UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 54599 / October 13, 2006

ADMINISTRATIVE PROCEEDING
File No. 3-12453

In the Matter of **STATOIL, ASA,** **Respondent.**	**ORDER INSTITUTING CEASE-AND-DESIST PROCEEDINGS, MAKING FINDINGS, AND IMPOSING A CEASE-AND-DESIST ORDER PURSUANT TO SECTION 21C OF THE SECURITIES EXCHANGE ACT OF 1934**

I.

The Securities and Exchange Commission ("Commission") deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 21C of the Securities Exchange Act of 1934 ("Exchange Act"), against Statoil, ASA ("Statoil" or the "Respondent").

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the "Offer") which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission's jurisdiction over the Respondent and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Order Instituting Cease-and-Desist Proceedings, Making Findings, and Imposing a Cease-and-Desist Order Pursuant to Section 21C of the Securities Exchange Act of 1934 ("Order"), as set forth below.

III.
FACTS

On the basis of this Order and the Respondent's Offer, the Commission finds[1] that:

Summary

1. 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.

Respondent

2. 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 Depositary 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.

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[1] The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

Background

3. 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.

4. 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.

5. 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.

6. 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."

The Bribery

7. 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.

8. 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.

9. 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.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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.

Books and Records Violations

15. Statoil failed to properly account for the illegal payments and failed to accurately describe the 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.

Internal Controls Violations

16. 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.

Statoil's Response and Recent Events

17. 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.

18. 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.

19. 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.

20. On September 23, 2003, the Commission staff contacted Statoil to inform Statoil of the staff's inquiry. Since then, Statoil has cooperated with the staff's investigation, 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 remedial actions, including retaining outside counsel to conduct an investigation of the Contract, and a separate investigation into other non-Norwegian contracts, the results of which were provided to the staff. 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.

Norwegian Authorities' Actions

21. 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.

IV.
FEDERAL SECURITIES LAW VIOLATIONS

1. As a result of the conduct described above, Statoil violated Section 30A of the Exchange Act, which prohibits any issuer with a class of securities registered pursuant to Section 12 of the Exchange Act, in order to obtain or retain business, from giving, or authorizing the giving of, anything of value to any foreign official for purposes of influencing the official or inducing the official to act in violation of his or her lawful duties, or to secure any improper advantage; or to induce a foreign official to use his influence with a foreign government or foreign governmental instrumentality to influence any act or decision of such government or instrumentality.

2. As a result of the conduct described above, Statoil violated Section 13(b)(2)(A) of the Exchange Act, which requires reporting companies to make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect their transactions and disposition of their assets.

3. As a result of the conduct described above, Statoil violated Section 13(b)(2)(B) of the Exchange Act, which requires all reporting companies to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that transactions are recorded in accordance with management's general or specific authorization; transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and to maintain accountability for assets; access to assets is permitted only in accordance with management's general or specific authorization; and the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

4. As a result of the conduct described above, Statoil violated Section 13(b)(5) of the Exchange Act, which prohibits any person or company from knowingly circumventing or knowingly failing to implement a system of internal accounting controls as described in Section 13(b)(2)(B), or knowingly falsifying any book, record, or account as described in Section 13(b)(2)(A).

5. As a result of the conduct described above, Statoil violated Rule 13b2-1 of the Exchange Act, which prohibits any person or company from, directly or indirectly, falsifying or causing to be falsified, any book, record or account subject to Section 13(b)(2)(A).

V.

In determining to accept the Offer, the Commission considered remedial acts undertaken by the Respondent and cooperation afforded the Commission staff.

VI.
UNDERTAKINGS

Respondent undertakes to:

1. Retain, through its Board of Directors, within sixty (60) calendar days of the issuance of this Order, and for a period of three years from the date of retention, an independent compliance consultant ("Compliance Consultant"), not unacceptable to the staff of the Commission, to 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, codified at Sections 13(b)(2)(A), 13(b)(2)(B), and 30A of the Exchange Act. This review and evaluation shall include an assessment of those policies and procedures as actually implemented in practice. The compensation and expenses of the Compliance Consultant, and of the persons hired under his or her authority, shall be paid by Statoil. Statoil may extend the time period for retention of the Compliance Consultant with prior written approval of the Commission staff.

2. 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 Order. 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 Order, provided that Statoil shall not be obligated to provide the Compliance Consultant with files, books and records that are protected by the attorney-client privilege or work product doctrine and that are not the subject of a non-waiver of privilege agreement with the Commission. 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. 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.

3. Statoil shall require the Compliance Consultant to assess whether Statoil's policies and procedures are reasonably designed to detect and prevent violations of the

FCPA, and during the three-year consultancy, Statoil shall require the Compliance Consultant to 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, the United States Department of Justice ("DOJ"), and the Commission staff, Statoil shall require the Compliance Consultant to prepare a written work plan for each of the three reviews, which shall be submitted to Statoil, the Commission staff, and DOJ. Statoil shall require the Compliance Consultant to submit the same work plan to the Commission staff and DOJ, and the work plan as finally adopted by the Compliance Consultant shall be the same for both agencies. 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 above in Section III. 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 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 Commission staff and DOJ.

4. In connection with the initial review, Statoil shall require the Compliance Consultant to 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) Bruce Karpati, Assistant Regional Director, Division of Enforcement, Securities and Exchange Commission, 3 World Financial Center, Room 4300, New York, NY 10281-1022; (2) Deborah E. Landis, Assistant United States Attorney, 1 St. Andrews Plaza, New York, NY 10007; and (3) Mark F. Mendelsohn, Deputy Chief, Fraud Section, Criminal Division, U.S. Department of Justice, 10th and Constitution Ave., N.W. (Bond), Washington, D.C. 20530. Statoil shall allow the Compliance Consultant to extend the time period for issuance of the report with prior written approval of the DOJ and the Commission staff.

5. 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 and the Commission staff 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, Statoil shall allow the Compliance Consultant to extend the time period for implementation with prior written approval of the Commission staff and DOJ.

6. 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 VI.4 with respect to the initial review. Statoil shall adopt the follow-up recommendations in the same fashion as set forth in paragraph VI.5 with respect to the initial review. The first follow-up review shall commence one year after retention of the Compliance Consultant, and the second follow-up review shall commence at least one year after completion of the first follow-up review. Statoil shall allow the Compliance Consultant to extend the time period for these follow-up reviews with prior written approval of the Commission staff and DOJ, provided that the tenure of the Compliance Consultant shall only exceed three years if Statoil has not fulfilled its responsibilities as described in this Undertakings section.

7. In undertaking the reviews described in Paragraphs VI.1 through VI.6 above, Statoil shall require the Compliance Consultant to formulate conclusions based on sufficient evidence obtained through, among other things, (i) inspection of documents, including, but not limited to, all of Statoil's 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 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 Order.

8. The Compliance Consultant's charge, as described 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, Statoil shall require the Compliance Consultant to 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 the Commission staff and DOJ at the addresses listed in paragraph VI.4. 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, Statoil shall allow the Compliance Consultant to refer the matter directly to the Commission staff, DOJ, or Norwegian law enforcement officials or authorities. In the event of such a direct referral, Statoil shall require the Compliance Consultant to 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 Commission staff, DOJ, or other relevant authorities. 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, or to its outside counsel, Statoil shall allow the Compliance Consultant to independently disclose his/her findings to the staff of the Commission and DOJ at the addresses listed in paragraph VI.4. 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, Statoil shall require the Compliance Consultant to disclose that fact to the Commission staff and to DOJ. 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 or her duties, in the same manner as described above.

9. It is understood that no provision of this Order 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 Order require Statoil to take any action that constitutes a breach of Norwegian law.

10. Statoil shall require the Compliance Consultant to enter into an agreement with Statoil that provides that for the period of engagement and for a period of two 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 or she is affiliated or of which he or she is a member, and any person engaged to assist the Compliance Consultant in performance of his or her duties under this Order shall not, without prior written consent of the Securities and Exchange Commission'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 the Commission staff and the DOJ.

VII.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondent Statoil's Offer.

Accordingly, it is hereby ORDERED that:

i. Respondent Statoil cease and desist from committing or causing any violations and any future violations of Exchange Act Sections 30A, 13(b)(2)(A), 13(b)(2)(B), 13(b)(5), and Rule 13b2-1 thereunder;

ii. Respondent Statoil comply with the undertakings enumerated in Section VI. above; and

iii. Respondent Statoil, within ten days of the entry of this Order, pay disgorgement of $10,500,000 to the United States Treasury. Such payment shall be: (A) made by United States postal money order, certified check, bank cashier's check or bank money order; (B) made payable to the Securities and Exchange Commission; (C) hand-delivered or mailed to the Office of Financial Management, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Alexandria, Stop 0-3, VA 22312; and (D) submitted under cover letter that identifies Statoil as a Respondent in these proceedings and the file number of these proceedings, a copy of which cover letter and money order or check shall be sent to Helene T. Glotzer, Associate Director, Northeast Regional Office, Securities and Exchange Commission, 3 World Financial Center, Suite 4300, New York, NY 10281.

By the Commission.

Nancy M. Morris
Secretary