

Shell says profit jumps on high energy prices

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Higher oil and gas prices underpinned Shell's strong earnings

Energy major Royal Dutch Shell said Thursday that profits leapt by about two thirds in the first quarter of 2018, energised by resurgent crude oil and gas prices.

Earnings after taxation, or net profit, surged 67 percent to almost \$5.9

billion (4.8 billion euros) in the three months to March compared with around \$3.5 billion a year earlier, the London-listed giant said in a results statement.

"Shell's strong earnings this quarter were underpinned by higher oil and [gas prices](#), the continued growth and very good performance of our integrated gas [business](#), and improved profitability in our upstream business," said chief executive Ben van Beurden.

"Less favourable refining market conditions and lower contributions from trading impacted the earnings of our downstream business," he added.

The downstream division includes refining, marketing and distribution, while upstream comprises exploration and production.

The OPEC cartel and Russia struck a deal in late 2016 to trim production to reduce a global glut that had sent [prices](#) crashing.

The deal, which is due to run out at the end of this year, has helped boost oil prices to above \$70 a barrel from below \$30 in early 2016.

The recovery has also been fuelled by geopolitical tensions, US President Donald Trump's threat to reimpose sanctions on Iran and production problems in Venezuela, Nigeria and Libya.

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