

## TOTAL STATEMENT

Total would like to provide the following clarifications in respect of Global Witness article named « BAILOUTS AND BAD BUSINESS IN BRAZZAVILLE »:

### 1. NO PETROLEUM CONTRACT HAS EVER BEEN IN FORCE ON SOUTHERN SECTOR BETWEEN TOTAL AND KONTINENT CONGO NOR ITS REPRESENTATIVES

Total and Eni held three petroleum licenses in the area called “Secteur Sud” in Congo granted by the Republic of Congo, that all expired in July 2015.

On March 2015, the Parliament of the Republic of Congo approved a bill for the adoption of a new Hydrocarbons Code to impose that mining rights will be granted to the national petroleum company (SNPC) with the possibility of partnerships with national or foreign partners, providing that a minimum interest had to be awarded to Congolese private companies. The permits are not granted by Total or Total E&P Congo but by the Republic of Congo to the national petroleum Company SNPC which may be authorized to partner with several companies among which an operator is appointed.

During the process of awarding new licenses in July 2015, the Republic of Congo was already willing to implement the terms of the New Hydrocarbon Code and as such, imposed on the historic partners, ENI Congo and Total E&P Congo, a dilution of their working interest in the new licenses of Southern Sector, in favour of SNPC for 15% and several Private Local Companies for 25%, including Kontinent Congo.

Total E&P Congo notified its intention to withdraw from the South Sector licenses on 31 May 2016, even before the entry into force of the new agreements of July 2015, which was subject to prior approval by the Congolese Parliament. Total E&P Congo’s withdrawal was acknowledged by the Congolese authorities and became effective on 31st December 2016. The Parliament enacted on 10 April 2017 the law approving the new agreements which, together with the associated petroleum licenses, retroactively came into force on 1st January 2017 with a new contractor group, in which Total did not participate.

**Thus, until 31st December 2016, only the previous licenses applied with the only following partners: TEPC (65%) and Eni Congo (35%).** On 31<sup>st</sup> December 2016, Total had returned its interests in the Southern Sector Oil Blocks.

In addition, no Total entity had or has business ties with Mr Veiga. Any suggestion that Total provided funds to Mr Veiga is incorrect.

### 2. TOTAL’S ANTI-CORRUPTION COMPLIANCE PROGRAM IS STRONG

The introduction of local companies in a petroleum contract was a first when new licences for Secteur Sud were granted. The choice of the entities to which the 25% working interest were to be allocated was entirely made by the Republic of the Congo. Total E&P Congo had no say in this process.

Consistent with its compliance program, Total E&P Congo conducted due diligence on the Congolese local companies, including Kontinent. Although absolutely no payment was to be made by Total to the Congolese local companies under the contemplated contractual arrangements, Total decided not to pursue further the exploitation of Secteur Sud as it was not satisfied with the new partnership setup.

In this respect, we can only strongly object to the assertions made by Global Witness about Total when it states *“Total and Eni’s apparent willingness to do business with Veiga casts considerable doubt upon the quality of their due diligence processes and risk mitigation strategies”*.