

DRAFT

REGISTERED MAIL - RETURN RECEIPT REQUESTED

ExxonMobil Egypt (S.A.E.)
1097 Cornish El-Nil Street
Garden City
Cairo
Egypt

Attn: *Thomas F. Walter*
Chairman

Dear Mr. Walter:

The Bureau of Industry and Security, United States Department of Commerce ("BIS"), has reason to believe that ExxonMobil Egypt (S.A.E.)¹ ("MOE") has committed four violations of the Export Administration Regulations (the "Regulations"),² which are issued under the authority of the Export Administration Act of 1979 (the "Act").³ Specifically, BIS charges that MOE committed the following violations:

Charges 1 - 3 15 C.F.R. § 764.2(b) - Aiding the Reexport of Items Without the Required Department of Commerce Licenses

On three occasions from in or about June 1999 to in or about February 2000, MOE aided acts prohibited by the Regulations by causing the reexport of Dell servers and Dell laptop computers,

¹ The company was, at the time of the transactions in question, doing business as Mobil Oil Egypt.

² The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2004). The violations charged occurred in 1999 and 2000. The Regulations governing the violations at issue are found in the 1999 and 2000 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (1999-2000)). The 2004 Regulations establish the procedures that apply to this matter.

³ 50 U.S.C. app. §§ 2401- 2420 (2000). From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)) ("IEEPA"). On November 13, 2000, the Act was reauthorized by Pub. L. No. 106-508 (114 Stat. 2360 (2000)) and it remained in effect through August 20, 2001. Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp., p. 783 (2002)), which has been extended by successive Presidential Notices, the MOE's recent being that of August 6, 2004 (69 Fed. Reg. 48763 (August 10, 2004)), continues the Regulations in effect under the IEEPA.

items subject to the Regulations and classified under Export Control Classification Number ("ECCN") 4A994, from England to Sudan, through Egypt, without the Department of Commerce licenses required for such reexports by Section 742.10 of the Regulations. Specifically, MOE accepted delivery of items destined for Sudan and arranged for their further shipment to Sudan. These reexports are further described in the attached Schedule A, which is incorporated by reference herein. By aiding these unauthorized reexports, MOE committed three violations of Section 764.2(b) of the Regulations.

Charge 4 15 C.F.R. § 764.2(i) - Failure to Retain Export Control Documents

On or about June 2000, in connection with the export of software lanpaks (multi-user licenses and software for previously purchased software) ("lanpaks"), items subject to the Regulations and classified under EAR99, from the United States to Sudan, MOE failed to retain export control documents (including airway bills) as required by Section 762.2 of the Regulations. This violation is further described in the attached Schedule A, which is incorporated by reference herein. In so doing, MOE committed one violation of Section 764.2(i) of the Regulations.

Accordingly, MOE is hereby notified that an administrative proceeding is instituted against it pursuant to Section 13(c) of the Act and Part 766 of the Regulations for the purpose of obtaining an order imposing administrative sanctions, including any or all of the following:

The maximum civil penalty allowed by law of \$11,000 per violation;⁴

Denial of export privileges; and/or

Exclusion from practice before BIS.

If MOE fails to answer the charges contained in this letter within 30 days after being served with notice of issuance of this letter, that failure will be treated as a default. See 15 C.F.R.

§§ 766.6 and 766.7. If MOE defaults, the Administrative Law Judge may find the charges alleged in this letter are true without hearing or further notice to MOE. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty on each of the charges in this letter.

MOE is further notified that it is entitled to an agency hearing on the record if it files a written demand for one with its answer. See 15 C.F.R. § 766.6. MOE is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent it. See 15

⁴ See 15 C.F.R. § 6.4(a)(2).

Mobil Oil Egypt
Proposed Charging Letter
Page 3 of 3

C.F.R. §§ 766.3(a) and 766.4. The Regulations provide for settlement without a hearing. *See* 15 C.F.R. § 766.18. Should MOE have a proposal to settle this case, MOE or its representative should transmit it to the attorney representing BIS named below.

The U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, MOE's answer must be filed in accordance with the instructions in Section 766.5(a) of the Regulations with:

U.S. Coast Guard ALJ Docketing Center
40 S. Gay Street
Baltimore, Maryland 21202-4022

In addition, a copy of MOE's answer must be served on BIS at the following address:

Chief Counsel for Industry and Security
Attention: Philip Ankel
Room H-3839
United States Department of Commerce
14th Street and Constitution Avenue, N.W.
Washington, D.C. 20230

Philip Ankel is the attorney representing BIS in this case; any communications that MOE may wish to have concerning this matter should occur through him. Mr. Ankel may be contacted by telephone at (202) 482-5301.

Sincerely,

Michael D. Turner
Director
Office of Export Enforcement

MOBIL OIL EGYPT, LTD.

SCHEDULE A

Charges	Approximate Date of Shipment from Egypt:	Items Involved and Applicable ECCN	Approximate value of items (U.S. dollars)	Destination
1	10/23/1999	Dell Model 4300 Server (ECCN 4A994)	\$11,000	Sudan
2	12/23/1999	Dell Latitude 366 XT laptop computers with accessories (ECCN 4A994)	\$21,000	Sudan
3	4/12/2000	Dell Model 2300 Server (ECCN 4A994)	\$6,000	Sudan
4	6/21/2000	Lanpaks (EAR99)	\$10,000	Sudan

UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF INDUSTRY AND SECURITY
WASHINGTON, D.C. 20230

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In the Matter of:)
)
ExxonMobil Egypt (S.A.E.))
1097 Cornish El-Nil Street)
Garden City)
Cairo)
Egypt)
)
Respondent.)
.....

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made by and between Respondent, ExxonMobil Egypt (S.A.E.)¹ ("MOE") and the Bureau of Industry and Security, U.S. Department of Commerce ("BIS") (collectively referred to as "Parties"), pursuant to Section 766.18(a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2004)) ("Regulations"),² issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) ("Act"),³

¹ The company was, at the time of the alleged violations, doing business as Mobil Oil Egypt.

² The violations charged occurred in 1999 and 2000. The Regulations governing the violations at issue are found in the 1999 and 2000 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (1999-2000)). The 2004 Regulations establish the procedures that apply to this matter.

³ From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)) ("IEEPA"). On November 13, 2000, the Act was reauthorized by Pub. L. No. 106-508 (114 Stat. 2360 (2000)) and it remained in effect through August 20, 2001. Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been

WHEREAS, Exxon Mobil Corporation, on behalf of its subsidiary, MOE, filed a voluntary self-disclosure with BIS's Office of Export Enforcement in accordance with Section 764.5 of the Regulations concerning the transactions at issue herein;

WHEREAS, BIS has notified MOE of its intention to initiate an administrative proceeding against MOE, pursuant to the Act and the Regulations;

WHEREAS, BIS has issued a proposed charging letter to MOE that alleged that MOE committed four violations of the Regulations, specifically:

1. *Three Violations of 15 C.F.R. § 764.2(b) - Aiding the Reexport of Items Without the Required Department of Commerce Licenses:* On three occasions from in or about June 1999 to in or about February 2000, MOE aided acts prohibited by the Regulations by causing the reexport of Dell servers and Dell laptop computers, items subject to the Regulations and classified under Export Control Classification Number ("ECCN") 4A994, from England to Sudan, through Egypt, without the Department of Commerce licenses required for such reexports by Section 742.10 of the Regulations. Specifically, MOE accepted delivery of items destined for Sudan and arranged for their further shipment to Sudan.
2. *One Violation of 15 C.F.R. § 764.2(i) - Failure to Retain Export Control Documents:* On or about June 2000, in connection with the export of software lanpaks (multi-user licenses and software for previously purchased software)

extended by successive Presidential Notices, the most recent being that of August 6, 2004 (69 *Fed. Reg.* 48763, August 10, 2004), continues the Regulations in effect under IEEPA.

("lanpaks"), items subject to the Regulations, from the United States to Sudan, MOE failed to retain export control documents (including airway bills) as required by Section 762.2 of the Regulations.

WHEREAS, MOE has reviewed the proposed charging letter and is aware of the allegations made against it and the administrative sanctions which could be imposed against it if the allegations are found to be true;

WHEREAS, MOE fully understands the terms of this Agreement and the Order ("Order") that the Assistant Secretary of Commerce for Export Enforcement will issue if she approves this Agreement as the final resolution of this matter;

WHEREAS, MOE enters into this Agreement voluntarily and with full knowledge of its rights;

WHEREAS, MOE neither admits nor denies the allegations contained in the proposed charging letter;

WHEREAS, MOE wishes to settle and dispose of all matters alleged in the proposed charging letter by entering into this Agreement; and

WHEREAS, MOE agrees to be bound by the Order, if entered;

NOW THEREFORE, the Parties hereby agree as follows:

1. BIS has jurisdiction over MOE, under the Regulations, in connection with the matters alleged in the proposed charging letter.

2. The following sanction shall be imposed against MOE in complete settlement of the violations of the Regulations by MOE relating to the transactions specifically detailed in the voluntary self-disclosure and the proposed charging letter:

- a. MOE shall be assessed a civil penalty in the amount of \$18,000 which shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of the Order.
- b. The timely payment of the civil penalty agreed to in paragraph 2.a. is hereby made a condition to the granting, restoration, or continuing validity of any export license, License Exception, permission, or privilege granted, or to be granted, to MOE. Failure to make timely payment of the civil penalty set forth above may result in the denial of all of MOE's export privileges for a period of one year from the date of imposition of the penalty.

3. Subject to the approval of this Agreement pursuant to paragraph 8 hereof, MOE hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violations of this Agreement or the Order, if entered), including, without limitation, any right to: (a) an administrative hearing regarding the allegations in the proposed charging letter; (b) request a refund of any civil penalty paid pursuant to this Agreement and the Order, if entered; (c) request any relief from the Order, if entered, including without limitation relief from the terms of a denial order under 15 C.F.R. § 764.3(a)(2); and (d) seek judicial review or otherwise contest the validity of this Agreement or the Order, if entered.

4. Upon entry of the Order and timely payment of the \$18,000 civil penalty, BIS will not initiate any further administrative proceeding against MOE in connection with any violation of the Act or the Regulations arising out of the transactions specifically detailed in the voluntary self-disclosure or the proposed charging letter.

5. BIS will make the proposed charging letter, this Agreement, and the Order, if entered, available to the public.

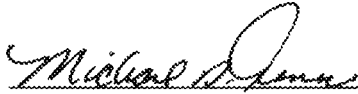
6. This Agreement is for settlement purposes only. Therefore, if this Agreement is not accepted and the Order is not issued by the Assistant Secretary of Commerce for Export Enforcement pursuant to Section 766.18(a) of the Regulations, no Party may use this Agreement in any administrative or judicial proceeding and the Parties shall not be bound by the terms contained in this Agreement in any subsequent administrative or judicial proceeding.

7. No agreement, understanding, representation or interpretation not contained in this Agreement may be used to vary or otherwise affect the terms of this Agreement or the Order, if entered, nor shall this Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department of the U.S. Government with respect to the facts and circumstances addressed herein.

8. This Agreement shall become binding on the Parties only if the Assistant Secretary of Commerce for Export Enforcement approves it by entering the Order, which will have the same force and effect as a decision and order issued after a full administrative hearing on the record.

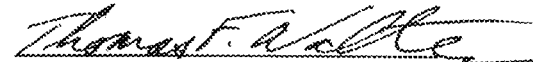
9. Each signatory affirms that he has authority to enter into this Settlement Agreement and to bind his respective party to the terms and conditions set forth herein.

BUREAU OF INDUSTRY AND SECURITY,
U.S. DEPARTMENT OF COMMERCE



Michael D. Turner
Director
Office of Export Enforcement

EXXONMOBIL EGYPT (S.A.E.)



Thomas F. Walter
Chairman

Date: 5/25/2005

Date: 3 May 2005

UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF INDUSTRY AND SECURITY
WASHINGTON, D.C. 20230

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In the Matter of:)
)
ExxonMobil Egypt (S.A.E.))
1097 Cornish El-Nil Street)
Garden City)
Cairo)
Egypt)
)
Respondent.)
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ORDER RELATING TO EXXONMOBIL EGYPT (S.A.E.)

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS") has notified ExxonMobil Egypt (S.A.E.)¹ ("MOE") of its intention to initiate an administrative proceeding against MOE pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2004)) ("Regulations"),² and Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) ("Act"),³ by

¹ The company was, at the time of the alleged violations, doing business as Mobil Oil Egypt.

² The violations charged occurred in 1999 and 2000. The Regulations governing the violations at issue are found in the 1999 and 2000 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (1999-2000)). The 2004 Regulations establish the procedures that apply to this matter.

³ From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)) ("IEEPA"). On November 13, 2000, the Act was reauthorized by Pub. L. No. 106-508 (114 Stat. 2360 (2000)) and it remained in effect through August 20, 2001. Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 6, 2004 (69

issuing a proposed charging letter to MOE that alleged that MOE committed four violations of the Regulations. Specifically, the charges are:

1. *Three Violations of 15 C.F.R. § 764.2(b) - Aiding the Reexport of Items Without the Required Department of Commerce Licenses:* On three occasions from in or about June 1999 to in or about February 2000, MOE aided acts prohibited by the Regulations by causing the reexport of Dell servers and Dell laptop computers, items subject to the Regulations and classified under Export Control Classification Number ("ECCN") 4A994, from England to Sudan, through Egypt, without the Department of Commerce licenses required for such reexports by Section 742.10 of the Regulations. Specifically, MOE accepted delivery of items destined for Sudan and arranged for their further shipment to Sudan.
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WHEREAS, BIS and MOE have entered into a Settlement Agreement pursuant to Section 766.18(a) of the Regulations whereby they agreed to settle this matter in accordance with the terms and conditions set forth therein; and

WHEREAS, I have approved of the terms of such Settlement Agreement;

IT IS THEREFORE ORDERED:

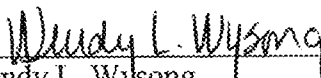
FIRST, that a civil penalty of \$18,000 is assessed against MOE, which shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of this Order. Payment shall be made in the manner specified in the attached instructions.

SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (2000)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and, if payment is not made by the due date specified herein, MOE will be assessed, in addition to the full amount of the civil penalty and interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

THIRD, that the timely payment of the civil penalty set forth above is hereby made a condition to the granting, restoration, or continuing validity of any export license, license exception, permission, or privilege granted, or to be granted, to MOE. Accordingly, if MOE should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order denying all of MOE's export privileges for a period of one year from the date of entry of this Order.

FOURTH, that the proposed charging letter, the Settlement Agreement, and this Order shall be made available to the public.

This Order, which constitutes the final agency action in this matter, is effective immediately.


Wendy L. Wysong
Acting Assistant Secretary of
Commerce for Export Enforcement

Entered this 15th day of June 2005.