

Royal Dutch Petroleum **Still Cheap after Reserve Revision**

<i>Symbol</i>	<i>Price (\$/sh)</i>		<i>Market Cap (\$mm)</i>	<i>Net Present Value (\$/sh)</i>		<i>Debt/ Present Value</i>	<i>McDep Ratio</i>	<i>EV/ Sales</i>		<i>EV/ Ebitda</i>	<i>P/E</i>	<i>Div'd NTM (%)</i>	<i>PV/ Ebitda NTM</i>
	<i>8-Jan 2004</i>	<i>Shares (mm)</i>		<i>Present Value</i>	<i>Value</i>			<i>NTM</i>	<i>NTM</i>				
RD	52.76	3,473	183,200	60.00	0.17	0.90	1.1	6.8	16	4.2	7.6		

McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses

EV = Enterprise Value = Market Cap and Debt:

US\$m 225,000

Ebitda = Earnings before interest, tax, depreciation and amortization:

US\$m 32,900

NTM = Next Twelve Months Ended June 30, 2003; P/E = Stock Price to Earnings

PV = Present Value of energy businesses:

US\$m 250,000

Present Value of Equity:

US\$m 208,000

Summary and Recommendation

Management's revision of proven reserves makes the statistical attraction of Royal Dutch stock comparable to, instead of greater than peers in an attractive investment group. The announcement that proved undeveloped reserves are to be revised downward lowers our adjusted reserve life index from 9.7 years to 8.4 years and our estimated present value of equity from \$65 a share to \$60 a share. Royal Dutch and its peers offer a uniquely positive combination of real return, inflation protection and deflation resistance that we believe will serve investors well in the uncertain world ahead.

Kurt H. Wulff, CFA

Royal Dutch/Shell
Next Twelve Months Operating and Financial Estimates

	<i>Q1</i>	<i>Q2</i>	<i>Q3</i>	<i>Q4E</i>	<i>Year</i>	<i>Next</i>
	<i>3/31/03</i>	<i>6/30/03</i>	<i>9/30/03</i>	<i>12/31/03</i>	<i>2003E</i>	<i>Twelve</i>
						<i>Months</i>
						<i>12/31/04</i>
Volume						
Natural Gas (mmcf)						
U.S. (or North America)	1,633	1,627	1,455	1,455	1,542	1,455
Overseas (or Int'l)	9,003	6,644	6,011	8,656	7,573	7,573
Total	10,636	8,271	7,466	10,111	9,115	9,028
Oil (mmbd)	2,407	2,361	2,401	2,401	20,749	2,401
Total gas & oil (mmb)	376	340	335	376	1,428	1,426
Price						
Natural gas (\$/mcf)						
Henry Hub (\$/mmbtu)	6.38	5.63	4.87	5.08	5.49	5.58
U.S. (or North America)	6.87	5.63	5.15	4.57	5.59	5.02
Overseas (or Int'l)	2.69	2.69	2.73	2.83	2.74	2.91
Total	3.33	3.27	3.20	3.08	3.22	3.25
Oil (\$/bbl)						
WTI Cushing	34.03	29.07	30.22	31.19	31.13	31.91
Worldwide	29.43	25.06	27.46	28.34	27.58	28.99
Total gas & oil (\$/bbl)	25.43	23.05	24.64	24.28	24.38	25.33
NY Harbor 3-2-1 (\$/bbl)	6.96	5.83	7.61	5.30	6.42	6.75
Revenue (\$mm)						
Natural Gas						
U.S. (or North America)	1,010	834	689	612	3,145	2,665
Overseas (or Int'l)	2,180	1,626	1,510	2,257	7,573	8,034
Total	3,189	2,460	2,199	2,869	10,717	10,698
Oil	6,375	5,384	6,066	6,260	24,085	25,406
Other	44,250	40,231	41,200	41,200	166,882	164,801
Total	53,815	48,075	49,465	50,329	201,684	200,905
Expense						
Production	3,280	2,907	2,810	2,982	11,979	11,848
Other	41,246	37,053	38,956	39,297	156,551	156,146
Ebitda (\$mm)						
Exploration and Production	6,284	4,937	5,455	6,146	22,823	24,256
Other	3,005	3,178	2,245	1,903	10,331	8,655
Total Ebitda	9,289	8,116	7,700	8,049	33,154	32,911
Exploration	248	152	194	194	788	782
Deprec., Deplet., & Amort.	2,498	2,390	2,995	2,995	10,878	11,980
Other non cash	132	145	152	152	581	608
Ebit	6,411	5,429	4,359	4,708	20,907	19,541
Interest	374	300	352	352	1,378	1,408
Ebt	6,037	5,129	4,007	4,356	19,529	18,133
Income Tax	2,113	1,795	1,402	1,525	6,835	6,347
Net Income (\$mm)						
Exploration and Production	2,787	2,023	2,057			
Other	1,471	1,511	797			
Unallocated	(334)	(200)	(250)			
Total	3,924	3,334	2,604	2,832	12,694	11,787
Shares (millions)	3,473	3,473	3,473	3,473	3,473	3,473
Per share (\$)	1.13	0.96	0.75	0.82	3.66	3.39
Ebitda Margin (E&P)	66%	63%	66%	67%	66%	67%
Tax Rate	35%	35%	35%	35%	35%	35%

Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Historical independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at www.mcdep.com. Mr. Wulff is not paid by covered companies. Owning stocks, neither Mr. Wulff nor his spouse act contrary to a buy or sell rating.