

Date: December 28, 2017

Ms. Katherine D. McManus
Deputy Legal Adviser and
Designated Agency Ethics Official
Office of the Legal Adviser
Department of State

Re: Ethics Undertakings

Dear Ms. McManus:

I am committed to the highest standards of ethical conduct for government officials. If confirmed as the Assistant Secretary for Energy Resources, as required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter in which I know that I have a financial interest directly and predictably affected by the matter, or in which I know that a person whose interests are imputed to me has a financial interest directly and predictably affected by the matter, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). I understand that the interests of the following persons are imputed to me: any spouse or minor child of mine; any general partner of a partnership in which I am a limited or general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

I resigned from my position as Head of Corporate Affairs with BHP on November 30, 2017. Following my resignation, I will receive a bonus payment for 2017 that was awarded before I was a candidate for the Assistant Secretary for Energy Resources Position, but which has not yet been paid. I was awarded restricted stock units in 2016 and 2017 that have not yet vested. Pursuant to the company's compensation plan, I will receive a percentage of stock for vested restricted stock units following my departure. I will forfeit any unvested restricted stock units. I also own stock and American depository receipts (ADRs) in BHP. Following my appointment, I will divest my BHP stock and ADRs within 90 days of my confirmation. I already forfeited all unvested stock in my employee stock purchase plan upon my departure from the company. I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of BHP until I have divested the stock and ADRs. In addition, until I have received my bonus payment, I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the ability or willingness of BHP, to make this payment to me, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1). For a period of one year after my resignation, I also will not participate personally and substantially in any particular matter involving specific parties in which I know BHP is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

I will divest my interests in the following entities within 90 days of my confirmation: Murphy Oil Corp., Murphy USA Corp., General Electric, and Royal Dutch Shell. I will also divest of seven other stocks that are currently under the reporting threshold. With regard to each of these entities, I will not participate personally and substantially in any particular matter that to

my knowledge has a direct and predictable effect on the financial interests of the entity until I have divested it, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

I will divest my interest in the Hennessy Gas Utility Fund, within 90 days of my confirmation. Until I have completed this divestiture, I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of any holding of the Hennessy Gas Utility Fund that is invested in the utility sector, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

I understand that I may be eligible to request a Certificate of Divestiture for qualifying assets and that a Certificate of Divestiture is effective only if obtained prior to divestiture. Regardless of whether I receive a Certificate of Divestiture, I will ensure that all divestitures discussed in this agreement occur within the agreed upon timeframes and that all proceeds are invested in non-conflicting assets.

If I rely on a *de minimis* exemption under 5 C.F.R. § 2640.201(b) with regard to any of my financial interests in sector mutual funds, I will monitor the value of those interests. If the aggregate value of my interests in sector mutual funds that concentrate in any one sector exceeds \$50,000, I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of any holdings of the funds that are in the specific sector in which the funds concentrate, unless I first obtain a written waiver pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

In addition, I will recuse myself from participation on a case-by-case basis in any particular matter involving specific parties in which I determine that a reasonable person with knowledge of the relevant facts would question my impartiality in that matter, unless I am first authorized to participate, pursuant to 5 C.F.R. Part 2635, Subpart E.

I have a managed account, and I will direct the account manager to obtain my prior approval on a case-by-case basis for the purchase of any assets other than cash, cash equivalents, investment funds that qualify for the exemption at 5 C.F.R. § 2640.201(a), obligations of the United States, or municipal bonds. I will monitor whether the account managers are following this direction regarding prior approval.

I will receive a live ethics briefing from a member of the ethics office after my confirmation but no later than 15 days after my appointment as required under 5 C.F.R. § 2638.305, unless granted an extension under that regulation. Within 90 days of my confirmation, I will document my compliance with this ethics agreement by notifying you in writing when I have completed the steps described in this ethics agreement.

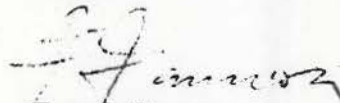
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I understand that as an appointee I will be required to sign the Ethics Pledge (Exec. Order No. 13770) and that I will be bound by the requirements and restrictions therein in addition to the commitments I have made in this ethics agreement.

I have been advised that this ethics agreement will be posted publicly, consistent with 5 U.S.C. § 552, on the website of the U.S. Office of Government Ethics with ethics agreements of other Presidential nominees who file public financial disclosure reports.

Sincerely,



Francis Fannon