is the opinion of management of the Shell Group that Nicaraguan DBCP judgments are unenforceable in a US court.”

4. Violations of Federal Securities Laws
   Date: 03/30/2005 (Date of SEC Filing)
   Misconduct Type: Securities
   Enforcement Agency: SEC
   Contracting Party: None
   Court Type: Civil
   Amount: $125,000,000
   Disposition: Administrative Agreement
   Synopsis: “The United States Securities and Exchange Commission (SEC) and UK Financial Services Authority (FSA) issued formal orders of private investigation in relation to the reserves recategorisation which Royal Dutch and Shell Transport resolved by reaching agreements with the SEC and the FSA. In connection with the agreement with the SEC, Royal Dutch and Shell
Transport consented, without admitting or denying the SEC’s findings or conclusions, to an administrative order finding that Royal Dutch and Shell Transport violated, and requiring Royal Dutch and Shell Transport to cease and desist from future violations of, the antifraud, reporting, recordkeeping and internal control provisions of the US Federal securities laws and related SEC rules, agreed to pay a $120 million civil penalty and undertook to spend an additional $5 million developing a comprehensive internal compliance program.” See related Royal Dutch Shell misconduct instances "Employee Retirement Income Security Act Class Action," "Shareholder Derivative Lawsuit Arising Out of 2004 Reserves Recategorization," and "European Shareholder Lawsuit Arising Out of 2004 Reserves Recategorization."

5. U.S./European Shareholder Lawsuits Arising Out of 2004 Reserves Recategorization
Date: 04/11/2007 (Date of Eur. Settlement Announcement)
Misconduct Type: Securities
Enforcement Agency: Non-Governmental
Contracting Party: None
Court Type: Civil
Amount: $476,700,000
Disposition: Settlement
Synopsis: In April 2007, Royal Dutch Shell agreed to pay $352.6 million, plus administrative costs, to settle a securities fraud case with investors in the Netherlands, UK, Germany, France, Sweden, Denmark, Norway and Luxembourg. The case arose after Shell admitted in 2004 it had overstated its oil and gas reserves by over 20 percent from 1997 to 2003. In March 2008, Shell announced that a tentative settlement was reached with U.S. investors. The agreement in principle includes a settlement of approximately $82.9 million, with Shell also paying various fees, expenses and costs. The participants in both the European and U.S. settlements will also receive an additional payment of $35 million. See related Royal Dutch Shell instances "Employee Retirement Income Security Act Class Action," "Shareholder Derivative Lawsuit Arising Out of 2004 Reserves Recategorization," and "Violations of Federal Securities Laws."

6. Breach of Lease Agreement in Nigeria
Date: 06/11/2007 (Date of Appeal Announcement)
Misconduct Type: Environment
Enforcement Agency: International
Contracting Party: International
Court Type: Civil
Amount: $147,000,000
Disposition: Judgment Against Defendant
Synopsis: In May 2007, the high court in Port Harcourt, Rivers State, Nigeria ordered Royal Dutch Shell to pay six billion naira (US$147 million) in damages to three local communities for breaching a lease agreement on land on which it has staff residential quarters. The communities claimed Shell’s exploration activities have harmed the local environment. Shell filed an appeal for a stay of execution of the judgment.

7. Hoarding Diesel Fuel
Date: 06/12/2007 (Date of Announcement)
Misconduct Type: Import/Export
Enforcement Agency: International
Contracting Party: None
Court Type: Administrative
Amount: $7,500,000
Disposition: Fine
Synopsis: The Argentine government fined Royal Dutch Shell and Petreleo Brasileiro (Petrobras) a total of $322,000 for failing to deliver sufficient supplies of diesel fuel to the country. The Domestic Trade Office imposed four separate fines on Shell and one on Petrobras due to shortfalls in the supply of diesel fuel at numerous service stations. The government fined the local unit of Shell $7.5 million in December 2006 over diesel shortages.

8. MTBE Cleanup Costs (Santa Monica, CA)
Date: 02/16/2005 (Date of Settlement)
Misconduct Type: Environment
Enforcement Agency: EPA
Contracting Party: None
Court Type: Civil
Amount: Unknown
Disposition: Settlement
Synopsis: “Under the terms of a settlement filed...in federal court, several oil companies will pay $1.5 million to the Environmental Protection Agency for costs it incurred while directing the investigation and cleanup of methyl tertiary butyl ether (MTBE), a gasoline additive, from a groundwater basin formerly used for drinking water by the City of Santa Monica, California...The agreement between the EPA and the oil companies follows eight years of investigation and cleanup under the Federal Resource Conservation and Recovery Act and California’s Porter Cologne Act. The MTBE contamination in the vicinity of Santa Monica’s drinking water wells came from at least 25 possible sources, most of which were gas stations in the Charnock Sub-Basin.”

9. MTBE Products Liability
Date: 08/05/2002 (Date of Settlement)
Misconduct Type: Environment
Enforcement Agency: State/Local
Contracting Party: None
Court Type: Civil
Amount: Unknown
Disposition: Settlement
Synopsis: Thirty-one oil and petroleum refiners and distributors were sued in California state court over the contamination of water wells near Lake Tahoe by the gas additive methyl tertiary butyl ether (MTBE). Twenty-five defendants settled with the South Tahoe Public Utility District before trial began in September 2001 for a total of $31 million in cleanup costs. In the ensuing trial, the jury found the remaining companies – Shell Oil Co., Shell Products Co., Equilon Enterprises LLC, Texaco Inc. and Tosco Corp. – liable for selling a defective product, namely gasoline containing MTBE. Those companies eventually settled for over $28 million.

10. Price Fixing in El Salvador
Date: 10/02/2007 (Date of Announcement)
Misconduct Type: Antitrust
Enforcement Agency: International
Contracting Party: None
Court Type: Administrative
Amount: $852,000
Disposition: Fine
Synopsis: The government of El Salvador accused Esso Standard Oil (owned by Exxon Mobil) and Royal Dutch Shell’s local subsidiary of price fixing and fined each company $852,000. The government accused the companies of colluding to set artificially high gas prices.

11. Nationwide MTBE Groundwater Contamination Litigation
Date: 03/12/2008 (Date of Settlement)
Misconduct Type: Environment
Enforcement Agency: State/Local
Contracting Party: None
Court Type: Civil
Amount: Unknown
Disposition: Settlement
Synopsis: A dozen oil companies, including BP America Inc., Chevron Corp., Shell Oil Co. and Valero Energy Corp., agreed to pay over $423 million to settle litigation with public water providers in 17 states over groundwater contamination from the gasoline additive methyl tertiary butyl ether (MTBE). The companies also agreed to pay cleanup costs that arise in the next 30 years. Defendant ExxonMobil refused to settle and faces numerous MTBE trials, scheduled to begin in September 2008.

12. Clean Air Act Violations (Bridgeport, CT)
Date: 04/02/2008 (Date of Announcement)
Misconduct Type: Environment
Enforcement Agency: EPA
Contracting Party: None
Court Type: Administrative
Amount: $75,000
Disposition: Fine
Synopsis: Shell Oil Co. subsidiary Motiva Enterprises LLC agreed to pay a $75,000 fine and replace two storage tanks to settle charges that it violated the Clean Air Act. The Environmental Protection Agency alleged the storage tanks at a gasoline terminal in Bridgeport, Conn. were improperly maintained and leaked gasoline vapors, which contribute to ground-level ozone and smog.

Pending Instances

Violations of Nigerian Nuclear Regulations
Date: 03/01/2007 (Date of Charging - approximate)
Misconduct Type: Environment
Enforcement Agency: International
Contracting Party: None
Court Type: Criminal
Amount: $0
Disposition: Pending
Synopsis: In March 2007, the Nigerian government charged Royal Dutch Shell and three other foreign companies with illegally transporting and dumping radioactive material used in oil and gas exploration in the Niger Delta. Shell officials denied the allegations of any misbehavior on the part of Shell Petroleum Development Co. of Nigeria Ltd., known locally as SPDC, but did acknowledge that some equipment for drilling being transported through the region using radioactive material has gone missing and that the company was making a "concerted effort" to track it down. The government directed the police to keep several executives from the companies under strict surveillance until a hearing is scheduled.

Human Rights Violations in Nigeria
Date: 06/12/2007
Misconduct Type: Human Rights
Enforcement Agency: Non-Governmental
Contracting Party: None
Court Type: Civil
Amount: $0
Disposition: Pending
Synopsis: The families of Ken Saro-Wiwa and other Ogoni human rights activists tortured or murdered in Nigeria filed several lawsuits in New York federal court against Royal Dutch Petroleum Company, various subsidiaries and several company executives. The plaintiffs want the defendants held accountable for their alleged complicity in human rights abuses committed by Nigeria's military government. The cases were brought under various U.S. laws, including the Alien Tort Claims Act (ATCA), the Torture Victim Protection Act (TVPA), and the Racketeer Influenced and Corrupt Organizations Act (RICO).

Houston Ship Channel Air Pollution
Date: 01/07/2008 (Date of Filing)
Misconduct Type: Environment
Enforcement Agency: Non-Governmental
Contracting Party: None
Court Type: Civil
Amount: $0
Disposition: Pending
Synopsis: Environment Texas Citizen Lobby and the Sierra Club filed a federal lawsuit against Shell Oil on behalf of citizens who live near the company’s Deer Park, Texas oil refinery and chemical plant. Plaintiffs claim state and federal environmental officials failed to enforce the Clean Air Act at the facility, where Shell and its subsidiaries have released millions of pounds of excess air pollutants along the Houston Ship Channel over the past five years.