

[EXECUTIVE ORDER NO. 279, July 25, 1987]

**AUTHORIZING THE SECRETARY OF ENVIRONMENT AND
NATURAL RESOURCES TO NEGOTIATE AND CONCLUDE JOINT
VENTURE, CO-PRODUCTION, OR PRODUCTION-SHARING
AGREEMENTS FOR THE EXPLORATION, DEVELOPMENT AND
UTILIZATION OF MINERAL RESOURCES, AND PRESCRIBING THE
GUIDELINES FOR SUCH AGREEMENTS AND THOSE AGREEMENTS
INVOLVING TECHNICAL OR FINANCIAL ASSISTANCE BY
FOREIGN-OWNED CORPORATIONS FOR LARGE-SCALE
EXPLORATION, DEVELOPMENT, AND UTILIZATION OF MINERALS**

WHEREAS, Section 2 of Article XII of the 1987 Constitution provides that the exploration, development and utilization of natural resources shall be under the full control and supervision of the State, and that the State may directly undertake such activities, or may enter into co-production, joint venture, or production-sharing agreements with Filipino citizens, or corporations or associations at least sixty per centum (60%) of whose capital is owned by such citizens, which agreements may be for a period not exceeding twenty-five years, renewable for not more than twenty-five years, and under such terms and conditions as may be provided by law;

WHEREAS, Section 2, Article XII of the 1937 Constitution further provides that the President may enter into agreements with foreign-owned corporations involving either technical or financial assistance for large-scale exploration, development, and utilization of minerals, petroleum, and other mineral oils according to the general terms and conditions provided by law;

WHEREAS, there are existing and expected proposals from interested parties, including foreign-owned corporations, for agreements involving the exploration, development and utilization of minerals that require immediate consideration of encourage investment in the mining industry which plays a pivotal role in the economic development of the country; and

WHEREAS, in order to enable the Government to consider and conclude such agreements, it is necessary in the national interest to provide the legal basis and authority as well as the general guidelines and framework for entering into such contracts or agreements envisioned by Section 2, Article XII of the 1987 Constitution until Congress shall enact a more comprehensive legislation on the subject;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order:

SECTION 1. The Secretary of the Department of Environment and Natural Resources (hereinafter referred to as "the Secretary") is hereby authorized to negotiate and enter into, for and in behalf of the Government, joint venture, co-production, or production-sharing agreements for the exploration, development, and utilization of