

February 12, 2010

Michiel Brandjes
Company Secretary
General Counsel Corporate
Royal Dutch Shell plc
Carel van Bylandtlaan 30
2596 HR The Hague
The Netherlands

Re: Royal Dutch Shell / Iran Business

Dear Mr. Brandjes:

Thank you for your response to our letter of December 17, 2009 regarding Royal Dutch Shell's business in Iran. We appreciate your attention to the issue, but you fail to respond to key points raised in our letter.

In our letter, we clearly stated that we believe your decision to do business in Iran is wrong. Your response was that your business in Iran is in full compliance with U.S. law. However, as you know, the technical compliance with law has little to do with the inappropriateness of your work in Iran.

You attempt to rationalize your decision to conduct business in Iran by citing the importance of Iran's gas supply to the global energy supply and demand balance. Would you not agree, however, that a stable and law-abiding government is crucial to the successful development of Shell's objectives in Iran? Clearly the ability of the Iranian regime to control such critical gas resources undermines the stability of business as well as that of the global supply of energy.

We agree with your assertion that "decision timing is fundamentally driven by the need to ensure first class decision quality." We are currently at a tipping point with regards to the Iranian regime and its pursuit of nuclear weapons. U.S. Defense Secretary Gates said this week that "If the international community will stand together and bring pressure to bear on the Iranian government, I believe there is still time for sanctions and pressure to work." A decision by Shell not to engage in business in Iran at this moment would send a clear signal to Iran that even the companies that have the most to gain economically, refuse to engage with a brutal regime that suppresses human rights.

You contend that the early development of these resources serves broader international interests, and that the failure to tap into potential reserves can lead to a future "energy shock."

In good faith, can you actually claim that but for your work in Iran, there is likely to be an “energy shock”? Such a claim is misleading and simply hyperbolic. If you can make such a claim, is that not a risk of doing business of which your investors are entitled to know? This information is not contained in your recent disclosures. Surely Shell can take a long-term view of international oil and gas development without relying on its projects in Iran. Furthermore, if Shell’s intention is truly to serve the broader international interest, then its work in Iran clearly dilutes the efforts of the international community to isolate the Iranian regime.

You also acknowledge the dangers posed by a country with significant natural energy resources to exert leverage over the world economy. But yet you do not recognize that such a country empowered by nuclear weapons is even more threatening and destabilizing.

We respect your decision to apply your Business Principles in all countries in which you operate, and we respect your company’s rules for upholding human rights. However, your involvement in South Pars and your extensive operations in Iran’s oil and gas industries, makes it almost impossible for you to uphold these principles, as you are more than likely conducting business with the Islamic Revolutionary Guard Corps (IRGC). As I am sure you are aware, the IRGC is the dominant ideological entity in Iran that pervades Iran’s society and economy. It oversees Iran’s nuclear and missile programs, many of its vast engineering projects and is heavily involved in if not the leader of Iran’s major oil and gas projects, such as those in South Pars. The IRGC also directs the volunteer Basij militia, which has consistently and brutally abused the rights of protesters in Iran following the June elections. In this light, your claim that you uphold human rights is misleading.

Furthermore, although you claim that Shell has yet to formally proceed with the Persian LNG project, Shell’s decision to conduct any business in Iran sends a clear signal that multinational companies are willing to do business under the auspices of an Iranian regime that defies international law. The use of technicalities in the law to support your business in Iran is weak and further brings into question your commitment to corporate social responsibility.

While the limited disclosures made in your 2008 Annual Report and Form 20F address the risks associated with sanctions, they fail to address the inherent risks associated with conducting business with state sponsors of terrorism. Your investors have a legal right to know how the company’s overall business could be affected as a result of your decisions.

Your response is disconcerting as it indicates that Shell has no qualms doing business in a country that supports terrorism and threatens global security. How can Shell willfully do business with a regime that brutalizes its own people, represses religious and ethnic minorities, sponsors terror and undermines the Middle East peace process with its unyielding pursuit for nuclear weapons? Your lack of interest in this serious matter is of great concern.

Moreover, characterizing our assertions as “misleading” is inappropriate given your disregard for corporate social responsibility, international security and legal obligations to your investors. Instead of resorting to attacks, Shell first needs to hold itself accountable for withholding disclosure information against U.S. laws.

We maintain our belief that your decision to do business in Iran is wrong and in contradiction to U.S. laws.

We call upon Shell to properly disclose the alarming risks of doing business in Iran and to cease all operations in Iran.

Please be advised that UANI, with the support of its tens of thousands of activists, will continue to take any and all action we deem necessary to hold Royal Dutch Shell accountable for its inappropriate business relationships in Iran and its unlawful and inadequate disclosure related to such business. UANI will pursue appropriate legal action against Royal Dutch Shell, will call on the New York Stock Exchange and the London Stock Exchange to delist Royal Dutch Shell and will assist the many Royal Dutch shareholders who oppose Royal Dutch Shell's activities in Iran. Our activists remain committed to ensuring that companies like Royal Dutch Shell end their business in Iran.

Very truly yours,



Ambassador Mark D. Wallace

cc: Mary L. Schapiro
Chairwoman, United States Securities Exchange Commission

Adam J. Szubin
Director, Office of Foreign Assets Control, U.S. Department of the Treasury

Duncan L. Niederauer
Chief Executive Officer, New York Stock Exchange

Hector Sants
Chief Executive Officer, Financial Services Authority

Xavier Rolet
Chief Executive Officer, London Stock Exchange