

**MEMORANDUM OF UNDERSTANDING BETWEEN THE ROYAL NORWEGIAN
MINISTRY OF PETROLEUM AND ENERGY AND THE SECRETARIAT OF
ENERGY OF THE UNITED MEXICAN STATES CONCERNING COOPERATION
IN THE FIELD OF ENERGY**

The Secretariat of Energy of the United Mexican States and the Royal Norwegian Ministry of Petroleum and Energy, hereinafter referred to as the "Parties";

CONSIDERING the excellent friendship ties between both Governments;

WHEREAS the Parties have stated their mutual desire to develop and enhance their cooperation within the areas of energy;

The Parties, therefore, have reached the following understanding:

ARTICLE 1

The objective of this Memorandum of Understanding is to establish a general framework for cooperation between the Parties to develop projects for mutual benefit in energy matters¹.

ARTICLE 2

To achieve the objectives referred to in Article 1, the Parties will carry out actions of cooperation in the following areas:

- a) Energy policy: To provide a framework for discussions and exchanges of information on the energy situation and policies of both countries, including identifying the conditions necessary to increase the exchange of technology and expertise, and to promote the exploration, development and environmentally-responsible utilization of energy resources;
- b) Regulatory cooperation: To provide the basis for cooperation between the national energy regulatory agencies of both Parties. To provide a forum to exchange information and experiences on functions and attributions of the regulatory bodies; on regulation of exploration and exploitation of hydrocarbons, tariffs for regulated services, conservation, electricity, and other energy issues, as well as fiscal regimes related to this issue;

¹ All the information exchanged under this Memorandum of Understanding shall be public and official, unless otherwise agreed upon by the Parties.



- c) Market issues: To provide a forum for discussion on energy commodity issues such as those related to international oil markets, natural gas and electricity. Similarly, on Government policies to foster industry and co-participation between government and private sector;
- d) Energy efficiency: To facilitate information sharing and dialogue on energy efficiency policies, programs and technology development;
- e) Renewable energy: To explore opportunities to enhance technology transfer, investment and trade in renewable energy technologies and processes, with the intention of identifying future areas of cooperation;
- f) Non-nuclear energy research and development: To explore opportunities to enhance cooperation in non-nuclear energy research and development;
- g) Hydrocarbon technologies, especially oil and natural gas: To exchange information and experience in areas such as: production and storage technologies; technologies for exploration and production of crude oil and natural gas; clean fossil energy technologies; technologies for the efficient use of hydrocarbons;
- h) Fiscal regimes: To facilitate information sharing on federal fiscal regimes directly linked with the energy sector; and
- i) Other areas of cooperation mutually agreed upon in writing by the Parties.

ARTICLE 3

To accomplish the objectives of this Memorandum of Understanding, the Parties will carry out the following activities of cooperation:

- a) Exchange of information on energy policy and other issues of common interest;
- b) Promotion of technical cooperation between companies and organizations, including the exchange of experts and information, the design and implementation of studies, projects and programs, the implementation of joint research and workshops in the areas of cooperation determined by both countries;

- c) Exchange of information concerning selected development projects;
- d) Exchange of information and experiences regarding the development of technology and surveys on electricity related issues;
- e) To develop appropriate mechanisms that will allow transfer of technology for the better development of the respective energy sectors;
- f) Promotion of an extended commercial and technical cooperation between Pemex and the Norwegian oil companies, and companies within the supply industry;
- g) Promotion of industrial cooperation between companies in both countries that wish to develop their activities as suppliers of goods and services to the petroleum sector, including alliances, mutual exchange of technology and programs for research and development in offshore technology; and
- h) Other forms of cooperation agreed upon in writing by the Parties.



ARTICLE 4

Each Party shall designate senior government officials to serve as its Coordinators to follow up this Memorandum of Understanding.

Bilateral meetings shall be conducted at least annually in alternate venues, unless the Parties otherwise agree.

If the Parties so agree, working groups may be established to conduct specific projects within the areas as mentioned in Articles 2 and 3 of this Memorandum of Understanding.

Working groups should set a Work Plan which will include the following aspects:

- a) Objectives and activities to be carried out;
- b) Definition of goals to be reached and actions to be carried out;



- c) Definition of responsibilities in the established activities and actions;
- d) Allocation of personnel, material and financial resources;
- e) Assessment mechanisms.

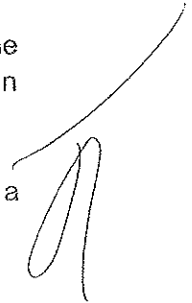
Also, in order to provide guarantees and certainty, for each project implemented under this Memorandum of Understanding, should be set:

- a) Measures to ensure the confidentiality of information;
- b) Terms and conditions for financing each project;
- c) Employment relationship.

A Technical Report shall be prepared at the conclusion of each project. This report will be submitted to the Coordinators, as well as to the participant institutions or entities.

Notwithstanding the formulation of a Work Plan, any of the participants in the specific projects will be able to present proposals of collaboration that may arise during the implementation of the cooperation activities.

Parties are under no obligation to collaborate in activities subject to a domestic prohibition or derived from national law, regulations or customs.



ARTICLE 5

Cooperation under this Memorandum of Understanding will be in accordance with the applicable laws, statutes and regulations of both countries.



ARTICLE 6

This Memorandum of Understanding will enter into force upon signature and will remain in force for five (5) years; it will be automatically extended for an additional five-year period, subject to prior evaluation by the Parties.

The present Memorandum of Understanding can be modified by mutual agreement, formalized by the written communications at least three (3) months prior to its expiration specifying the date in which it will enter into force.

Either of the Parties may terminate the Memorandum at any time ninety (90) days after submitting written notice to the Other; this termination will not affect the completion of activities initiated prior to such notification but not yet completed.

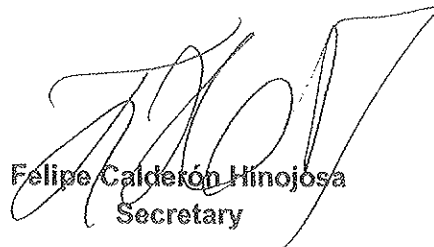
This Memorandum of Understanding is signed in duplicate in Mexico City this October 24th of 2003, in the English and Spanish languages, both versions being equally valid.

**FOR THE ROYAL NORWEGIAN
MINISTRY OF
PETROLEUM AND ENERGY**

**FOR THE SECRETARIAT OF
ENERGY OF
THE UNITED MEXICAN STATES**



**Einar Steensnaes
Minister**



**Felipe Calderón Hinojosa
Secretary**