

M&E Annual Multi-Client Study

"World's Most Sustainable and Ethical Oil Companies 2006"

Over 280 Areas Compared:

2006 is the third consecutive year that Management & Excellence S.A. is releasing its in-depth study on the sustainability of oil companies. The study is perhaps the most in-depth review of 15 companies' compliance with over 280 generally accepted areas of sustainability, corporate governance, corporate social responsibility, ethics and transparency.

Benchmark the World's Leading Companies Against Each Other:

Oil companies spend billions of US Dollars on environmental, social and governance matters. This study tells you exactly where companies stand in their compliance and performance, area by area. The study contains over 50 charts comparing the companies by areas and in percent of compliance.

Image Impact:

The M&E oil study has been covered in over 60 articles in major trade and general media in the USA, Europe, Latin America and Russia. Being ranked in this study entails a substantial impact on a company's image.

Factual, Transparent Approach:

The M&E method is meanwhile well known for its objectivity and fairness. It gives single points for each of the over 280 areas of compliance with generally accepted areas of sustainability, corporate governance, corporate social responsibility, ethics and transparency.

Structure of the Study:

The study is structured into 50 overall categories, comparing all companies by category.

Ranking the 15 Best Oil Companies:

Ranking		
1	Shell	89,01%
2	BP	83,52%
	Petrobras	83,52%
4	Statoil	83,15%
5	Total	76,19%
6	Norsk-Hydro	73,26%
	Repsol	73,26%
8	Chevron	72,53%
9	ExxonMobil	68,13%
10	Conoco	66,30%
11	Pemex	62,64%
12	ENI	62,27%
13	Lukoil	61,17%
14	Gazprom	35,90%
15		

A Few Highlights From the 2006 Study:

- Shell tops the list of the worlds most sustainable and ethical oil companies for the third year running. In the 2006 study Shell achieves the highest score of any oil company ever, achieving 89.01%. Shell was able to substantially improve its already

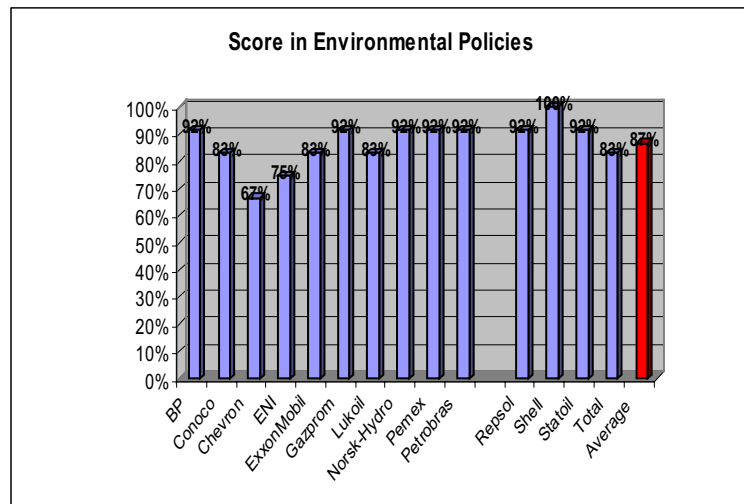
strong 2005 performance of 82% even though this year's study covered roughly twice as many areas as the 2005 study, thus adapting to higher benchmarks in sustainability in the oil business.

- Other major movements in the M&E league table, includes Brazil's Petrobras , which moves up this year from 7th in 2005 to 2nd position. While Exxon scored 80% in 2005, it only achieved a score of 68,1% this year, owing to gaps in reporting and thus dropping it from 2nd to 9th place in 2006.

- On the other hand, companies are generally improving their transparency. Russia's Lukoil manages to raise its total score by 23 percentage points from 35% to 58.61%, or a jump of 67%. In September 2005 Lukoil brought out its first sustainability report discussing its achievements in environment, employee benefits and community support, which more than doubled its transparency score from 29% in M&E's 2005 ranking to 62% in 2006.

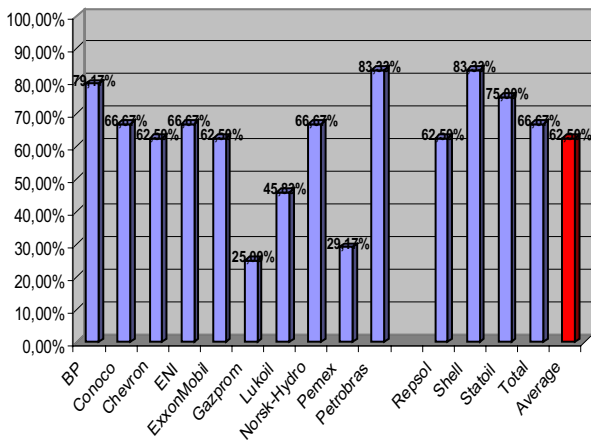
- Fourteen of the 15 companies ranked here publish annual environmental reports. Even Russian gas giant Gazprom has been publishing ecological reports since 1995. While plant modernizations are the focus of companies with older facilities such as Lukoil, Gazprom, Petrobras and Pemex, European and US companies are concentrating on reducing emissions and energy use.

- While most companies were proud of reducing water and energy use and reducing emissions, many appear at best ambivalent on new and renewable energy sources.



- Of the five overall areas studied (sustainability, corporate governance, corporate social responsibility, ethics and transparency), companies do worst in corporate governance, averaging only 58.61%. The differences between the companies is the greatest in this area with Shell and Petrobras both achieving 83.3%. State companies such as Gazprom and Pemex generally did worst, lacking a management structure controlled by independently staffed board committees. Surprisingly, the three U.S. companies barely made it over the 60% mark despite Sarbanes-Oxley, NYSE laws and the like.

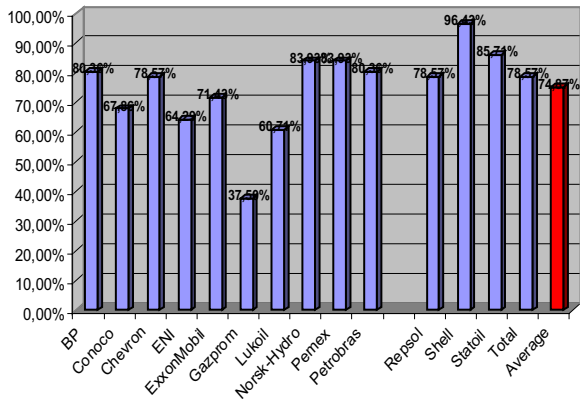
Score in CG



- Most companies invest heavily in human resource development and training, such as France's Total which spends €160m on training (\$192m) annually. Training entails higher productivity but also fewer expensive accidents in what is a fairly dangerous business. To this end, Statoil trained 23.500 employees and contractors in 100 safety seminars. Most companies are proud of a continuous drop in injuries and absenteeism among employees and even suppliers. At Total, injuries among employees and contractors dropped from 46 in 2002 to 20 in 2004.

- The strong link between employee satisfaction and productivity has prompted an increasing number of companies to carry out annual employee satisfaction surveys. Chevron claims that 89% of its employees thought it behaves "responsibly in relation to the environment" and 80% think Chevron cares about the health and well-being of its employees.

Score in CSR

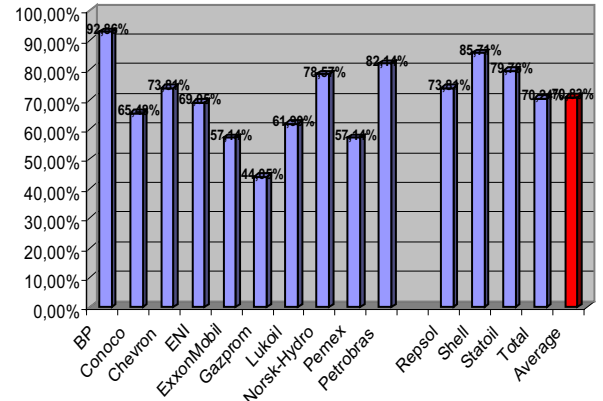


- Yet oil companies have been among the most transparent businesses around, using sustainability, social responsibility and ethics as good promotion topics. And thus they continue to upgrade their transparency, which has helped raise the average performance of all companies in M&E study from 62% in 2005 to a current 67.5%. European oil companies have proven more transparent than their American counterparts. The average overall transparency score for the six European companies is nearly 80% while the three Americans only attained 65.5%. Industry-leader ExxonMobil scores only 57%, which is the same as Mexican state-owned Pemex and lower than Russia's Lukoil.

- Oil companies have been regularly improving their websites as the world goes online. The key topics are corporate governance and environmental issues, followed in recent years by reports on social and employee projects. Alexey Miller, CEO of Gazprom, even addresses the company's new website as the main topic of his welcoming statement.

- Another trend is to publish detailed and colorful sustainability, environmental and social reports. BP publishes the full report in English, German, Spanish and Russian and Petrobras has published a social responsibility report annually since 2001 while others are doing it for the second or third (e.g. Total) year. Petrobras is even increasing the pace by already having its 2005 data ready for release by mid-February of 2006. Gazprom, by comparison, has not gotten beyond publishing its 2002 data.

Score in Transparency



- On the average, companies scored highest under "ethics" with an average of 73.3%. Ethics in essence means having and promoting a detailed code of conduct and staying out of trouble. Companies with low scores, such as Gazprom, largely failed to communicate and implement a code of conduct and ethics, although this is among the least expensive ways of gaining points. Top performers, such as Chevron, Statoil and Total, implemented codes explaining how employees should deal with difficult cases of bribery and conflicts of interest. Statoil's general code of ethics is 31 pages long and it publishes codes for its financial management and suppliers, which were last updated as recently as December 2005.

Management & Excellence SA:

Management & Excellence (M&E) was one of the first companies to research and rate companies in sustainability and ethical areas, starting in 2001. It specializes in the oil business and Latin America where it is partnered with SR Rating, one of Latin America's largest credit rating agencies. M&E markets its oil study jointly with Oil & Gas Journal Online.

Method--Factual, Transparent:

The current study "World's Most Sustainable and Ethical Oil Companies 2006" uses the M&E Facts Only™ method which consists of a list of over 280 internationally recognized standards in sustainability, corporate governance, social responsibility (CSR) and ethics customized to the oil industry. M&E surveyed all companies and researched public information services to determine actual point-by-point compliance with these standards. All percentages refer to the number of points with which a company complies out of a total of over 280.

Partnership:

This year's study is being jointly marketed with the Oil & Gas Journal Online, Tulsa, USA.

Contact and Study Order Terms:

The study "World's Most Sustainable and Ethical Oil Companies 2006" is for sale for €5.000.

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