

The In Amenas terror attack

MANDATE

1. Background

The Board of Directors of Statoil ASA (“Board”) has decided to conduct an investigation as further described in this mandate following the terrorist attack against the In Amenas gas plant in Algeria.

On Wednesday 16 January 2013, a terrible tragedy started with the terrorist attack against the In Amenas gas plant. The attack lasted until 19 January when Algerian authorities confirmed that the military response was concluded and the attack was over. 40 persons were killed in the attack. Statoil lost five of its employees. 12 saved and evacuated Statoil employees have experienced an extremely dramatic event. Extensive efforts were made by Statoil’s emergency response team both in Algeria and in Norway, our partners and contractors, governments, authorities and governmental entities.

It is important from the outset to make it clear that it is the terrorists, and no one else, who have the responsibility for the vicious, violent and tragic attack that took place against the In Amenas gas plant.

2. Purpose

The main objectives for the investigation are to;

- Determine the relevant chain of events before, during and after the In Amenas terror attack, and
- Enable Statoil to further improve within the areas of security, risk assessment, and emergency preparedness.

3. Scope of the investigation

An Investigation team has been appointed by the Board in order to as far as possible clarify and evaluate all relevant facts related to the terror attack from Statoil’s perspective. This includes facts and evaluation concerning:

- Risk and security assessments, security arrangements and emergency preparedness and their implementation directly related to the In Amenas gas plant prior to the terrorist attack
- The notification of, and emergency response to, the terrorist attack including interaction with government authorities and entities and partners

Based on the facts and evaluations related to the In Amenas attack, also identify:

- Potential non-conformities with and areas of improvement in Statoil’s existing system and procedures, or use of the systems, within the areas of security and emergency preparedness
- Potential areas of improvement related to organisational capabilities, including competencies, roles and responsibilities, training, culture and capacity within the areas of security and emergency preparedness.

The Investigation team shall have the authority to do the necessary research and clarifications. This includes right to inspect relevant installations and premises, access to all relevant personnel and information in order to comply with its mandate. Further the Investigation team shall have the possibility to commission external expert opinions within defined areas of security and emergency preparedness in its work.

The investigation will be conducted in accordance with Statoil's governing documentation for investigations of HSE accidents¹ with the required adaptations as set out in this mandate or as agreed amended between the Board and the Investigation team. Accident investigation of actual or potential accidents is a formal process intended to clarify the sequences of events, causes and consequences, and identify effective preventive measures based on proven methodologies which will be applied in this investigation as well.

Should the Investigation team during its work uncover technical, operational, organisational or other shortcomings or deficiencies which are critical in safety (including both security and emergency preparedness) terms, such matters shall be communicated immediately to the Board and the CEO.

To the extent possible the investigation should be aligned and coordinated with similar reviews conducted by other companies involved at the In Amenas facilities or relevant governments or governmental entities.

The Investigation team shall give regular updates to the Board.

A secretariat is established to support the Investigation team with administrative tasks, advice and assistance in all relevant areas. The secretariat will work under the direction and instructions of the Investigation team, and be responsible for drafting of the report. The Investigation team shall deliver its final investigation report to the Board within 15 September 2013. However, the report deadline may be extended in the event additional time is necessary for the investigation to meet the expected quality requirements.

4. Investigation team

The Board has appointed the following members of the Investigation team:

Torgeir Hagen, chair

Hagen is a retired Lieutenant General and was the head of the Norwegian Intelligence Service from 2002 until 2010. He has broad international experience and was a member of the 22nd July Commission

Randi Grung-Olsen, deputy chair

Grung-Olsen is senior vice president for Corporate Audit and Internal investigation in Statoil

Adrian Fulcher

Fulcher is a former director of counter terrorism, with nearly 30 years of experience, in the British Diplomatic Service.

Leif D. Riis

Riis is head of the Analysis and Security Department at the The Norwegian Defence Estates Agency.

James Bunn

Statoil's internal investigation unit

Erling Kristian Handal

Statoil's internal investigation unit

5. Supporting activities

To support the process of clarifying and evaluating all relevant facts related to the terror attack, the Board has decided to establish an advisory expert group and an internal resource group:

¹ The Statoil definition of an "accident" refers to a sudden and undesired event which occurs unexpectedly and unintentionally.

External Advisory expert group

As a resource for the Investigation team and the Board, the Board has appointed an Advisory expert group comprising renowned and relevant experts with international experience. The Advisory expert group shall advise the Investigation team during the investigation and subsequently engage in a dialogue with the Board regarding Statoil's learnings and actions.

The Board has appointed the following members to the Advisory expert group:

John Hamre, Ph.D

Hamre was deputy defence minister in the US from 1997 until 2000. Today he is president of the Center for Strategic and International Studies (CSIS).

John E. McLaughlin

McLaughlin is a former acting director of the CIA. Today he is professor at the School of Advanced International Studies at the Johns Hopkins University.

Thorstein Skiaker

Skiaker is a retired Lieutenant General and former head of the Norwegian Military's Joint Headquarters, NATO's headquarters in Norway and KFOR in Kosovo.

Thomas Hegghammer

Hegghammer is a director/scientist on terrorism at the Norwegian Defence Research Establishment. He is currently at the Center for International Security and Cooperation at Stanford University.

Wolfram Lacher

Lacher is a researcher at the German Institute for International and Security Affairs (Stiftung Wissenschaft und Politik) in Berlin and an expert on Libya, Algeria and security dynamics in the Sahel and Sahara region.

Internal Resource group

In support of the Investigation team, the Board has appointed a Resource group consisting of representatives from the employees and management with the following tasks:

- Represent and bring forward Statoil's institutional knowledge and experience;
- Provide support and advice to the investigation team with special focus on learning points;

The Resource group will receive regular status reports and be included in the hearing of the draft investigation report. The investigation team decides which comments to accept.

The Board has appointed the following members to the Resource group:

Arne Sigve Nylund, chair, senior vice president for processing and manufacturing in Marketing, Production and Renewables

Torgeir Kydland, senior vice president for Europe and Asia in Development and Production International

Tove Stuhr Sjøblom, senior vice president for Africa south of Sahara in Development and Production International

Arild Litlekalsøy, employee representative from Development and Production International.

Morten Lorentzen, employee representative from Development and Production International.

Kjetil Gjerstad, employee representative and coordinating head safety delegate onshore

6. Internal audit – overall processes and systems

In addition to, and in parallel with, the investigation, the Board has instructed Statoil's Corporate Audit ("COA") to conduct an audit to review and assess Statoil's overall processes and systems related to security and emergency preparedness, including the status in select international locations.

The purpose of the internal audit is to give the Board a wider basis from which to consider learnings, actions and plans within the areas of security and emergency preparedness following the conclusion of the investigation.

During the audit, COA may make use of the Advisory expert group. COA shall deliver its final report to the Board within 15 September 2013.

7. Limitations

The circumstances of the terrorist attack will set a number of limitations for the investigation, and as such the facts will have to be based upon the information available.

The investigation is not undertaken to assign personal responsibility or liability. Nor is it related to Statoil's future international or commercial strategy. The investigation should not interfere with business continuity within the areas of security and emergency preparedness.

8. Final report and post review

The investigation report will be made public by Statoil ASA. Information which cannot be made public, due to safety considerations, applicable law or contains information subject to confidentiality, will not be included in the investigation report, such information will be conveyed to the Board and the management in a suitable manner.

The final report will provide the foundation for further work related to learning and sharing for relevant target groups both within and outside of Statoil.

Any changes in this mandate shall be made in writing and subject to agreement between the Board and the Investigation team.

[] February 2013

Statoil ASA