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## **GRANT & EISENHOFER, P.A.**

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### **European Investor Group and Royal Dutch Shell Agree to \$450 Million Settlement over Shell's Misstatements of Proven Oil & Gas Reserves**

*Historic, pan-European securities settlement led by 50 institutional investors in Netherlands, UK, Germany, Sweden, Luxembourg, Denmark, Norway and France; agreement covers all non-U.S. purchasers of Shell stock on European exchanges; Investor group represented by U.S. securities law firm Grant & Eisenhofer*

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THE HAGUE, NETHERLANDS (April 11, 2007) – In the first-ever European class settlement of securities fraud claims, a group of more than four dozen European institutional investors has agreed to resolve all claims against **Royal Dutch Shell plc.** over the company's allegedly improper reporting of its proven oil and gas reserves. The group will present a class-wide settlement directly to a Dutch court.

When finally approved, the historic pan-European agreement is expected to have an aggregate value of approximately \$450 million, among the largest financial settlements on record between European shareholders and a European-based company. The settlement covers all non-U.S. purchasers of Shell stock obtained on European securities exchanges during the period of Shell's allegedly improper reserve accounting.

The settlement – led by 50 institutional investors in the Netherlands, United Kingdom, Germany, Sweden, and Luxembourg, France, Denmark and Norway – was announced at a news conference at The Hague, where Royal Dutch Shell is headquartered. Collectively, the participating investors hold more than one billion shares of Shell and include a group of national associations representing individual shareholders in EU countries.

The announced settlement stems from Shell's extreme inflation of its proven oil and gas reserves from 1997-2003, which led to massive financial restatements by the company

beginning in 2004. Estimates are that over a six-year period, Shell allegedly overstated more than \$100 billion of future cash flows, based on billions of barrels of oil that were not actually held in its reserves.

Although there is no legal mechanism to pursue class action claims in the Netherlands, investors can propose class-wide settlements to the Amsterdam Court of Appeals, using a special purpose foundation to effectuate the settlement.

Under a relatively new statute never before applied to a securities claim, Dutch law allows the court to accept a collective resolution of a dispute as long as both sides petition the court, even in the absence of a civil lawsuit. The settlement announced at The Hague would be binding for all non-U.S. investors who purchased Shell securities on European exchanges between April 1999 and March 2004.

#### European Investors to Receive “Favored Nations” Protection

Under the terms of the settlement, Shell has agreed to make a cash payment to European shareholders of \$352.6 million. The company has earmarked an additional \$96 million payment coming from a \$120 million penalty fine that Shell has been ordered to pay the SEC over its improper reserve disclosures. Additional payments bring the total to approximately \$450 million. No attorneys’ fees are being paid from the settlement amount.

In another key provision, Shell will grant “most favored nations” protection to the participating shareholders. Thus, should a settlement in the U.S. class action result in a larger distribution at a later date, Shell will pay the European investors the upside difference from any amounts received through the pan-European settlement.

“This is truly an unprecedented settlement of a large-scale European shareholder dispute,” explained attorney **Jay Eisenhofer**, whose U.S. securities law firm **Grant & Eisenhofer** represents the investor group and the special purpose foundation.

“The scale of recovery and the sheer collective unity of the investor group are both unique in a European context,” he said, noting that the shareholder class comprises a broad swath of public pension funds that invested in Shell during the years that the company repeatedly overstated the true extent of its oil and gas reserves.

In the Netherlands alone, there are 24 pension funds participating in the settlement. These funds represent nearly the entire workforce of the country, covering constituents in farming, retail, engineering, financial services, dairy, hospitals, aerospace, meat-packing, food processing, dry cleaning, and numerous other sectors.

The Dutch group is led by **Stichting Pensioenfonds ABP**, one of the world’s largest pension plans, managing more than \$230 billion in assets on behalf of some 2.5 million Dutch government and education employees, along with **Stichting Pensioenfonds voor de Gezondheid, Geestelijke en Maatschappelijke Belangen (PGGM)**, which invests

more than EUR \$80 billion for two million current and former health care and social sector employees in the Netherlands.

Mr. Eisenhofer noted that the settlement is a direct result of an opt-out lawsuit filed in the U.S. in January 2006 by ABP, PGGM and other investors, against Shell and its former senior management for their part in the reserve debacle. Other investors that played a role in negotiating the settlement reached in The Hague include: UK-based **Universities Superannuation Scheme (USS) Ltd; Railpen Investments and Morley Fund Management Ltd**; Norway's **Norges Bank Investment Management**; and German-based **Deka International S.A**; and its affiliate, Deka Investment GmbH. (A complete list of all participating investors leading the class-wide settlement follows below.)

#### “Uniquely European Resolution to European Problem”

“The other remarkable aspect of the settlement is that it was reached apart from a conventional litigation,” Mr. Eisenhofer said.

“European investors do not have the same options to pursue securities claims that are available to U.S. investors through class actions,” he explained. “By coming together in such a large fashion across multiple countries, and petitioning the Amsterdam Court of Appeals to work directly with Shell to settle their claims, this group of trans-European investors has struck a uniquely European resolution to settling a European securities claim – it truly has never been done before.”

The settlement is contingent on a U.S. judge's ruling not to include claims against Shell brought by investors who are non-U.S. residents who purchased Shell stock on European exchanges. A certification hearing to determine which investors will ultimately comprise the class action is scheduled to begin June 15 in Trenton, NJ.

If the U.S. court retains jurisdiction over these investors, the settlement will be null and void. If, however, the court decides not to exercise jurisdiction over non-U.S. shareholders, then the announced settlement in the Netherlands becomes effective. In effect, today's settlement is a major insurance policy guaranteeing recovery for this large class of non-U.S. Shell shareholders.

By including an opt-in provision to the U.S. class action, the agreement also offers an extra safety net to the investor group. “We fully expect the settlement reached in the Netherlands will go forward and cover all European shareholders,” Mr. Eisenhofer noted. “However, if by some unexpected turn the U.S. court decides to retain jurisdiction, our clients have the option to proceed as members of that class – there would be no penalty for having signed the settlement at hand.”

“At the same time, if our settlement does proceed and U.S. investors later receive a higher per-share recovery through the class action, European shareholders will receive a requisite premium,” Mr. Eisenhofer added. “All in all, we believe this is the best possible

outcome for a major class of worldwide investors who bore a huge brunt of the reserve accounting failures at Shell.”

**Grant & Eisenhofer P.A.** represents institutional investors and shareholders internationally in securities class actions, corporate governance actions and derivative litigation. The firm has recovered more than \$2.6 billion for shareholders in the last five years and was named one of the Top 5 firms for shareholder recovery in 2005 and 2006 by Institutional Shareholder Services as well as to the National Law Journal’s list of Top Ten Plaintiffs’ firms in both years. For more, visit [www.gelaw.com](http://www.gelaw.com)

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### List of European Investors Participating in Class-Wide Settlement w/Shell

Country	Name of Investor/Shareholding Institution
Denmark	Pensionskassernes Administration A/S
Germany	ampegaGerling (ampegaGerling Asset Management GmbH; ampegaGerling Investment GmbH)
Germany	Deka Investment GmbH
Germany	Frankfurter Service Kapitalanlage-Gesellschaft mbH f/k/a Frankfurt-Trust Investment-Gesellschaft mbH, Frankfurt-Trust Invest Luxemburg AG
Germany	INKA HSBC Trinkaus Burkhardt (INKA Internationale Kapitalanlagegesellschaft mbH)
Germany	Metzler Investment GmbH
Ireland	Deka International (Ireland) Limited
Luxembourg	Deka International S.A. (Luxembourg)
Norway	Norges Bank Investment Management
Sweden	AFA Sjukforsakringsaktiebolag AFA Sjukforsakringsaktiebolag on behalf of Kollektivavtalsstiftelsen Trygghetsfonden TSL AFA Livforsakringsaktiebolag AFA Trygghetsforsakringsaktiebolag
Sweden	Alecta pensionsforsäkring, ömsesidigt
Sweden	AMF Pension
Sweden	Sjunde AP-Fonden
Sweden	Swedbank Robur AB
Switzerland	Pictet & Cie
Switzerland	UBS AG (UBS Asset Management AG; UBS Global Wealth Management AG; UBS Securities LLC)
The Netherlands	Stichting Pensioenfonds ABP
The Netherlands	Stichting Pensioenfonds Holland Casino
The Netherlands	Stichting Bedrijfstakpensioenfonds voor het

	Horecabedrijf
The Netherlands	Stichting Bedrijfspensioenfonds voor de Landbouw Stichting Pensioenfonds Wonen Stichting pensioenfonds voor de Tandtechniek Stichting Uittreding werknemers Agrarische sectoren Stichting Pensioenfonds voor fysiotherapeuten Stichting Bedrijfspensioenfonds voor de Schoenmakerij Stichting Pensioenfonds Dutch Space Stichting Bedrijfstakpensioenfonds voor het Melk- en Zuiveldetailhandelsbedrijf Stichting Bedrijfstakpensioenfonds voor het levensmiddelenbedrijf Stichting bedrijfstakpensioenfonds voor het Schoonmaak- en Glazenwassersbedrijf Stichting Bedrijfstakpensioenfonds voor de Detailhandel Stichting De Samenwerking, pensioenfonds voor het Slagersbedrijf Interpolis Pensioenen Nederland Pool Interpolis Pensioenen Europa Pool Stichting Pensioenfonds Interpolis
The Netherlands	Stichting Pensioenfonds Metaal En Techniek
The Netherlands	Stichting Pensioenfonds voor de Gezondheid, Geestelijke en Maatschappelijke Belangen
The Netherlands	Stichting Bedrijfstakpensioenfonds voor de Metalektro
The Netherlands	Robeco Group
The Netherlands	Stichting Bedrijfstakpensioenfonds Zorgverzekeraars
The Netherlands	Stichting Pensioenfonds Openbaar Vervoer Stichting Spoorwegpensioenfonds
United Kingdom	AXA Investment Managers UK Ltd.
United Kingdom	F&C Management Limited
United Kingdom	Morley Fund Management
United Kingdom	Railways Pension Trustee Company Limited
United Kingdom	The Co-Operative Insurance Society Ltd. (CIS)
United Kingdom	Universities Superannuation Scheme (USS) Ltd.