

**MEMORANDUM OF UNDERSTANDING BETWEEN THE
DEPARTMENT OF ENERGY OF THE REPUBLIC OF THE
PHILIPPINES AND THE MINISTRY OF ENERGY AND MINERAL
RESOURCES, OF THE REPUBLIC OF INDONESIA ON
COOPERATION ON LONG-TERM COAL, OIL AND GAS SUPPLY AND
GEOTHERMAL ENERGY DEVELOPMENT**

The Department of Energy of the Republic of the Philippines (hereinafter referred to as DOE) and the Ministry of Energy and Mineral Resources of the Republic of Indonesia (hereinafter referred to as MEM);

WHEREAS, the Declaration of ASEAN Concord, signed in Bali, Indonesia on 24 February 1976, provides that ASEAN member countries shall take cooperative action in their national and regional development program;

WHEREAS, the Agreement on ASEAN Energy Cooperation, signed in Manila, Philippines on 24 June 1986, stipulates that ASEAN member countries may cooperate in the efficient development, production and utilization of all forms of energy, whether commercial, non-commercial, renewable or non-renewable, in modalities that may be appropriately designed by them for the above purpose;

WHEREAS, regional cooperation and alliances, especially in the energy and related sectors, can be realized through initiatives, either on multilateral or bilateral basis, in order to promote sustainable growth and development in the region;

WHEREAS, on 25 February 1998, the Indonesian – Philippines Joint Commission for Bilateral Cooperation, among others, agreed to extend mutual cooperation in the field of energy, and in furtherance thereof, the Indonesian Government manifested its desire to supply coal, oil and gas as fuel supply for Philippine energy needs, while the Philippine Government manifested its willingness to give priority to the sourcing of fuel from Indonesia and to share its expertise with the Indonesian Government to develop the latter's geothermal energy potential;

IN ACCORDANCE WITH the prevailing laws and regulations of their respective countries;

**ARTICLE I
OBJECTIVES**

The MEM and the DOE agree:

I.1. To synchronize the coal, oil and gas development program of Indonesia and the coal, oil and gas utilization expansion program of the Philippines;

I.2. To promote long-term fuel supply arrangements between Indonesian fuel producers and Philippine fuel users;

I.3. To further foster the cooperation between the Republic of Indonesia and the Republic of the Philippines in coal, oil and gas development, utilization and expansion for the mutual benefit of the two countries within the framework of the ASEAN Energy Cooperation and the spirit of ASEAN Cooperation and friendship; and