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Philippines and Thailand

Memorandum of Understanding between the Department of Energy of the Republic of the Philippines and the Ministry of Energy of the Kingdom of Thailand on cooperation in oil and gas activities. Bangkok, 19 October 2003

Entry into force: 1 March 2004 by notification, in accordance with section 12

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Philippines et Thaïlande

Mémorandum d'accord entre le Département de l'énergie de la République des Philippines et le Ministère de l'énergie du Royaume de Thaïlande relatif à la coopération dans le domaine des activités pétrolières et gazières. Bangkok, 19 octobre 2003

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[ENGLISH TEXT – TEXTE ANGLAIS]

MEMORANDUM OF UNDERSTANDING BETWEEN THE DEPARTMENT OF ENERGY OF THE REPUBLIC OF THE PHILIPINES AND THE MINISTRY OF ENERGY OF THE KINGDOM OF THAILAND ON COOPERATION IN OIL AND GAS ACTIVITIES

The Department of Energy of the Republic of the Philippines and the Ministry of Energy of the Kingdom of Thailand, (hereinafter referred to collectively as "Parties" and individually as a "Party")

Whereas, the Parties acknowledge the importance of energy resource exploration, development, production, storage, distribution and utilization as major strategies embodied in their respective energy policies;

Whereas, the Parties desire to increase potential cooperation between the two countries in the development of oil and natural gas industries that would support their respective programs on the improvement of facilities utilization for the energy related sectors, i.e. exploration, development, production, storage, distribution and utilization of related facilities:

Whereas, the Parties also wish to establish a successful cooperation between their respective countries in matters relating to petroleum related activities:

Whereas, the Parties desire to strengthen their cooperation through joint studies on related areas of interest;

Whereas, the Parties consider further technological enhancement and availability for the promotion of alternative fuels as crucial in the promotion of environmentally sustainable energy sources.

NOW, THEREFORE, for and in consideration of the mutual premises contained herein, the Parties agree as follows:

Section 1: Objectives

This Memorandum of Understanding (MOU) is to record mutual understanding of the Parties to jointly study, investigate and assess possibilities of cooperation for mutual benefit between the Parties in the following areas:

- 1.1 oil and gas exploration, development, production, storage, distribution and utilization of related facilities in the Philippines and Thailand;
- 1.2 promotion and development of potential synergy between the Parties and enhancing opportunities of utilization of existing oil related facilities in the respective countries:

- 1.3 research and development (R&D) on technological enhancement and improvement of alternative fuels, including but not limited to biofuels, compressed natural gas (CNG) and liquefied petroleum gas (LPG);
- 1.4 systematic information exchange including exchange of technical and unscientific information as well as R&D efforts;
- 1.5 sharing of knowledge and experience in various areas of the petroleum business through seminars and training courses; and
- 1.6 joint study in any other oil and gas related areas as agreed by both Parties.

Section 2: Purpose

The purpose of this MOU is to establish a Joint Cooperation Committee ("JCC") between the Parties and to set provisions under which the JCC will carry out its functions to achieve the objectives of this MOU as set forth in Section 1.

Section 3: Joint Cooperation Committee

The JCC shall consist of a total of eight (8) members. Each Party shall appoint four (4) members including one (1) Co-Chairman and one (1) Co-Secretary. Members of the JCC may be delegated from assigned entities designated by each Party. Each Party may, from time to time and at their discretion, remove and appoint members of the JCC appointed by them. The JCC shall hold its meetings quarterly or as otherwise agreed by both Parties. If necessary, additional meetings can be arranged with mutual agreement by both Parties. The venue for the meetings shall alternate between the Philippines and Thailand, with the first meeting to be held in Thailand.

Section 4: Annual Work Program

The JCC shall prepare and agree on an Annual Work Program that outlines the plan of joint study, cooperation and work for the following year.

Section 5: Working Teams

The JCC may establish working teams to assist in carrying out a specific joint study, cooperation or work specified in the Annual Work Program. The JCC shall support requested data, information, reports and assistance to these working teams provided that such requests are reasonable and necessary to carry out the work designated.

Section 6: Implementing Arrangement

An Implementing Arrangement will be prepared and carried out by the JCC to fulfill mutually acceptable provisions of the objectives as provided in Section 1. It shall include such matters as technical scope, protection and allocation of intellectual property rights; exchange of business confidential information; management; total costs; cost sharing; and schedule. All activities of the JCC shall be undertaken in accordance with the laws and regulations of the Parties' respective countries.

Section 7: Expenses

Expenses incurred by the JCC and its working teams under the scope of this MOU shall be borne as follows:

- 7.1 Each Party shall bear the cost of its respective delegation regarding travel and accommodation expenses. Local expenditures shall be borne by the host Party.
- 7.2 In case one Party invites or requests the other to a seminar, training course or operation visit, the responsibility for expenses shall be discussed between the Parties prior to such trip.
- 7.3 The Parties may agree on other expense sharing arrangements as may be necessary.

Section 8: Confidentiality in Respect of Information

Each Party shall strictly keep confidential any and all technical, legal and commercial data and information disclosed by the other Party and shall not use the same except for the mutual benefit of the Parties as set forth in this MOU.

Section 9: Joint Study Results

All results of joint studies under this MOU, which are funded as set forth in Section 7 hereof, shall in principle be jointly owned by both Parties. The Parties, or their respective designated entities, shall use such results for mutual benefits of both Parties.

None of the results of the joint study shall be disclosed by any Party to a third party without the prior written consent of the other Party.

Section 10: Dispute Settlement

Any dispute arising from the interpretation or implementation of this MOU shall be settled amicably by consultation and negotiation between the Parties through diplomatic channels.

Section 11: Amendments

Amendments or modifications to this MOU may be made, if necessary, by exchange of letters between the Parties based on mutual consultation. Such amendment(s) or modification(s) shall enter into force in accordance with the provision in Section 12.