



VOLKSWAGEN AG

Volkswagen, Shell and Iogen to Study Feasibility of Producing Cellulose Ethanol in Germany

Letter of intent signed at Detroit Auto Show

Detroit, January 8, 2006 - Volkswagen, Shell and Iogen Corporation announced today that they will conduct a joint study to assess the economic feasibility of producing cellulose ethanol in Germany. This advanced biofuel produced by Iogen can be used in today's cars and can cut CO2 emissions by 90% compared with conventional fuels.

Iogen's cellulose ethanol is a fully renewable advanced biofuel made from the non-food portion of agriculture residue such as cereal straws and corn stover, and is one of the most cost-effective ways to reduce greenhouse gas emissions in road transport. Iogen's cellulose ethanol technology is the result of more than 25 years of research and development. The company operates the world's only cellulose ethanol demonstration-scale facility and made the first commercial shipments of this fuel in April 2004.

"We are strongly committed to reducing dependence on fossil fuels and are looking for the most effective approach to substitute these fuels by innovative biofuels. That is the only way we can cost effectively satisfy people's individual mobility needs in the long term," said the Chairman of the Board of Management of Volkswagen AG, Dr. Bernd Pischetsrieder, when the parties signed the letter of intent at the North American International Auto Show (NAIAS) 2006 in Detroit.

"We are proud to be joined by VW in our long-standing partnership with Iogen in exploring the feasibility of building a cellulose ethanol plant in Germany," said Rob Routs, Executive Director Downstream (Oil Products and Chemicals) Royal Dutch Shell. "As a company, we are now turning our focus to those renewable fuels and technologies that complement our fuel business by leveraging our existing assets, infrastructure and expertise in developing the world's most innovative and advanced fuels. This partnership builds on our significant investment in Iogen and is another step in our journey to become the leading provider of the next generation of fuel solutions."

"Iogen has demonstrated that clean, renewable fuels for transport are no longer a dream, they are a reality," said Brian Foody, Iogen President. "Today's announcement marks the first signal of what could be a major change coming in the European fuel market. It will show that by integrating vehicle and fuel technologies, we can meet the ambitious, but necessary challenge of reducing reliance upon fossil fuels".

"The availability of high quality, synthetic biofuels manufactured to stringent specifications is a prerequisite for the deployment of advanced generation engines. The combination of second-generation biofuels and advanced fuel/powertrain represents a quantum leap in environmental compatibility. An integrated approach encompassing engine technology and fuel properties as well as consumer behavior is the only way to comply with future, more stringent requirements such as those set by the European Union," commented Pischetsrieder.

All automotive manufacturers warrant the use of cellulose ethanol blends: 10% (E10) in North America and 5% (E5) in Europe. In 2003, the European Union issued a biofuel directive in response to anticipated shortages and rising costs of fossil fuels. The directive targets 5.75% biofuels by 2010. The US Energy Policy Act of 2005 introduced a nationwide renewable fuels standard (RFS) that will double the use of ethanol and biodiesel by 2012.

About the Volkswagen Group

The Volkswagen Group with its headquarters in Wolfsburg is one of the world's leading vehicle manufacturers and the largest car producer in Europe. The Group has a global workforce of over 340,000. In 2004, the eight Group brands delivered 5.079 million (2003: 5.015 million) vehicles to customers in over 150 countries around the world, which corresponds to an international passenger car market share of 11.5%. Group sales revenue increased to 88.9 billion euros in 2004 (2003: 84.8 billion euros). The net earnings totaled 0.716 billion euros (2003: 1.003 billion euros). The Group operates 47 manufacturing plants in eleven European countries and a further seven countries in the Americas, Asia and Africa. Employees around the world produce more than 21,500 vehicles or deal with vehicle-related services on every work day. The Volkswagen Group comprises the brands Volkswagen Passenger Cars, Audi, SEAT, Škoda, Commercial Vehicles, Bentley, Bugatti and Lamborghini and other companies such as Volkswagen Financial Services and Europcar.

About Shell:

Shell and Biofuels:

Shell is a world leader in distributing biofuel components, selling over 2.5 billion litres in 2005. Shell is investing in technologies and partnerships to make it the leading provider of the next generation of fuel solutions intended to provide enhanced environmental and vehicle performance. Shell is an equity investor in Iogen and has entered into a partnership with CHOREN Industries GmbH to provide advanced bio-components for Gasoline and Diesel engines respectively.

Royal Dutch Shell plc

Royal Dutch Shell plc is incorporated in England and Wales, has its headquarters in The Hague and is listed on the London, Amsterdam, and New York stock exchanges. Shell companies have operations in more than 145 countries with businesses including oil and gas exploration and production; production and marketing of Liquefied Natural Gas and Gas to Liquids; manufacturing, marketing and shipping of oil products and chemicals and renewable energy projects including wind and solar power. For further information, visit <http://www.shell.com>

Disclaimer statement

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Please refer to the Annual Report on Form 20-F for the year ended December 31, 2004 (as amended) for a description of certain important factors, risks and uncertainties that may affect the Shell Group's businesses. Neither Royal Dutch Shell plc nor any member of the Shell Group undertakes any obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or other information.

Cautionary Note to US Investors:

The United States Securities and Exchange Commission ('SEC') permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. We use certain terms in this presentation, such as "expected producible resources" and "amount of reserves we expect to produce", that the SEC's guidelines strictly prohibit us from including in filings with the SEC.

About Iogen Corporation:

Iogen is a leading biotechnology firm specializing in cellulose ethanol – an advanced, renewable transportation fuel made from agricultural residue that can be used in today's cars. The Company also develops, manufactures and markets enzymes used to modify and improve the processing of natural fibres within the textile, animal feed, and pulp and paper industries. In operation since 1974, Iogen is a privately held company located in Ottawa, Canada. For more information, visit www.Iogen.ca

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