Shell New Zealand

Pension Plan

Lump Sum Section

Investment Statement (for the purposes of the Securities Act 1978)

17 January 2011

Important Information

(The information in this section is required under the Securities Act 1978)

Investment decisions are very important. They often have long-term consequences. Read all documents carefully. Ask questions. Seek advice before committing yourself.

CHOOSING AN INVESTMENT

When deciding whether to invest, consider carefully the answers to the following questions that can be found on the pages noted below:

ENGAGING AN INVESTMENT ADVISER

An investment adviser must give you a written statement that contains information about the adviser and his or her ability to give advice. You are strongly encouraged to read that document and consider the information in it when deciding whether or not to engage an adviser.

Tell the adviser what the purpose of your investment is. This is important because different investments are suitable for different purposes, and carry different levels of risk.

The written statement should contain important information about the adviser, including:

- relevant experience and qualifications, and whether dispute resolution facilities are available to you; and
- what types of investments the adviser gives advice about; and
- whether the advice is limited to investments offered by 1 or more particular financial institutions; and
- information that may be relevant to the adviser's character, including certain criminal convictions, bankruptcy, any adverse findings by a court against the adviser in a professional capacity, and whether the adviser has been expelled from, or prohibited from joining, a professional body; and
- any relationships likely to give rise to a conflict of interest.

The adviser must also tell you about fees and remuneration before giving you advice about an investment. The information about fees and remuneration must include:

- the nature and level of the fees you will be charged for receiving the advice; and
- whether the adviser will or may receive a commission or other benefit from advising you.

An investment adviser commits an offence if he or she does not provide you with the information required.

WARNING – RESTRICTED DISCLOSURE

The law requires that persons considering whether to join a superannuation scheme must be supplied on request with a prospectus about that scheme.

However, this employer superannuation scheme has been exempted from this requirement under the Securities Act (Employer Superannuation Schemes) Exemption Notice 2004.

You should be aware that in choosing to become a member of this superannuation scheme you may be doing so on the basis of more limited information than is generally available to investors making important decisions about investments. However, every prospective member of this scheme has a right, under the Superannuation Schemes Act 1989, to request to receive certain information about the scheme (including a copy of the trust deed).

Description of securities

OVERVIEW OF PLAN

The Shell New Zealand Pension Plan (*the Plan*) was established in 1949 and since that date has provided employees of the Shell group of companies in New Zealand with superannuation benefits on leaving Service. As the Plan is a defined benefit scheme, your benefit will be based on your Final Salary and Pensionable Service when you leave Shell's employment (rather than on contributions and investment earnings on those contributions).

The Plan provides benefits which are payable whenever you leave Service (i.e. through retirement, redundancy or resignation). Benefits are also payable on your death or Total and Permanent Disablement.

The Plan is registered with the Government Actuary under the Superannuation Schemes Act 1989. It is operated in accordance with the governing Trust Deed by the Trustee, which has a duty to protect your interests.

LUMP SUM SECTION OF PLAN

This Investment Statement relates to the Lump Sum Section of the Plan, which was established effective 1 April 1997 and is sometimes described as the "1997 Scheme". All employees who have joined the Plan since 1 April 1997, or who were already Members on that date and have elected to transfer to the Lump Sum Section, are eligible to receive the benefits from the Lump Sum Section.

The Plan continues to include a Pensions Section, from which both pension and lump sum benefits (also based on salary and service) are payable to both Members and Pensioners. However, the Pensions Section is now closed to new Members.

The benefits payable from both Sections of the Plan are funded by contributions from Members and Participating Companies and investment earnings on the Plan's assets.

Lump Sum Section benefits are payable as cash lump sums which, as at the date of this Investment Statement, are tax-free (except that in certain very limited circumstances, fund withdrawal tax may apply to withdrawals before 1 April 2011 – see page 16).

This Investment Statement details the benefits available to new joiners to the Plan.

Shell Investments NZ Limited, which acts as *the Company* for Plan purposes, may review the Plan but in the event of any future change, Members' accrued entitlements will be preserved.

The Plan offers employees of the Participating Companies an opportunity to establish a regular savings discipline, thereby assisting to provide a satisfactory level of retirement income. Retirement means something different to each individual, but most people look forward to having the time to enjoy favourite pastimes and having enough money to feel financially secure. The Plan also gives protection for you and your family in the event of your death or loss of earnings due to a serious disability. There is no normal retirement date for the Lump Sum Section and, subject to certain restrictions relating to ongoing contributions, your "Pensionable Service" for benefit purposes will continue to accrue until you leave Service.

The benefits described in this Investment Statement are the benefits applicable to Members under the Lump Sum Section as at the date of this Investment Statement.

PLEASE READ THIS INVESTMENT STATEMENT CAREFULLY

We suggest that you discuss the benefits with your family, so that they too appreciate the security and protection that the Plan will provide for you and for them.

This Investment Statement is required under the Securities Act 1978, and is designed to enable you to make comparisons between the various types of investment available to you. The directors of the Trustee encourage you to compare the Plan with other forms of investment, as they believe this will demonstrate to you the value of membership of the Plan.

This Investment Statement is only intended to be a summary of the features of the Lump Sum Section and is not a substitute for the formal Trust Deed governing the Plan. Should any conflict or ambiguity arise between statements made in this Investment Statement and the Trust Deed, the provisions of the Trust Deed will prevail.

Some expressions explained

Some terms are used in the Plan in a special way – it is important to understand them, as they describe how the Plan works. To help you, these terms are defined below:

Beneficiary means a Member or any other person either presently or contingently entitled to any benefit from the Plan. You may nominate a person to receive benefits if you die in Service. Most people name their spouse or their estate.

Company means Shell Investments NZ Limited.

Final Salary means the annual salary (or annualised gross wages) of a Member, excluding any overtime, shift allowances, bonuses or variable pay, at the date of his or her leaving Service or death as applicable. Protection is offered to Members whose Final Salary is less than they have earned during their career with their employer. For example, a Member may have accepted demotion or taken on lesser responsibilities late in their career (in which case, with respect to earlier years, benefits from the Lump Sum Section will recognise the higher salaries paid in those years).

KiwiSaver Scheme means a scheme registered under the KiwiSaver Act 2006, and includes a complying superannuation fund as defined in the Income Tax Act 2007.

Lump Sum Section means the section of that name which is one of the two main sections of the Plan (the other being the Pensions Section). Both sections provide defined benefits, but in the Pensions Section retirement benefits can be paid wholly or partly as pensions, whereas Lump Sum Section benefits are payable entirely as lump sums.

Lump Sum Section Member means a Member who has joined the Plan since 1 April 1997 (or has transferred from the Pensions Section to the Lump Sum Section).

Member means an employee of a Participating Company who has joined the Plan. If a Member is assigned from his or her Participating Company to an associated company overseas, or in New Zealand, then (unless the Company directs otherwise) his or her membership continues during the period of employment by that associated company.

Participating Company, as at the date of this Investment Statement, means Shell Todd Oil Services Limited, Shell Exploration NZ Limited and (where the context permits) the Company.

Pensionable Service means the period of a Member's Service while contributing to the Plan (calculated in years, months and days). Pensionable Service excludes any period during which the Member is not permitted to contribute to the Plan (this relates to periods in which the Member's Participating Company is required to contribute for the Member's benefit to a KiwiSaver Scheme).

Pensioner means a former Member of the Pensions Section who is currently receiving a pension from the Plan.

Plan means the Shell New Zealand Pension Plan.

Plan Year means the period from 1 April in any year to the next 31 March.

Service means, in respect of a Member, continuous permanent employment with one or more Participating Companies. If a Member is assigned from his or her Participating Company to an associated company overseas, or in New Zealand, then (unless the Company directs otherwise) his or her Service continues during the period of employment by the associated company.

Total and Permanent Disablement in respect of a Member means, subject to the terms and conditions of the Trust Deed, that the Member has been absent from his or her regular employment because of illness or injury for a period of six consecutive months (or such shorter period as the Trustee decides) and is in the opinion of the Trustee, after considering medical advice, incapacitated to such an extent as to be unlikely ever to engage in or work for reward in any occupation or work for which he or she is reasonably qualified by education, training or experience. If, after considering such medical and other evidence, the Trustee determines that the Member has not suffered Total and Permanent Disablement then the benefit is not payable.

Trust Deed means, as at the date of this Investment Statement, the replacement trust deed dated 25 February 2010 containing the provisions governing the Plan.

Trustee means Shell New Zealand Pensions Limited. The Trustee's role is to ensure the Plan operates in accordance with the Trust Deed and that benefits are paid to those entitled to receive them. The Trustee is also responsible for the investment of your contributions and those made by the Participating Companies.

What sort of investment is this?

The Plan is registered under the Superannuation Schemes Act 1989 and comprises a Lump Sum Section and a Pensions Section. This Investment Statement relates solely to the Lump Sum Section.

The Plan operates as a trust in accordance with the provisions set out in the Trust Deed.

Contributions made to the Plan by Members and Participating Companies are invested by the Trustee (which has adopted a strategy to achieve a good return in the long term for a reasonable degree of risk). Investments are made through professional investment managers in a wide range of assets including Government and other fixed interest securities, shares and cash (both in New Zealand and overseas). In the interests of Members and Pensioners, the Trustee maintains regular supervision of the performance of these investments and makes such changes to the investment policy as it considers necessary from time to time.

As at the date of this Investment Statement, membership of the Plan is offered only to employees of Shell Todd Oil Services Limited and Shell Exploration NZ Limited, subject to the conditions and restrictions outlined under *How do I join?* on page 7.

Who is involved in providing it for me?

The name of the Plan is the Shell New Zealand Pension Plan. The Plan was established in 1949 by the Shell Company of New Zealand Limited, its principal purpose being to provide retirement benefits to employees of the companies participating in the Plan.

The promoters of the Plan, as at the date of this Investment Statement, are Shell Investments NZ Limited (*SINZ*), Shell Todd Oil Services Limited (*STOS*), Shell Exploration NZ Limited (*SENZ*) and the directors of each of those three companies (except those who are also directors of the Trustee).

The issuer of membership interests in the Plan is the Trustee. The Trustee is a corporate trustee, Shell New Zealand Pensions Limited.

THE TRUSTEE
The Trustee has four main responsibilities, as follows:

- to ensure the Plan runs smoothly and efficiently in accordance with the Trust Deed;
- to ensure all contributions to, and benefit payments from, the Plan are properly made in accordance with the Trust Deed;
- to ensure that the Plan's assets are invested in a prudent manner; and
- to look after the interests of Members and Pensioners.

OTHER ORGANISATIONS INVOLVED WITH THE PLAN

While the Trustee is responsible for overseeing the Plan, it does not try to do everything itself. Experts are employed to help with the running of the Plan. These are as follows:

- **Investment managers** – invest the Plan's assets in line with the investment strategy adopted by the Trustee

- **Auditors** – make sure the Plan's financial statements follow proper accounting practice and give a true and fair view of its financial position

- **Solicitors** – provide advice to the Trustee in carrying out its legal duties

- **Actuary** – advises the Trustee and the Company on the contributions required in order to ensure that the Plan can deliver the benefits needed (an actuary is a business professional who deals with the financial impact of risk and uncertainty)

- **Administration Manager** – carries out (as the Trustee's delegate) the day to day administration of the Plan.

CONTACT DETAILS

As at the date of this Investment Statement, the contact address of both the Trustee and the promoters of the Plan (and of Shell Exploration NZ Limited in its capacity as Administration Manager) is 167 Devon Street West, Private Bag 2035, New Plymouth 4620.

The names, and addresses where required, of the Trustee, the promoters, the investment managers, the administration manager, the insurer, the actuary and the auditors of the Plan are contained in the *Directory* which is attached to this Investment Statement.

How do I join?

All permanent employees of the Participating Companies who are either full-time or part-time (working 15 or more hours per week) and not members of a KiwiSaver Scheme to which a Participating Company is currently required by statute to make employer contributions in respect of them may apply to join the Plan.

You generally have three months from the date of becoming employed by a Participating Company (or becoming a permanent employee) to exercise your right to apply to join the Plan. However, if you are already committed to KiwiSaver Scheme contributions (by way of salary or wage deductions) when you commence employment then you will usually have until the end of the month during which you qualify to take a KiwiSaver contribution holiday to exercise your right to join the Plan, even if that is more than three months away. This is because:

- contributing to a KiwiSaver Scheme from salary or wages disqualifies you from joining the Plan (by reason of entitling you to receive compulsory employer contributions to that KiwiSaver Scheme); and

- by taking a contribution holiday (i.e. discontinuing your KiwiSaver contributions from salary or wages) you discontinue your entitlement to those compulsory contributions and are therefore no longer disqualified on that basis from joining the Plan;

but KiwiSaver contribution holidays (which must be renewed five-yearly) are not usually permissible until 12 months have elapsed since Inland Revenue received the first KiwiSaver contribution paid for your benefit.

Because membership of the Plan entitles you to many benefits, you will have to fulfil certain obligations before membership is approved. You will be required to undertake a medical examination paid for by your employer, and you will also be required to produce your birth certificate (your application may only be processed upon receipt of that certificate).

If you do not pass the medical examination, you may still be invited by the Trustee to join the Plan but on Restricted Terms (these are restrictions imposed, due to a medical condition, on the Death in Service and Total and Permanent Disablement benefits described on pages 13 and 15). These Restricted Terms will not affect your primary benefit, which is the Leaving Service Benefit described on page 11.

You may obtain an application form from Human Resources, Shell HO, New Plymouth.

How much do I pay?

MEMBER CONTRIBUTIONS

You are normally required to contribute at the rate of 5% of your salary or wages to the Plan. Your contributions will be deducted regularly from your pay and paid into the Plan.

An example of the contributions you may make is:

- Your salary is $50,000 per annum.

- Your contribution will be 5% of $50,000 – which is $2,500 per annum or $208.33 per month.

If you so wish then (if you are a full-time employee) you may make a once-only election to contribute at the lower rate of 2.5% of your salary for a maximum period of five years. If you elect this option, then the Leaving Service Benefit payable from the Plan in respect of the period during which you paid those reduced contributions will halve accordingly.

If you work on a part-time basis, you must contribute at the rate of 5% of actual salary received (and your Leaving Service Benefit in respect of each such period of part-time employment will reduce in proportion to the percentage of full-time hours worked).

Your own contributions are effectively taxed, in as much as they come from your after-tax salary and there is no rebate or tax incentive.

CONTRIBUTION RESTRICTIONS FOR NEW MEMBERS

You are not permitted to contribute to the Plan during any period in which your Participating Company is required by statute to contribute for your benefit to any KiwiSaver Scheme you have joined. There is a minimum period for which you will usually be prevented from contributing to the Plan in this circumstance, being 12 months commencing from the date when your Participating Company most recently became required to contribute to KiwiSaver for your benefit. This 12 month minimum does not apply when you first join the Plan.

No Pensionable Service will accrue in respect of any period in which you are prevented on this basis from contributing to the Plan.

PARTICIPATING COMPANY CONTRIBUTIONS

Your contributions cover a portion of the cost of the benefits of the Plan. The Participating Companies must contribute to the Plan the amounts determined from time to time by the Company (after considering the recommendations of the Plan's actuary and the Trustee) as necessary to provide the benefits payable under the Plan:

- in the case of each of Shell Todd Oil Services Limited and Shell Exploration NZ Limited, to or in respect of the Members and Pensioners who are or were employed by that Participating Company; and

- in the case of Shell Investments NZ Limited, to or in respect of all other Plan beneficiaries.

The Trustee is required by law to ensure that the Plan's actuary investigates the financial state of the Plan at least once every three years.

The contributions made by the Participating Companies are determined as set out above and the amounts of these contributions will affect the funding position of the Plan. At any point in time, the Plan may have either an actuarial surplus or a deficit of assets over liabilities, but Members should be aware that the assets of the Plan (including any assets representing actuarial surplus from time to time) are held by the Trustee on the terms set out in the Trust Deed. The Trust Deed specifies the benefits provided by the Plan, and Members should not have any expectation of receiving any benefits over and above those specified by reason of the existence of an actuarial surplus.

Depending on the financial status of the Plan, and in the event of an actuarial surplus, there may be periods where the Participating Companies are not required to contribute to the Plan.

Under taxation legislation as at the date of this Investment Statement, contribution tax is deducted from the Participating Companies' contributions to the Plan to fund each Member's and Pensioner's benefit entitlements, either at a standard 33% rate or (if the Participating Companies so elect) at a rate related to:

- the gross earnings and before-tax employer superannuation contributions which the Member or Pensioner received from the relevant Participating Company in the previous income year (a period of 12 months ending on 31 March); or

- if the Participating Company did not employ the Member for all of the previous income year, the Participating Company's estimate of the gross earnings and before-tax employer superannuation contributions that it will pay for the benefit of the Member during the current income year.

Under the current provisions of the Income Tax Act 2007, the resulting contribution tax rates are as follows:

- 10.5% if the Member's or Pensioner's assessed or estimated earnings plus employer superannuation contributions are not more than $16,800;

- 17.5% if the Member's or Pensioner's assessed or estimated earnings plus employer superannuation contributions are between $16,801 and $57,600;

- 30% if the Member's or Pensioner's assessed or estimated earnings plus employer superannuation contributions are between $57,601 and $84,000; and

- 33% in every other case.

What are the charges?

You do not incur any additional fees or charges in excess of your contribution of 5% of salary as a result of your membership of the Plan.

The Trustee is responsible for paying certain charges associated with the operation of the Plan. These charges are paid from the Plan's assets and include:

- administration expenses and insurance costs;

- fees (e.g. audit fees and professional advisers' fees); and

- investment-related fees and expenses (e.g. custodial fees, investment management fees and interest on short-term borrowings).

The investment management fees are based on a fixed percentage of the average market value of the investments managed on behalf of the Plan. The other charges vary according to the services provided, but each is subject to approval by the Trustee. Details of the expenses incurred in each Plan Year are set out in the financial statements of the Plan.

What returns will I get?

The return that you will get from membership of the Plan will depend on your reason for ceasing to be a Member, on how long you were a Member, and on your Final Salary. The Trustee is legally liable to pay the various benefits (returns) from the Plan, which are explained below. The date that your benefit will be paid is unknown on date of this Investment Statement.

LEAVING SERVICE BENEFIT

Your benefit entitlement from the Plan, except in respect of the death or disablement benefit, will be calculated in the same manner no matter when you leave Service or for whatever reason you may leave. It will be paid to you as a lump sum.

The benefit entitlement will be based on your period of Pensionable Service (calculated in years, completed months and days) and your Final Salary at the date you leave Service and is called the **Leaving Service Benefit**.

The Leaving Service Benefit payable will be expressed as a percentage of Final Salary, determined as follows:

For each of the first five years of Pensionable Service	10%
For each subsequent year of Pensionable Service	20%

The following table details the cumulative percentage payable for the first ten years of membership, and in bands of five years thereafter:

Complete years of Pensionable Service*	% of Final Salary
0	0
1	10
2	20
3	30
4	40
5	50
6	70
7	90
8	110
9	130
10	150
15	250
20	350
25	450
30	550
35	650
40	750

* **Note** that if a Member is also a member of a KiwiSaver Scheme to which the Member's Participating Company is required (or has at any time in the past been required) to contribute, limits are placed on the Member's Pensionable Service accruing - see page 9 for details.

Complete months of Pensionable Service count proportionately as follows:

During each of the first five years	0.833%
During each subsequent year	1.667%

Any additional completed days (i.e. further part-months) of Pensionable Service also count proportionately.

Example:

A You join the Plan on 1 April 2010
You leave the Service of Shell on 31 March 2018
Your Final Salary is $60,000
Your period of Pensionable Service is eight years exactly
Your Leaving Service Benefit is calculated in two parts as follows:

1 For your first five years of Pensionable Service

Final Salary x Pensionable Service x percentage

= $60,000 x 5 x 10%

= $30,000

2 For your period of Pensionable Service in excess of five years

Final Salary x Pensionable Service x percentage

= $60,000 x 3 x 20%

= $36,000

Adding the two parts together gives a total Leaving Service Benefit of $66,000.

Alternatively, if the table on the previous page was used, you would apply the factor of 110% to Final Salary giving a Leaving Service Benefit of:

$60,000 x 110%

= $66,000

Adjustments to the Leaving Service Benefit are made if you elect to contribute at only 2.5% for up to five years, if you work part-time for any period, or if your salary has reduced during your career. Examples of the respective adjustments to be made are given below.

Further examples:

B Facts are the same as in Example A above, except that for the last two years you elected to contribute at the lower rate of 2.5%, which is 50% of the full contribution rate required. Your Leaving Service Benefit is made up of three parts:

5 years @ 10%	50%
1 year @ 20%	20%
2 years @ 20% x 50%	20%
	90%

Your Leaving Service Benefit is 90% of your Final Salary, or $54,000.

C Facts are the same as in Example A above, except that for the latter three years you worked on a part-time basis for 15 hours a week, which is equivalent to 40% of one full year's Pensionable Service for each part-time year worked. Your equivalent full-time salary – as determined by Human Resources (not necessarily 100/40 of your actual part-time salary) – is $60,000 when you leave. Your Leaving Service Benefit is made up of two parts:

5 years @ 10%	50%
3 years @ 20% x 40%	24%
	74%

Your Leaving Service Benefit is 74% of your Final Equivalent Full-time Salary, or $44,400.

D Facts are the same as in Example A above, except that in the last two years you accept a position with lesser responsibility and your salary is reduced from $60,000 to $50,000. Your Leaving Service Benefit is made up of three parts:

5 years @ 10% x $60,000	30,000
1 year @ 20% x $60,000	12,000
2 years @ 20% x $50,000	20,000
	$62,000

Note that the calculation for the first six years is based on your Highest Salary, rather than your Final Salary.

Your Leaving Service Benefit would be $62,000.

DEATH IN SERVICE

Should you die in Service while a Member of the Plan, a benefit will be payable equal to the greater of:

- your Leaving Service Benefit as calculated above;

OR

- a salary multiple which depends on your age at the date of death.

The salary multiple is four times your Final Salary, but reduces from age 55 as follows:

Age of Member (in complete years)	Multiple of Salary
55 years or less	4.0
56	3.6
57	3.2
58	2.8
59	2.4
60	2.0
61	1.6
62	1.2
63	0.8
64	0.4
65 years or more	0

If you should die in Service while contributing at the lesser rate of 2.5% of salary, then the salary multiple-based benefit will be payable in full as if you were contributing at 5%. If you should die in Service while in part-time employment, or if you have ever been in part-time employment while a Member, the salary multiple will be adjusted to reflect your part-time hours.

If you are a Member on Restricted Terms (these are the restrictions on your Death in Service and Total and Permanent Disablement benefits which will apply if, due to a medical condition, you did not pass the medical examination undertaken when you sought to join the Plan) then the salary multiple that will apply to your benefit is two times your Final Salary up to age 55. Beyond age 55 it will be half the Multiple of Salary listed in the table above for the relevant age.

As at the date of this Investment Statement, the death benefit is payable as a tax-free lump sum. Your death benefit covers you for death from any cause 24 hours a day, seven days a week.

INSURANCE

The Trustee may insure all or any part of the Death in Service benefit, or the Total and Permanent Disablement benefit, through a group life insurance policy. As at the date of this Investment Statement, the Plan is largely self-insured for the risks of Death in Service or Total and Permanent Disablement claims (a stop-loss policy is in place to cover the contingency of an unusually high number of deaths or Total and Permanent Disablement claims from Lump Sum Section Members in any one year).

NOMINATED BENEFICIARIES

The Trustee has a wide discretion in the Trust Deed as to whom any benefit due from the Plan when you die shall be paid. The Trustee may make payment to (amongst others) your spouse, children, any other person dependent on you, or your estate. To assist the Trustee in reaching a decision that satisfies the best interests of all concerned, you may nominate in writing a person or persons whom you wish the Trustee to consider as a possible recipient of any death benefit payable. While the Trustee is not bound by your nomination, it will normally be guided by it.

If you wish the benefit to be dealt with in terms of your will, you may nominate your Legal Personal Representatives (i.e. your estate). Nominations can be changed, in writing, at any time. It is important to review your nomination if your personal circumstances change (for example, if you marry).

If the Trustee is unable to trace the beneficiaries entitled to your benefit and the money is not claimed for 12 years after the date on which it became due, that money will revert to the Plan.

TOTAL AND PERMANENT DISABLEMENT IN SERVICE BEFORE AGE 65

If, prior to age 65, you become Totally and Permanently Disabled while a Member of the Plan, the Lump Sum Section provides for a benefit equal to the Death in Service benefit. This cover is provided for Total and Permanent Disablement from any cause 24 hours a day, seven days a week.

The benefit on Total and Permanent Disablement is payable as a tax-free lump sum, as at the date of this Investment Statement, and may be paid directly to you or to your dependants for your benefit.

You will be deemed to be Totally and Permanently Disabled, subject to the terms and conditions of the Trust Deed, if:

(i) you have been absent from your regular employment because of illness or injury for a period of six consecutive months; and

(ii) in the opinion of the Trustee (after considering medical evidence) you are incapacitated to such an extent as to be unlikely ever to engage in or work for reward in any occupation or work for which you are reasonably qualified by education, training or experience.

If you are a Member on Restricted Terms (see page 8) then no Total and Permanent Disablement benefit is payable, and if you leave Service as a consequence of Total and Permanent Disablement then you will be entitled only to a Leaving Service Benefit as outlined on pages 11 to 13.

DEATH OR DISABLEMENT IN SERVICE AGED 65 OR OVER

Should you remain in Service over age 65 and remain a Member of the Plan, the benefit payable in the event of your death or Total and Permanent Disablement will be equal to the Leaving Service Benefit.

TRANSFERS

Transfers to or from retirement benefit schemes of associated companies may be permitted, on terms to be agreed between a Member and the Trustee after considering the advice of the Plan's actuary.

FUND WITHDRAWAL TAX

The Income Tax Act 2007 may impact on any benefit paid to you from the Plan. Up until 31 March 2011, under certain limited circumstances, a fund withdrawal tax of up to 5% on the portion of any benefit withdrawn that is attributable to Participating Company contributions may be imposed.

The tax will not apply if the withdrawal is:

- on or after or shortly before the date on which you cease employment; or
- on or after the date on which you are deemed by the Act to have partially retired; or
- on a date as at which, in each of the four preceding income years, your taxable earnings plus any before-tax employer superannuation contribution entitlements have together totalled less than $70,000 a year; or
- because you are transferring to another registered superannuation scheme.

The tax will not apply to withdrawals made from 1 April 2011.

You should be aware (in particular) that if a benefit is payable while you remain in Service, for example on a winding up or a partial winding up of the Plan, there may be a tax payable. This will depend on your individual circumstances.

This Investment Statement is not a full statement of the circumstances in which the tax might apply. The legislation is complicated, and the Trustee recommends that you obtain your own independent advice concerning the taxation implications of your investment in the Plan.

What are my risks?

The Plan is a defined benefit scheme. In defined benefit schemes, benefits are determined by salary and length of Pensionable Service. Unlike cash accumulation schemes, which are more common nowadays, the investment returns achieved by the Plan do not impact on the benefits payable. The benefits are defined from the outset, providing more certainty for Members, and are financed by Member and Participating Company contributions and investment returns.

The Participating Companies contribute amounts determined by the Company (after considering the advice of the Plan's actuary) as being the amounts necessary to provide security for Members' benefits. Consequently, should investment returns be poor or negative (or should benefit costs be greater than projected) in the longer run, the Participating Companies will have to contribute more than would otherwise be the case. As such, it is the Participating Companies, not the Members, which bear the investment, contribution rate and funding risks for the Plan.

The Trust Deed requires that at least once every three years the Plan's actuary must review the financial position of the Plan and make a recommendation regarding the amount that the Participating Companies must contribute in order to ensure that all the benefits can be paid.

Subject to the above, benefits from the Plan are not guaranteed to accrue in the future in the same way that they have accrued to date. Both the Trust Deed and the Superannuation Schemes Act 1989 protect your accrued benefit entitlements, which cannot be reduced or adversely affected by any amendment to the Trust Deed without your written consent.

It is possible that the Company may decide to permanently cease contributing, in which case the Plan will be dissolved. Alternatively the Trustee, with the Company's consent, may, to the extent permitted by the Superannuation Schemes Act 1989, amend or reduce future service benefits. Subject to the Superannuation Schemes Act 1989, any changes to future service benefits do not require the consent of Members.

BANKRUPTCY

If you are declared bankrupt while a Member of the Plan, then all your rights and entitlements as a Member will pass to the Official Assignee in Bankruptcy. However, the Official Assignee will merely stand in your shoes as a Member, and therefore will have no automatic entitlement to withdraw your benefit until you leave Service. If, when you leave Service, you have been discharged from bankruptcy and the Official Assignee has been released from administering your estate, it is expected that you will be entitled to receive your Plan benefit in your own right.

INCAPACITY

If for any reason you are incapacitated and unable to manage your own affairs, any benefit payable from the Plan may be forfeited to the Plan and may be used for your benefit in such manner as the Trustee may determine.

DEFALCATION

If you should be dismissed from Service (or resign to avoid dismissal) on the grounds that you owe money to your Participating Company arising out of an unlawful act or omission, criminal act, fraud or negligence, then your benefit from the Plan may, at the discretion of the Participating Company, be restricted to a refund of your own contributions to the Plan.

DISSOLUTION OF THE PLAN

Whilst the dissolution of the Plan is not envisaged, the Trust Deed provides that the Plan may be wound up if the Company is placed in liquidation or decides to cease contributing to the Plan. With the agreement of the Company, the Trustee, if it considers that the Plan is not fulfilling its principal functions, can also resolve to wind up the Plan.

If the Plan should be wound up, the Trust Deed requires its assets to be allocated in the following order of priority (so that, if those assets are insufficient to satisfy all the obligations under any of the second to the sixth of the following categories, then the benefits payable under that category will reduce proportionately):

Firstly to discharge all existing liabilities and contingent liabilities of the Plan and to pay the costs and expenses of winding up;

Secondly, to provide:

(a) pensions to Pensioners equal to their contributions to the Plan, reduced by any benefit already paid;

(b) deferred pensions to Former Members (as defined in the Trust Deed) and current Members of the Pensions Section of the Plan, equal in value to their contributions to the Plan; and

(c) lump sums for Lump Sum Section Members equal in value to their contributions to the Plan;

Thirdly, to provide a continuation of Pensioners' pensions;

Fourthly, to provide pensions for Members of the Pensions Section aged over 60;

Fifthly, in respect of Members who have transferred monies into the Plan, to provide:

(a) pensions for Members of the Pensions Section aged under 60; and

(b) lump sums for Lump Sum Section Members;

the benefit in both cases being equivalent in value to the monies transferred into the Plan;

Sixthly, to provide:

(a) pensions (payable from age 60) for those Members of the Pensions Section who have not attained age 60, calculated as if the Members retired on the date of dissolution of the Plan;

(b) deferred pensions (payable from age 60) to Former Members of the Pensions Section entitled to such benefits; and

(c) immediate lump sums for Lump Sum Section Members equal to their Leaving Service benefits calculated as at the date of dissolution of the Plan; and

Seventhly, if any monies remain in the Plan, to augment the benefits in all or any of the preceding first to sixth orders of priority.

The entitlement of a Member to a benefit will be adjusted to take account of any benefit that the Member might receive under a previous priority.

With the agreement of the Member concerned, a benefit payable under the dissolution of the Plan may be paid into another superannuation scheme or (if it would otherwise be payable as an immediate or deferred pension) as a lump sum which the Plan's actuary certifies is equal in value to that pension.

The Trust Deed requires that if there are insufficient funds in the Plan following a wind-up to meet the benefits payable under each of the second to the sixth of the above categories (including securing by way of an annuity purchase the payment of any pension entitlement which is not transferred to another scheme or payable as a lump sum) then the Company must:

- pay into the Plan; or
- ensure that one or more of the Participating Companies pays into the Plan;

an amount or amounts sufficient, net of any contribution tax, to enable those benefits to be paid in full.

You will not be liable to pay money to any person as a result of the insolvency of the Plan.

The Trust Deed provides that no monies in the Plan can be paid back to the Participating Companies.

Can the investment be altered?

The rules in relation to amending the Plan's Trust Deed are set out in the Trust Deed.

The Trust Deed gives the Trustee, with the consent of the Company, the right to alter all or any of the provisions of the Trust Deed. From time to time it may be necessary to amend the provisions due to desired changes in the administrative structure, changes in the benefit design of the Plan or changes in superannuation or taxation legislation.

However, the Superannuation Schemes Act 1989 provides some protections for your accrued benefits and your rights in relation to contribution levels, expense payments and involvement in the Plan's management. Certain changes cannot be made in these areas without your express and informed consent.

As indicated under *Member Contributions* on page 8, if you are a full-time employee then you may make a once-only election to reduce the amount of your contributions to 2.5% of your salary for a maximum of 5 years (during which period you will accrue benefits at half the standard rate described under *Leaving Service Benefit* on page 11). After expiry of that period, your contributions will once again be increased to 5%.

The legislation relating to superannuation schemes, including the tax treatment of contributions and benefit withdrawals, is subject to change. The descriptions in this Investment Statement relating to the provisions of the Trust Deed, and of the legislation governing the Plan, refer to those Trust Deed or legislative provisions as at the date of this Investment Statement.

Where the expression "current" or "currently" is used in this Investment Statement in relation to legislation or a factual circumstance, it refers to that legislation or circumstance as at the date of this Investment Statement.

How do I cash in my investment?

You will only receive a benefit from the Plan when you leave Service, die or become Totally and Permanently Disabled, or if the Plan is wound up. As a Lump Sum Section Member, you cannot receive any benefit from the Plan while you remain a Member (you also cannot withdraw from the Plan while you remain in the employment of a Participating Company).

You cannot assign, charge or alienate your benefit to another party or use it as a security for a loan.

Who do I contact with inquiries about my investment?

If you have any questions about the Plan you can contact:

The Plan Secretary
Shell New Zealand Pension Plan
167 Devon Street West
Private Bag 2035
New Plymouth 4620

Telephone: (06) 758 7609
Facsimile: (06) 757 7301

Is there anyone to whom I can complain if I have problems with the investment?

If you wish to complain to the Trustee, you may do so through the Complaints Officer, who is the Plan Secretary (see contact details above). Complaints may also be made to the Trustee's dispute resolution scheme, Financial Services Complaints Limited (FSCL), by writing to PO Box 5967, Lambton Quay, Wellington 6145, by telephoning 0800 347257, or by emailing info@fscl.org.nz. However, FSCL will only consider a complaint if the complaint cannot be resolved directly with the Trustee.

The Government Actuary is able to investigate certain complaints in relation to registered superannuation schemes and can be contacted at Level 6, 33 Bowen Street, PO Box 10867, The Terrace, Wellington. Telephone (04) 913 3651.

There is no Ombudsman to whom you can make complaints about the Plan.

What other information can I obtain about this investment?

Further information about the Plan is contained in the financial statements of the Plan and the Trust Deed.

Copies of the financial statements and of the Trust Deed can be obtained upon request free of charge from the Plan Secretary. Copies of the financial statements and other documents relating to the Plan are filed on a public register at the Companies Office of the Ministry of Economic Development and are available for public inspection (including at www.companies.govt.nz).

You are entitled to see a copy of the Plan actuary's latest report to the Trustee on the financial position of the Plan. A report of this nature is prepared at least every three years. If you wish, you may obtain a copy free of charge from the Plan Secretary. You may also request a statement of the specific interest, mortality and other assumptions and bases of calculation applied in determining the assets and liabilities of the Plan for the purposes of the actuary's triennial examination. In the event of a proposed change to your benefits as a Member, you may request a statement of the specific interest, mortality, and other assumptions and bases of calculation applied in determining the benefits under consideration. These documents can be obtained upon request from the Plan Secretary.

You may request at any time from the Plan Secretary an estimate of your benefit entitlements from the Plan.

You may obtain a copy of the following documents free of charge by requesting them from the Plan Secretary:

(a) the most recent financial statements required for the Plan by the Financial Reporting Act 1993 (and all documents attached thereto);

(b) the Trust Deed (and any amendments);

(c) the current Investment Statement relating to the Plan;

(d) the most recent Annual Report of the Plan; and

(e) a description of the investment objectives and policy for the Plan (or of the means by which changes can be made to those objectives and that policy).

Your rights as a Member are protected by the Trust Deed, legislation and general principles of law.

What regular information will I receive?

Each year, you will receive a personalised statement of your benefits, which will include details of your accrued and prospective benefits as at 1 April of that year.

In addition, within five months of the close of the financial year of the Plan (31 March), you will receive a copy of the Annual Report of the Trustee. The Annual Report gives details of the activities of the Plan over the previous year and a summary of the audited financial statements.

What other details about the Plan should I know?

ACTUARIAL EXAMINATION

At least every three years the Plan is valued by an actuary. The actuary reports on the ability of the Plan to meet lump sum and pension benefit payments and makes recommendations as to the level of contributions the Participating Companies should make to the Plan. The Trustee supplies a copy of each report to the Government Actuary, and the results of that report are summarised in the next Annual Report of the Plan. Upon request to the Plan Secretary, a Member may peruse the report or secure a copy for themselves, or may request advice on the specific actuarial assumptions adopted for such actuarial examination.

ACTUARIAL ASSUMPTIONS

Should you be considering a proposed change to your benefit you are entitled to receive, upon request, details of any actuarial assumptions adopted in determining the alternative benefit.

PROPERTY (RELATIONSHIPS) ACT

Your accrued entitlements under the Plan may be relationship property for the purposes of the Property (Relationships) Act 1976.

MINIMUM BENEFIT

There is no minimum benefit payable from the Lump Sum Section. However, you should note that if you are receiving a Leaving Service Benefit from the Plan, there is no possibility of that benefit being less than the total of your accumulated contributions to the Lump Sum Section.

NON-ASSIGNMENT OF BENEFITS

Until a benefit is received from the Plan you cannot sell, give away or in any other manner assign your present or prospective entitlement from the Plan except in the case of an agreement or Court order made under the Property (Relationships) Act 1976. Similarly, loans cannot be arranged against the security of your accrued entitlements in the Plan.

PRIVACY ACT 1993

Information collected and retained by the Trustee for the purposes of the Plan is "personal information" and is subject to the provisions of the Privacy Act 1993.

When you apply to join the Plan you will be asked to authorise the proper collection, retention and use of such personal information for the efficient administration of the Plan. You have the right at any time to check and, if necessary, correct any personal information held in respect of you.

To ensure compliance with the Privacy Act, the Trustee has appointed a Privacy Officer for the Plan.

SECURITIES ACT (EMPLOYER SUPERANNUATION SCHEMES) EXEMPTION NOTICE 2004

The Company and the Trustee are relying on the provisions of the Securities Act (Employer Superannuation Schemes) Exemption Notice 2004 (the *Exemption Notice*) in making this offer to you. The Exemption Notice requires the following matters to be drawn to your attention.

It is a term of the offer of membership of the Plan that, if there is a "shortfall" for a financial year, the Company and/or one or more "associated persons" (as defined in the Securities Act 1978) of the Company will incur costs (by way of contributions, expense payments, or both), in respect of that year, at least equal to the amount of the shortfall.

Shortfall for a financial year is determined as follows:

(a) determine the costs of administering the Plan for the year (these are the administrative costs); and

(b) then determine how much (if any) of the excess in the value of the Plan's assets over the value of the member's accrued benefits has been applied to meet contribution liabilities, expense payments (which may include administrative costs), or both, for that year (this is the applied surplus); and

(c) then deduct the applied surplus from the administrative costs (and the remaining amount of administrative costs, if any, is the shortfall).

Administrative costs do not include costs that are directly attributable to the management of the investments of the Plan.

Shell Investments NZ Limited (which acts as *the Company* for Plan purposes) has confirmed in writing to the Trustee that it will be bound by this term.

It is a term of the offer of membership of the Plan that each Annual Report prepared under section 14 of the Superannuation Schemes Act 1989 for a financial year during which the Trustee relied on the Exemption Notice must include the following statements and information:

(a) if the Trustee, any promoter or manager of the Plan, or any director of the Trustee or of a promoter or manager, has, during the 5 years preceding the date on which the financial year ended, been adjudged bankrupt or insolvent, convicted of any crime involving dishonesty (within the meaning of section 2(1) of the Crimes Act 1961), prohibited from acting as a director of a company, or placed in statutory management or receivership, a statement to that effect (including the name and any alternative or former name or names of the Trustee, promoter, manager, or director concerned);

(b) if more than 10% of the value of the Plan's assets (calculated in accordance with generally accepted accounting practice) was, at any time during the year preceding the date on which the financial year ended, represented directly or indirectly by any securities that were issued by the Trustee or a manager or custodian of the Plan (or any associated person of any of them), a description of those securities;

(c) a brief description of any legal proceedings or arbitrations that were pending at the date on which the financial year ended and that may have a material adverse effect on the Plan;

(d) a statement by the Trustee's directors as to whether in their opinion, after due enquiry by them, either or both of the following have materially and adversely changed since the date on which the financial year ended:

    (i) the value of the Plan's assets relative to its liabilities (including contingent liabilities);

    (ii) the ability of the Plan to pay its debts as they become due in the normal course of business; and

(e) a statement as to whether a person was required (under the terms of the offer required by clause 7 of the Exemption Notice) to incur costs for that financial year and, if so, a statement that those costs have been incurred.

It is a term of the offer of membership of the Plan that the Trustee must send, or cause to be sent, to any Member who requests it a description of the investment objectives and policy for the Plan or of the means by which changes can be made to those objectives and that policy (except to the extent that those matters have been disclosed in the Investment Statement), and that the Trustee must do so within 5 working days of receiving the Member's request and without fee.

DIRECTORY

TRUSTEE
Shell New Zealand Pensions Limited
167 Devon Street West
Private Bag 2035
New Plymouth 4620

Directors: Neil Anthony Burge, John Robert Crossman (Chairman), Bruce John Kerr, Paul James O'Neill and John William Pitman

Secretary: Warren Lovell

The directors of the Trustee will change from time to time.

PROMOTERS
Shell Investments NZ Limited (*SINZ*)
Shell Exploration NZ Limited (*SENZ*)
Shell Todd Oil Services Limited (*STOS*) all at:

Private Bag 2035
167 Devon Street West
New Plymouth

DIRECTORS OF PROMOTER COMPANIES
Those of the directors of the Promoter Companies (SINZ, SENZ and STOS) who are not directors of the Trustee are also promoters. Their details are:

Name and residence	Director of
Robert Jan Jager of New Plymouth	SINZ, SENZ
Ronald Michael Kelly of Wellington	SINZ, SENZ
David John Alexander McGuire of Wellington	SINZ, SENZ
Stephen Robert Armstrong of Wellington	STOS
David Frederick Blackmon of Singapore	STOS
Winfred Olaf Boeren of New Plymouth	STOS
Hillary Georgine Dussing of Wellington	STOS
Christopher Brian Hall of Wellington	STOS
Michael Agnelo Selvadurai of Wellington	STOS
Christopher John Street of Wellington	STOS

The directors of the Promoter Companies can be contacted at the Promoter Companies' contact address. The directors of the Promoter Companies will change from time to time.

ACTUARY
Melville Jessup Weaver Limited

ADMINISTRATION MANAGER
Shell Exploration NZ Limited

AUDITORS
PricewaterhouseCoopers

INSURER
Sovereign Life (NZ) Limited

INVESTMENT MANAGERS
AMP Capital Investors (New Zealand) Limited
Brook Asset Management Limited
Harbour Asset Management Limited
BlackRock Institutional Trust Company, N.A.
Bank of New Zealand
Citibank N. A.
Tower Asset Management Limited

PRIVACY OFFICER
Trudy Goulding
Shell Todd Oil Services Limited
New Plymouth

ENQUIRIES
The person to contact in respect of Plan matters is the Plan Secretary, Warren Lovell, telephone (06) 759 2617 and facsimile (06) 757 7301.

Correspondence should be addressed to:

The Secretary
Shell New Zealand Pension Plan
167 Devon Street West
Private Bag 2035
New Plymouth 4342