

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA :

- v. - :

STATOIL, ASA, :

06 Cr.

Defendant. :

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DEFERRED PROSECUTION AGREEMENT

Defendant STATOIL, ASA (“STATOIL”), a Norwegian Corporation, by its undersigned attorneys, pursuant to authority granted by its Board of Directors, the United States Department of Justice, Criminal Division, Fraud Section, and the United States Attorney's Office for the Southern District of New York, enter into this Deferred Prosecution Agreement.

1. STATOIL accepts and acknowledges that the United States will file a criminal information in the United States District Court for the Southern District of New York charging STATOIL with violating the Foreign Corrupt Practices Act, 15 U.S.C. § 78dd-1(a), and making false entries in its books and records, in violation of Title 15, United States Code, §§ 78m(b)(2)(A) and 78(b)(5). In doing so, STATOIL knowingly and willingly waives its right to indictment on these charges, as well as all rights to a speedy trial pursuant to the Sixth Amendment to the United States Constitution, Title 18, United States Code, Section 3161, Federal Rule of Criminal Procedure 48(b), and any applicable Local Rules of the United States District Court for the Southern District of New York for the period during which this Agreement is in effect.

2. This Agreement reflects STATOIL's previous actions in investigating misconduct in its efforts to develop oil and gas opportunities in Iran, voluntarily reporting its findings, and cooperating in the Government's subsequent investigation; its adoption of certain remedial measures; its commitment to maintain and independently review remedial measures; and its willingness to continue to cooperate with the Criminal Division, Fraud Section and the United States Attorney's Office for the Southern District of New York (collectively, "DOJ") in its investigation. STATOIL does not endorse, ratify or condone criminal conduct and, as set forth below, has taken steps to prevent such conduct from occurring in the future.
3. STATOIL accepts and acknowledges that it is responsible for the acts of its employees as set forth in the Statement of Facts attached hereto as Appendix A. Should DOJ pursuant to paragraphs 22 and 23 initiate the prosecution that is deferred by this Agreement, STATOIL agrees that it will neither contest the admissibility of, nor contradict, the Statement of Facts in any such proceeding.
4. STATOIL expressly agrees that it shall not, through its present or future attorneys, board of directors, officers, or any other person authorized to speak for the company, make any public statement, in litigation or otherwise, contradicting STATOIL's acceptance of responsibility set forth above or the factual statements set forth in the Statement of Facts attached as Appendix A. Any such contradictory statement shall constitute a breach of this Agreement as governed by paragraph 22 of this Agreement, and STATOIL thereafter would be subject to prosecution as set forth in paragraphs 22 and 23 of this Agreement.

The decision whether any public statement by any such person contradicting a fact contained in the Statement of Facts will be imputed to STATOIL for the purpose of determining whether STATOIL has breached this Agreement shall be at the sole discretion of DOJ. Should DOJ decide that a public statement by any such person contradicts in whole or in part a statement contained in the Statement of Facts, DOJ shall notify STATOIL. STATOIL may avoid a breach of this Agreement by publicly repudiating such statement within two (2) business days after notification. Consistent with STATOIL's obligations as set forth above, STATOIL shall be permitted to raise defenses and to assert affirmative claims in civil and regulatory proceedings relating to the matters set forth in the Statement of Facts. This paragraph is not intended to apply to any statement made by any STATOIL employee in the course of any criminal, regulatory, or civil case initiated against such individual, unless such individual is speaking on behalf of STATOIL.

5. In connection with this Agreement, STATOIL agrees to issue a press release, the text of which shall be acceptable to DOJ.
6. During the three-year term of this Agreement, STATOIL agrees to cooperate fully with DOJ, the U.S. Securities & Exchange Commission (the "SEC"), and any other authority or agency designated by DOJ, in investigating STATOIL and any of its present and former officers, employees, consultants, contractors and subcontractors in all matters relating to corrupt payments in connection with its operations. STATOIL agrees that its cooperation shall include, but is not limited to, the following:

- a) STATOIL shall continue to cooperate fully with DOJ and the SEC, and shall truthfully disclose all information with respect to the activities of STATOIL, its officers, employees, agents, consultants, contractors and sub-contractors concerning all matters relating to corrupt payments in connection with its operations, related false books and records, and inadequate internal controls about which STATOIL has any knowledge or about which DOJ shall inquire. This obligation of truthful disclosure includes an obligation upon STATOIL to provide to DOJ and the SEC, upon request, any document, record, or other tangible evidence relating to such corrupt payments, books and records, and internal controls about which DOJ shall inquire of STATOIL. This obligation of truthful disclosure includes an obligation to provide to DOJ access to STATOIL's facilities, documents, and employees. This paragraph does not apply to any communications protected by the attorney-client privilege or work product doctrine. The parties agree, however, that the disclosure of information to STATOIL's counsel concerning corrupt payments and related books and records shall not relieve STATOIL of its obligation to truthfully disclose such matters to DOJ and the SEC.
- b) Upon request of DOJ, with respect to any issue relevant to its investigation of corrupt payments in connection with STATOIL's operations, related false books and records, and inadequate internal controls, STATOIL shall designate knowledgeable employees, agents, or attorneys to provide the information and

materials described in paragraph 6(a) above, on STATOIL's behalf to DOJ. It is further understood that STATOIL must at all times give complete, truthful, and accurate information.

- c) With respect to any issue relevant to the DOJ's investigation of corrupt payments in connection with STATOIL's operations, STATOIL shall use its best efforts to make its employees available to provide information and testimony as requested by DOJ, including sworn testimony before a federal grand jury or in federal trials, as well as interviews with federal law enforcement authorities. Cooperation under this paragraph will include identification of witnesses who, to STATOIL's knowledge, may have material information regarding the matters under investigation.
- d) With respect to any issue relevant to the DOJ's investigation of corrupt payments in connection with STATOIL's operations, STATOIL shall use its best efforts to make available for interviews, or for testimony, present or former STATOIL officers, directors, agents, consultants, and employees, and the officers, directors, employees, agents, and consultants of contractors and sub-contractors as requested by DOJ.
- e) With respect to any information, testimony, document, record, or other tangible evidence provided to DOJ pursuant to this Agreement, STATOIL consents to any and all disclosures to any other Government agencies of such materials as DOJ, in its sole discretion, deems appropriate.

7. In return for STATOIL's full and truthful cooperation, and STATOIL's full compliance with all other terms of this Agreement, DOJ agrees not to use any information provided by STATOIL pursuant to this Agreement against STATOIL or its subsidiaries in any criminal or civil case relating to the conduct described in the attached Statement of Facts, except in a prosecution for perjury or obstruction of justice; in a prosecution for making a false statement after the date of this Agreement; or in a prosecution or other proceeding relating to a violation of any provision of Title 26 of United States Code. In addition, DOJ agrees, except as provided herein, that it will not bring any criminal or civil case against STATOIL relating to the conduct of STATOIL employees as described in the attached Statement of Facts. This paragraph does not provide any protection against prosecution for corrupt payments, if any, made in the future by STATOIL, its subsidiaries, affiliates, officers, directors, agents, or consultants, whether or not disclosed by STATOIL pursuant to the terms of this Agreement, nor does it apply to any such payments, made in the past, which are not described in the attached Statement of Facts.
8. STATOIL represents that it has implemented a compliance and ethics program designed to detect and prevent violations of the Foreign Corrupt Practices Act throughout its operations, including those of its subsidiaries, affiliates, and joint ventures, and those of its contractors and subcontractors with responsibilities that include interactions with foreign officials. Implementation of these policies and procedures shall not be construed in any future enforcement proceeding as providing immunity or amnesty for any crimes

not described in the attached Statement of Facts, for which STATOIL would otherwise be responsible.

9. STATOIL agrees to appoint an independent compliance consultant (“Compliance Consultant”), within sixty (60) calendar days of the signing of this Agreement, and for a period of three years from the execution of this Agreement, subject to the provisions of paragraph 10, which Compliance Consultant shall be the same person as appointed pursuant to any agreement between STATOIL and the SEC concerning the acts described in the Statement of Facts attached as Appendix A. The Compliance Consultant will review and evaluate STATOIL's internal controls, record-keeping, and financial reporting policies and procedures as they relate to STATOIL's compliance with the books and records, internal accounting controls, and anti-bribery provisions of the FCPA, Title 15, United States Code, Sections 78m(b)(2)(A) & (B) and 78dd-1, *et seq.* This review and evaluation shall include an assessment of those policies and procedures as actually implemented in practice.
10. DOJ shall consult with STATOIL, using its best efforts to select a mutually acceptable Compliance Consultant as promptly as possible. In the event the parties are unable to select a Compliance Consultant acceptable to STATOIL within 60 days, DOJ shall have the sole right to propose a list of three candidates, one of whom shall be selected by STATOIL. The compensation and expenses of the Compliance Consultant, and of the persons hired under his or her authority, shall be paid by STATOIL.

11. STATOIL shall cooperate fully with the Compliance Consultant. The Compliance Consultant shall have the authority to take such reasonable steps, in the Compliance Consultant's view, as necessary to be fully informed about the operations of STATOIL within the scope of his or her responsibilities under this Agreement. To that end, STATOIL shall provide the Compliance Consultant with access to files, books, records, and personnel that fall within the scope of his or her responsibilities under this Agreement. STATOIL shall not be obligated to provide the Compliance Consultant with materials or information protected by the attorney-client privilege or work product doctrine. However, if the Compliance Consultant requests access to materials or information that STATOIL reasonably believes to be protected by the attorney client privilege or the work product doctrine, STATOIL shall in good faith consider that request, and shall consider whether providing access would assist the Compliance Consultant in performing his or her duties under the Agreement. It shall be a condition of the Compliance Consultant's retention that the Compliance Consultant is independent of STATOIL and that no attorney-client relationship shall be formed between them.
12. STATOIL agrees that the Compliance Consultant shall assess whether STATOIL's policies and procedures are reasonably designed to detect and prevent violations of the FCPA, and during the three-year consultancy, shall conduct an initial review and prepare an initial report, followed by two follow-up reviews and follow-up reports as described below. With respect to each of the three reviews, after initial consultations with STATOIL, DOJ and the SEC, the Compliance Consultant shall prepare a written work

plan for each of the three reviews, which shall be submitted to STATOIL, DOJ and the SEC. In order to conduct an effective initial review and to fully understand any existing deficiencies in controls, policies and procedures related to the FCPA, the Compliance Consultant's initial work plan shall include such steps as are necessary to develop an understanding of the facts and circumstances surrounding the violations described in the attached Statement of Facts. Any disputes between STATOIL and the Compliance Consultant with respect to the work plan shall be decided by DOJ in its sole discretion, provided, however, that the work plan and the methodology used to carry it out shall not be contrary to Norwegian law. As a condition of the Compliance Consultant's retention by STATOIL, the Compliance Consultant shall agree to maintain the confidentiality of STATOIL's trade secrets and other confidential business information in conformity with Norwegian law, and to give due consideration to STATOIL's need for operational flexibility and the preservation of business relationships with third parties, provided that nothing in this paragraph shall preclude the Compliance Consultant from sharing such confidential information with the DOJ and SEC as part of his or her reporting obligations.

13. In connection with the initial review, the Compliance Consultant shall issue a written report, within one hundred twenty (120) calendar days after being retained, setting forth the Compliance Consultant's assessment and making recommendations reasonably designed to improve STATOIL's program, policies and procedures for ensuring compliance with the FCPA. STATOIL shall require that the Compliance Consultant provide the report to STATOIL's Board of Directors and contemporaneously transmit a

copy to the following individuals, or their successors: 1) Deborah E. Landis, Assistant United States Attorney, 1 St. Andrew's Plaza, New York, New York, 10007; 2) Mark F. Mendelsohn, Deputy Chief, Fraud Section, Criminal Division, U.S. Department of Justice, 1400 New York Avenue, N.W., Bond Building, Room 4402, Washington, D.C. 20005; and 3) Bruce Karpati, Assistant Regional Director, Division of Enforcement, Securities and Exchange Commission, 3 World Financial Center, Room 4300, New York, NY 10281-1022. The Compliance Consultant may extend the time period for issuance of the report with prior written approval of DOJ and the SEC.

14. Within one hundred twenty (120) calendar days after receiving the report, STATOIL shall adopt all recommendations in the report of the Compliance Consultant; provided, however, that within one hundred twenty (120) calendar days after receiving the report, STATOIL shall advise the Compliance Consultant, DOJ and the SEC in writing of any recommendations that it considers to be unduly burdensome, impractical, costly, or contrary to Norwegian law. With respect to any recommendation that STATOIL considers unduly burdensome, impractical, costly, or contrary to Norwegian law, STATOIL need not adopt that recommendation within that time but shall propose in writing an alternative policy, procedure or system designed to achieve the same objective or purpose. As to any recommendation on which STATOIL and the Compliance Consultant do not agree, such parties shall attempt in good faith to reach an agreement within sixty (60) calendar days after STATOIL serves the written advice. In the event STATOIL and the Compliance Consultant are unable to agree on an alternative proposal,

STATOIL shall abide by the determinations of the Compliance Consultant, to the extent such proposal would not cause STATOIL to violate Norwegian law. With respect to any recommendation that the Compliance Consultant determines cannot reasonably be implemented within one hundred twenty (120) calendar days after receiving the report, the Compliance Consultant may extend the time period for implementation with prior written approval of DOJ and the SEC.

15. STATOIL shall require the Compliance Consultant to undertake two follow-up reviews to determine whether STATOIL's policies and procedures are reasonably designed to detect and prevent violations of the FCPA. Within one hundred twenty (120) calendar days of initiating each follow-up review, the Compliance Consultant (i) shall complete the review; (ii) certify whether STATOIL's anti-bribery compliance program, including its policies and procedures, is appropriately designed and implemented to ensure compliance with the FCPA; and (iii) report on the Compliance Consultant's findings in the same fashion as set forth in paragraph 13 with respect to the initial review. STATOIL shall adopt the follow-up recommendations in the same fashion as set forth in paragraph 14 with respect to the initial review. The first follow-up review shall commence one year after appointment of the Compliance Consultant, and the second follow-up review shall commence at least one year after completion of the first follow-up review. The Compliance Consultant may extend the time period for these follow-up reviews with prior written approval of DOJ and the SEC, provided that the tenure of the Compliance Consultant shall in no event exceed three (3) years without the consent of STATOIL.

16. In undertaking the reviews described in Paragraphs 9 through 15 above, the Compliance Consultant shall formulate conclusions based on sufficient evidence obtained through, among other things, (i) inspection of documents, including but not limited to all the policies and procedures relating to STATOIL's anti-bribery compliance program; (ii) onsite observation of STATOIL's systems and procedures, including but not limited to STATOIL's internal controls, recordkeeping and internal audit procedures; (iii) meetings with and interviews of STATOIL's employees, officers, directors and any other relevant persons; and (iv) analyses, studies and testing of STATOIL's anti-bribery compliance program. In undertaking such assessment and reviews, the Compliance Consultant, at his or her own discretion, may rely, to a reasonable extent and after reasonable inquiry, on reports, studies, and analyses issued or undertaken by other consultants hired by STATOIL prior to the date of this Agreement.
17. The Compliance Consultant's charge, as described in paragraphs 9 through 16 above, is to review STATOIL's controls, policies and procedures related to the compliance with the FCPA. To the extent the Compliance Consultant, during the course of his or her assessment, discovers that corrupt payments or corrupt transfers of property or interests may have been offered, promised, paid, or authorized by any STATOIL entity or person, or any entity or person working directly or indirectly for STATOIL, the Compliance Consultant shall promptly report such payments to STATOIL's Corporate Compliance Officer, to its Audit Committee, and to its outside counsel for further investigation. If the Compliance Consultant refers the matter to STATOIL's Corporate Compliance Officer,

its Audit Committee, and its outside counsel, STATOIL shall promptly report the same to DOJ and the Commission staff at the addresses listed in paragraph 13. If STATOIL fails to make such disclosure within ten (10) calendar days of the report of such payments to STATOIL's Corporate Compliance Officer, to its Audit Committee, and to its outside counsel, the Compliance Consultant shall independently disclose his or her findings to DOJ and the SEC, at the addresses listed above in paragraph 13. If the Compliance Consultant reasonably concludes that disclosure to STATOIL's Corporate Compliance Officer, its Audit Committee, or its outside counsel would be inappropriate for any reason, the Compliance Consultant may limit such disclosure to any one or more of the foregoing parties. If the Compliance Consultant reasonably concludes that disclosure to even one of the foregoing parties would be inappropriate for any reason, the Compliance Consultant may refer the matter directly to DOJ, SEC, or Norwegian law enforcement officials or authorities. In the event of such a direct referral, the Compliance Consultant shall make a similar disclosure to STATOIL's Corporate Compliance Officer, its Audit Committee, or its outside counsel as soon as the reason for the nondisclosure has abated, unless directed not to do so by the relevant authorities. Further, in the event that any STATOIL entity or person, or any entity or person working directly or indirectly for STATOIL, refuses to provide information necessary for the performance of the Compliance Consultant's responsibilities, the Compliance Consultant shall disclose that fact to DOJ and the SEC. STATOIL shall not take any action to retaliate against the Compliance Consultant for such disclosures. The Compliance Consultant is not

precluded from reporting other criminal or regulatory violations discovered in the course of performing his/her duties, in the same manner as described above.

18. STATOIL shall require the Compliance Consultant to enter into an agreement with STATOIL that provides that for the three-year period of engagement and for a period of two (2) years from completion of the engagement, the Compliance Consultant shall not enter into any additional employment, consultant, attorney-client, auditing or other professional relationship with STATOIL, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity. The agreement will also provide that the Compliance Consultant will require that any firm with which he/she is affiliated or of which he/she is a member, and any person engaged to assist the Compliance Consultant in performance of his/her duties under this Order shall not, without prior written consent of DOJ and the SEC's Division of Enforcement, enter into any employment, consultant, attorney-client, auditing or other professional relationship with STATOIL, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity as such for the period of the engagement and for a period of two years after the engagement. To ensure the independence of the Compliance Consultant, STATOIL shall not have the authority to terminate the Compliance Consultant without the prior written approval of DOJ and the SEC.
19. STATOIL further agrees that it shall pay a monetary penalty of \$10,500,000. In consideration of the NOK 20,000,000 penalty that STATOIL has already paid to the Norwegian authorities with respect to the conduct described in the attached Statement of

Facts, STATOIL shall receive a credit for that amount upon proof of payment and thus shall pay \$7,500,000 to the U.S. Treasury within ten (10) days of the execution of this Agreement. This amount is a final payment and shall not be refunded a) if DOJ moves to dismiss the Information pursuant to paragraph 21 below, or b) should DOJ later determine that STATOIL has breached this Agreement and brings a prosecution against it pursuant to paragraph 22 below. Further, nothing in this Agreement shall be deemed an agreement by DOJ that this amount is the maximum criminal fine that in any such case may be imposed in such prosecution, and DOJ shall not be precluded from arguing that the Court should impose a higher fine. DOJ agrees, however, to recommend to the Court that the amount paid pursuant to this Agreement should be offset against whatever fine the Court shall impose as part of its judgment in the event of a subsequent breach and prosecution.

20. In light of STATOIL's cooperation with investigations into the unlawful conduct of its employees and consultants and its willingness a) to acknowledge responsibility for their behavior, b) to continue its cooperation with DOJ, the SEC, and other investigative and regulatory authorities and agencies, c) to adopt or maintain and independently review remedial measures and its commitment to implement and audit such measures, and d) to consent to pay the monetary penalty set forth in paragraph 19 above, DOJ shall recommend to the Court that prosecution of STATOIL on the Information filed pursuant to paragraph 1 be deferred for a period of three (3) years from the date of this Agreement.

21. DOJ agrees that if STATOIL is in full compliance with all of its obligations under this Agreement, including its obligation to adopt the recommendations of the Compliance Consultant in accordance with the terms of paragraphs 14 and 15. DOJ, within thirty (30) days of the expiration of the three-year period set forth in paragraph 20, will seek dismissal with prejudice of the Information filed against STATOIL pursuant to paragraph 1, and this Agreement shall expire.
22. If DOJ determines, in its sole discretion, that STATOIL, at any time between the execution of this Agreement and completion of STATOIL's cooperation as set forth in paragraph 6, provided deliberately false, incomplete, or misleading information under this Agreement or has committed any federal crimes subsequent to the date of this Agreement or has otherwise violated any provision of this Agreement, STATOIL shall, in DOJ's sole discretion, thereafter be subject to prosecution for any federal criminal violation of which DOJ has knowledge. Any such prosecutions may be premised on information provided by STATOIL. Moreover, STATOIL agrees that any such prosecutions that are not time-barred by the applicable statute of limitations on the date of this Agreement may be commenced against STATOIL in accordance with this Agreement, notwithstanding the expiration of the statute of limitations between the signing of this Agreement and January 13, 2008. By this Agreement, STATOIL expressly intends to and does waive any rights in this respect.
23. It is further agreed that in the event that DOJ, in its sole discretion, determines that STATOIL has violated any provision of this Agreement: a) all statements made by or on

behalf of STATOIL to DOJ, and any testimony given by STATOIL before a grand jury or any tribunal, at any legislative hearings, or to the SEC, whether prior or subsequent to this Agreement, or any leads derived from such statements or testimony, shall be admissible in evidence in any and all criminal proceedings brought by DOJ against STATOIL and b) STATOIL shall not assert any claim under the United States Constitution, Rule 11(f) of the Federal Rules of Criminal Procedure, Rule 410 of the Federal Rules of Evidence, or any other federal rule, that statements made by or on behalf of STATOIL prior to or subsequent to this Agreement, or any leads therefrom, should be suppressed. The decision whether conduct or statements of any individual will be imputed to STATOIL for the purpose of determining whether STATOIL has violated any provision of this Agreement shall be in the sole discretion of DOJ.

24. STATOIL acknowledges that DOJ has made no representations, assurances, or promises concerning what sentence may be imposed by the Court should STATOIL breach this Agreement and this matter proceed to judgment. STATOIL further acknowledges that any such sentence is solely within the discretion of the Court and that nothing in this Agreement binds or restricts the Court in the exercise of such discretion.
25. STATOIL agrees that in the event it sells or merges all or substantially all of its business operations as they exist as of the date of this Agreement, whether such sale is structured as a stock or asset sale, it shall include in any contract for sale or merger a provision binding the purchaser/successor to the obligations described in this Agreement.

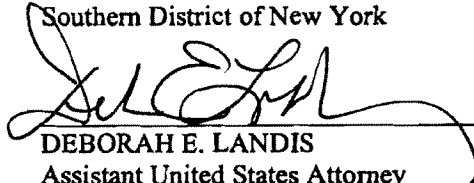
26. It is understood that this Agreement is binding on STATOIL and DOJ but specifically does not bind any other federal agencies, or any state or local law enforcement or regulatory agencies, although DOJ will bring the cooperation of STATOIL and its compliance with its other obligations under this Agreement to the attention of such agencies and authorities if requested to do so by STATOIL and its attorneys.
27. It is understood that no provision of this Agreement is intended to, or can, prejudice or otherwise affect Norway's jurisdiction and right to enforce within Norway its relevant national laws and treaty obligations, nor shall any provision of this Agreement require STATOIL to take any action that constitutes a breach of Norwegian law.
28. This Agreement sets forth all the terms of the Deferred Prosecution Agreement between STATOIL and DOJ. No modifications or additions to this Agreement shall be valid unless they are in writing and signed by DOJ, STATOIL's attorneys, and a duly authorized representative of STATOIL.
29. The parties understand that this Agreement reflects a variety of facts and circumstances unique to this case, including but not limited to the action taken by Norwegian law enforcement authorities and STATOIL's resolution of that action, as described in the

accompanying Statement of Facts, and is not intended as precedent for other cases.

FOR THE DEPARTMENT OF JUSTICE:

MICHAEL J. GARCIA
United States Attorney
Southern District of New York

By:



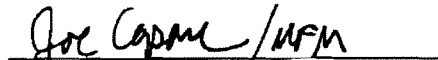
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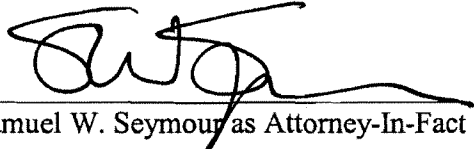
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FOR STATOIL, ASA :



Samuel W. Seymour as Attorney-In-Fact

APPENDIX A

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA	:	
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- v. -	:	
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STATOIL, ASA,	:	06 Cr.
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Defendant.	:	

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STATEMENT OF FACTS

I. Statoil's Status As An "Issuer" Under The FCPA

Statoil is a public company organized under the laws of the Kingdom of Norway and headquartered in Stavanger, Norway. Statoil explores for and develops oil and gas resources around the globe, and has American Depository Shares that trade under the symbol STO on the New York Stock Exchange and are registered pursuant to Section 12(b) of the Exchange Act (15 U.S.C. § 781(g)). Statoil is required to file reports with the Commission under Section 13 of the Exchange Act (15 U.S.C. § 78m), and is an "issuer" within the meaning of the Foreign Corrupt Practices Act ("FCPA"), 15 U.S.C. § 78dd-1.

II. Overview Of Violations

In June 2002 and January 2003, Statoil paid bribes to an Iranian government official (the "Iranian Official") in order for him to use his influence to: (i) assist Statoil in obtaining a contract to develop three phases of the South Pars oil and gas field in Iran (the "South Pars Project") and (ii) open doors to additional projects in the Iranian oil and gas exploration industry. The Iranian Official was the head of the Iranian Fuel Consumption Optimizing Organization ("IFCOO"), a subsidiary of the National Iranian Oil Company ("NIOC"). Statoil agreed to pay the Iranian Official through a consulting contract (the "Contract") with an intermediary company (the "Consulting Company") organized in the Turks and Caicos Islands and nominally owned by a third party located in London, England. The Contract obligated Statoil to make initial payments of \$200,000 and \$5 million, and ten subsequent annual payments of \$1 million each. In October 2002, Statoil obtained the contract to develop the South Pars Project. Statoil made the initial payments to the Iranian Official, but in June 2003, Statoil suspended payments under the Contract. On September 6, 2003, the Contract was

publicly disclosed in the Norwegian press. On September 10, 2003, Statoil terminated the Contract. The next day, the Norwegian authorities announced an investigation into the Contract.

During the relevant time period, Statoil employees circumvented Statoil's internal controls and procedures that were in place to prevent illegal payments, and Statoil lacked sufficient internal controls. In addition, by mischaracterizing the payments as legitimate consulting fees, Statoil violated the books and records provisions of the federal securities laws.

III. Details Of The Violations

A. Background

Statoil is an international oil and gas company involved primarily in the exploration for, development, production, and sale of oil and natural gas from the Norwegian Continental Shelf and elsewhere. In late 2000 and early 2001, under its former Chief Executive Officer ("CEO"), Statoil was pursuing opportunities to expand its business internationally. At that time, Statoil held participation interests in several exploration and production licenses outside of Norway, but held only a few small operatorships outside of Norway. In the fall of 2000, Statoil hired a new senior executive to direct Statoil's International Exploration and Production Department ("Senior Executive"), who reported directly to the CEO.

Statoil identified Iran as a country to focus on to secure operatorships. The Iranian Ministry of Oil, through NIOC and various wholly-owned companies, controls the rights to develop the oil and gas resources of Iran. In November 2000, Statoil and NIOC entered into a Cooperation Agreement, which identified areas of mutual interest for future cooperation between Statoil and NIOC.

In the spring of 2001, certain Statoil employees in Iran accepted an invitation from one of the Iranian Official's relatives to meet with the Iranian Official. These Statoil employees learned that the Iranian Official's father was a former president of Iran who led the Expediency Council, a body that mediated between the politically-elected and the clerically-controlled parts of Iran's government. After meeting with the Iranian Official, Statoil tested and assessed the Iranian Official's influence by, among other things, having the Iranian Official send a message back to Statoil through the Iranian Oil Minister. A Statoil employee described the test as demonstrating that the Iranian Official was "powerful" and was the "link" to opportunities to obtain business in Iran. After the initial contacts, Statoil determined that the Iranian Official was an advisor to the Oil Minister, and that the Iranian Official's family was powerful and highly influential in the oil and gas business in Iran. At the time Statoil employees made contact with the Iranian Official, Statoil employees knew of publicly reported accusations of corruption against the Iranian Official's family, but did not perform any due diligence to investigate the accusations.

In August 2001, the Iranian Official visited Statoil's facilities in Stavanger, Norway, and met with senior Statoil employees, including a chief adviser to the CEO, the Senior Executive, and a senior employee in Statoil's International Exploration and Production Department who had direct responsibility for Statoil's activities in Iran (the "E&P Executive"). The Iranian Official's position and influence were well known to Statoil management participating in this meeting. The written agenda for the visit referred to the Iranian Official as "President NIOC, Iranian Fuel Cons. Org." The Iranian Official was also described in internal Statoil documents as an "advisor[] to the Iranian Oil Minister" and a "very important guest[]." At the time, internal Statoil memoranda described the Iranian Official's family as "control[ling] all contract awards within oil and gas in Iran."

B. The Bribery

In the second half of 2001 and into 2002, the Senior Executive discussed with Statoil's CEO the possibility of entering into a consulting contract to arrange payments to the Iranian Official, and began negotiating the terms with the Iranian Official. In November 2001, Iranian authorities proposed that Statoil consider seeking a participation interest in a subcontract to develop the South Pars Project, under a contract awarded to an Iranian oil and gas development company (the "Development Company") that was indirectly owned and controlled by the Iranian Ministry of Oil.

In December 2001, the Iranian Official sent a sample consulting contract and payment proposal to the Senior Executive, which the Iranian Official represented had previously been used in his dealings with other multinational oil companies. In January 2002, the Senior Executive provided the CEO with a memorandum that described a proposal from the Iranian Official that would have required Statoil to (i) pay a "success fee" payable upon Statoil's being awarded a participation interest in the development of the South Pars Project; (ii) provide money for "charities" of the Iranian Official's choice; and (iii) make payments through an offshore company.

Although the CEO objected to the Iranian Official's proposal, the CEO ultimately approved Statoil's entering into a contract with the Iranian Official in the total amount of \$15.2 million to be paid over approximately 11 years. The final Contract was structured as a payment for vaguely-defined consulting services through a third-party offshore company. The Iranian Official was not named in the Contract because disclosing Statoil's relationship with the Iranian Official could likely jeopardize Statoil's ability to obtain business in Iran.

In return for the payments, the Iranian Official used his influence to assist Statoil in obtaining business in Iran. For example, the Iranian Official (i) provided Statoil employees in Iran nonpublic information concerning oil and gas projects in Iran and (ii) showed Statoil copies of bid documents of competing companies that Statoil could not access through appropriate channels.

On May 15, 2002, Statoil and the Development Company entered into an agreement in principle that provided the central terms for Statoil's participation in the offshore portion of the Development Company's contract for the South Pars Project. At that time, it was contemplated that the contract for the South Pars Project would be finalized by June 15, 2002, although several issues remained to be negotiated.

On June 12, 2002, the E & P Executive, acting on a power of attorney from the CEO, signed the Contract on behalf of Statoil. When Statoil signed the Contract, the Senior Executive believed that Statoil would be awarded a participation interest in the development of the South Pars Project. Statoil and the Development Company signed a Participation Agreement in October 2002, which Statoil expected would yield millions of dollars in profit.

In late June 2002, Statoil received an invoice from the Consulting Company instructing it to pay \$200,000 under the terms of the Contract, and instructing that the money be routed through a United States bank in New York, New York to a bank account in Switzerland held by a company not named in the Contract. Statoil made the payment on June 26, 2002, according to the instructions in the invoice. In December 2002, Statoil received a second invoice from the Consulting Company instructing it to pay \$5 million, with payment instructions identical to those in the June 2002 invoice. On January 15, 2003, Statoil paid \$5 million pursuant to the instructions in the invoice.

Statoil violated the anti-bribery provisions of the federal securities laws contained in the Foreign Corrupt Practices Act when it arranged for the payments to the Iranian Official. The payments were intended to (i) induce the Iranian Official to use his influence with NIOC; (ii) influence NIOC's decision about whether to award Statoil a participation interest in the development of the South Pars Project that would net Statoil several millions of dollars; and (iii) secure improper advantage for Statoil by positioning it to obtain future business in Iran, potentially worth hundreds of millions of dollars.

C. The Books and Records Violations

Statoil failed to properly account for the illegal payments and failed to accurately describe the consulting contract in its books and records. Instead, Statoil improperly characterized the payments it made as legitimate payments for "consulting fees for special consultants and analyses relating to technical, administrative, tax, and financial matters..." and improperly characterized the Contract as an ordinary consulting agreement.

D. The Internal Controls Violations

In entering into the Contract, certain Statoil management responsible for the Contract circumvented Statoil's internal controls designed to prevent illegal payments. They concealed the Contract's true nature and true parties and violated Statoil's procurement policies by directing that the Contract should be entered into and that payments be made under the Contract to parties not named in the Contract. Statoil management responsible for the Contract

performed no due diligence concerning the named or unnamed parties to the Contract. Statoil had inadequate systems for review of the Contract and lacked controls sufficient to provide reasonable assurances that the Contract complied with applicable laws. Statoil's lack of sufficient internal controls enabled executives responsible for the Contract to conceal the illegal payments to the Iranian Official.

IV. Statoil's Response and Recent Events

In late March 2003, Statoil's internal audit department reported to Statoil's Chief Financial Officer ("CFO") that Statoil had paid \$5.2 million under a consulting agreement to an entity that had not been named in the Contract. In compliance with Statoil's internal procedures, and at the direction of the CFO and head of internal audit, Statoil's security group began an inquiry into the Contract. As part of its inquiry, the security group determined that even though he was not named in the Contract, the Iranian Official was the "consultant" under the Contract, and confirmed his position and family ties in Iran. In early June 2003, the security group prepared an "internal investigative report" which concluded that there was "a strong indication of the consultant being involved in corrupt-like practices," and that by entering into the Contract, Statoil may have violated Norwegian and U.S. anti-bribery laws.

In spite of the security group's troubling report, Statoil's senior management failed to take appropriate action to address the Contract and Statoil's relationship with the Iranian Official. On June 5, 2003, the security group and Statoil's chief internal auditor presented their findings to Statoil's then-Chairman of the Board, who, instead of taking up the matter, told them that the matter should be investigated further and taken up by the CEO. Later in June 2003, the security group presented its findings to the CEO, recommending that no more payments be made under the Contract and that the Contract be terminated. The CEO agreed to suspend payments under the Contract, but the CEO refused to terminate the Contract or to address further the principal concerns of the security group.

On September 6, 2003, the Contract was disclosed in the Norwegian press and on September 10, 2003, Statoil terminated the Contract, while Statoil's internal audit and security group divisions were still working to finalize a letter to the Board of Directors addressing the Contract. After the Contract's existence became public knowledge, the Senior Executive and the Chairman of the Board resigned. As a consequence of Statoil's Board of Directors expressing no confidence in him, the CEO also resigned.

On September 23, 2003, the SEC staff contacted Statoil to inform Statoil of the SEC's inquiry. On October 1, 2003, Statoil retained counsel to conduct an independent investigation, the results of which were provided to the SEC. The same information was later shared with DOJ. Since the Commission staff contacted Statoil, Statoil has fully cooperated with the staff's investigation, as well as the investigation conducted by DOJ, producing all documents and information that the staff requested, including voluntary production of documents protected by the attorney-client privilege pursuant to a non-waiver agreement and early production and identification to the staff of relevant documents. Statoil also agreed to make employees

available for interviews and encouraged employee cooperation by agreeing to pay travel expenses and attorneys' fees.

Statoil's Board of Directors has taken additional remedial actions, including ordering an investigation, the results of which were provided to the staff. Statoil's Board also ordered an investigation into other non-Norwegian contracts to determine whether there were other instances similar to the Contract. Statoil has also designed and is implementing a remedial plan, which includes (i) the creation of a corporate compliance officer and ethics committees, (ii) expanded roles for Statoil's Audit Committee to oversee compliance with the FCPA and other applicable foreign bribery laws, (iii) new reporting lines directly to the Audit Committee and Board of Directors, (iv) new ethics, procurement, and due diligence policies, (v) enhanced programs for educating and training executives and employees on ethical matters, including FCPA/anti-bribery compliance training, and (vi) an ethical help-line operated by a third-party, which provides anonymity for callers. These and other remedial actions build on other corporate governance changes adopted by Statoil pursuant to the Sarbanes-Oxley Act of 2002.

V. Norwegian Authorities' Actions

On September 11, 2003, Norwegian government authorities from the National Authority for Investigation and Prosecution of Economic and Environmental Crime (“Økokrim”) seized documents from Statoil's offices as part of an investigation of Statoil. On June 29, 2004, following its investigation, Økokrim issued penalty notices to Statoil in the amount of approximately \$3 million and to the Senior Executive in the amount of approximately \$30,000, charging them with violating Norway's trading-in-influence statute. Statoil and the Senior Executive agreed to pay the penalties without admitting or denying the violations.

APPOINTMENT AND DELEGATION OF AUTHORITY

KNOW ALL MEN BY THESE PRESENTS, that the person whose signature appears below severally constitutes and appoints each of Samuel W. Seymour, Margaret K. Pfeiffer and Thomas R. Leuba (with full power to each of them to act alone), his true and lawful attorney-in-fact and agent, with full power of substitution and re-substitution, for him and in his name, place and stead, to act with full power on behalf of Statoil ASA to execute the Deferred Prosecution Agreement negotiated and agreed with the United States Department of Justice and approved by the Statoil Board of Directors in meeting on August 17, 2006, and to perform all other acts incident to the proper execution and filing of said Deferred Prosecution Agreement.

October 11, 2006



Helge Lund

Chief Executive Officer,
Statoil ASA

OFFICER'S CERTIFICATE

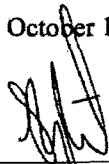
I have read this Agreement and carefully reviewed every part of it with counsel for STATOIL. I understand the terms of this Agreement and voluntarily agree, on behalf of STATOIL, to each of its terms. Before signing this Agreement, I consulted with the attorneys for STATOIL. The attorneys fully advised me of STATOIL's rights, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into this Agreement.

I have carefully reviewed every part of this Agreement with the directors of STATOIL. I have fully advised these directors of STATOIL's rights, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into the Agreement.

No promises or inducements have been made other than those contained in this Agreement. Furthermore, no one has threatened or forced me, or to my knowledge any person authorizing this Agreement on behalf of STATOIL, in any way to enter into this Agreement. I am also satisfied with the attorney's representation in this matter. I certify that I am an officer of STATOIL and that I have been duly authorized by STATOIL to execute this Agreement on behalf of STATOIL.

STATOIL ASA

Date: October 11, 2006

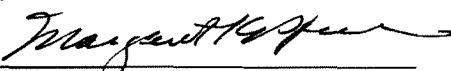


Helge Lund
Chief Executive Officer

CERTIFICATE OF U.S. COUNSEL

I am counsel for STATOIL in the matter covered by this Agreement. In connection with such representation, I have carefully reviewed every part of this Agreement with the authorized representative of STATOIL. I have fully advised him of STATOIL's rights, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into this Agreement, under United States law. To my knowledge, STATOIL's decision to enter into this Agreement is an informed and voluntary one.

October 10, 2006
Date


Margaret K. Pfeiffer
SULLIVAN & CROMWELL LLP
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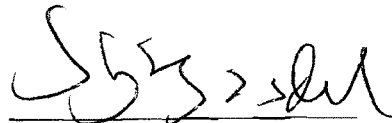
Counsel for STATOIL, ASA

CERTIFICATE OF NORWEGIAN COUNSEL

I am counsel for STATOIL in the matter covered by this Agreement. In connection with such representation, I have examined relevant STATOIL documents and have discussed this Agreement with the authorized representative of STATOIL. Based on my review of the foregoing materials and discussions, I am of the opinion that STATOIL's representative has been duly authorized to enter into this Agreement on behalf of STATOIL.

9. October 2006

Date



Anders Ryssdal

Advokat

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