

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE MINISTRY OF ECONOMIC AFFAIRS
OF THE REPUBLIC OF HUNGARY
AND
THE MINISTRY OF INDUSTRY AND COMMERCE
OF THE REPUBLIC OF ICELAND
ON
COOPERATION IN GEOTHERMAL RESEARCH AND DEVELOPMENT

The Ministry of Economic Affairs (MEA) of the Republic of Hungary and the Ministry of Industry and Commerce (MIC) of the Republic of Iceland (hereinafter referred to as “the Parties”);

Recognizing that the MEA and the MIC are responsible for the research and exploitation of geothermal resources in Hungary and Iceland respectively in a way that promotes national goals;

Considering that promoting and strengthening scientific exchange and research co-operation between scientists and scientific institutions will further these goals;

Noting that Iceland and Hungary are leading countries in geothermal development; and

Recalling the mutual desire of the two countries to promote a sustainable use of renewable energy resources;

Desiring to promote co-operation between the two countries in areas of mutual scientific and economic benefit;

Agree as follows.

Article I

1. The Parties will promote, facilitate and co-ordinate joint and co-operative activities in geothermal research and development in both countries. Areas of emphasis for such activities will be listed in Annex I to this Memorandum of Understanding (hereinafter referred to as “Joint Activities”).

2. “Joint Activities” shall be implemented on the basis of equality, reciprocity and mutual benefit, and merit review through programs and facilities as may be agreed upon by the Parties.

3. The Parties shall keep under review Joint Activities and may revise and update Annex I as appropriate.

Article II

1. Joint Activities may include the following:
 - (a) conduct of joint and co-operative programs/projects;
 - (b) exchange of research scientists and engineers, including principal investigators and post-doctoral scientists, and technical information and data;
 - (c) convening of joint scientific conferences, workshops and similar meetings for scientific planning, analysis and evaluation; and
 - (d) development of human resources.
2. Detailed arrangements to set forth terms and conditions of Joint Activities will be made by the Parties, as appropriate.

Article III

1. The Parties shall establish the Joint Council for MEA-MIC Co-operation in Scientific and Engineering Research (hereinafter referred to as “the Joint Council”) to oversee and co-ordinate Joint Activities.
2. Each Party shall designate a representative and alternate representative to the Joint Council.
3. The Joint Council shall operate by consensus. The Joint Council shall work primarily via electronic communications and correspondence to consult on any matters that may arise from or in connection with Joint Activities. Meetings of the Joint Council will be convened when deemed necessary by the Parties. Responsibility for planning, organising and convening the meetings of the Joint Council will be shared by the Parties on a reciprocal basis.

Article IV

1. The Parties shall take necessary measures so that scientific and technical information and data of a non-proprietary nature derived from Joint Activities will be made available to the international scientific community and to the public through customary channels and in accordance with the normal procedures of the Parties or relevant entities.

2. The Parties shall take necessary measures so that technical data and goods furnished in the course of Joint Activities will be governed by Annex II of this Memorandum of Understanding.

3. With respect to Article IV (1-2) above, such measures shall be taken in accordance with the respective laws and regulations.

Article V

Information transmitted by one Party to the other under this Memorandum of Understanding shall be accurate to the best knowledge and belief of the transmitting Party which may not be liable for the content or use of such information.

Article VI

The Parties shall consult, as appropriate, in respect of any matter that may arise from, or in connection with, this Memorandum of Understanding.

Article VII

Co-operation between the Parties under this Memorandum of Understanding shall be subject to the availability of appropriated funds and in accordance with the laws and regulations in each country.

Article VIII

1. This Memorandum of Understanding shall enter into force upon signature by the Parties and shall remain in force for five years. This Memorandum of Understanding shall be automatically renewed for further five-year periods, unless otherwise decided by the Parties.

2. However, either Party may at any time give written notice to the other of its intention to terminate this Memorandum of Understanding, in which case this Memorandum of Understanding shall terminate six months after such notice has been given.

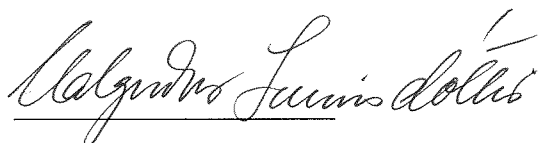
3. Termination of this Memorandum of Understanding shall not affect any activities of the Joint Council initiated under this Memorandum of Understanding but not yet completed at the time of termination unless otherwise agreed.

4. This Memorandum of Understanding and its Annexes may be amended by written agreement between the Parties.

Done in **Budapest** this **26th** day of **September, 2001**, in duplicate, in English language.

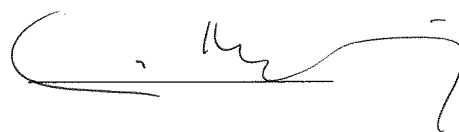
For the Ministry of Industry and
Commerce

Valgerður Sverrisdóttir

Handwritten signature of Valgerður Sverrisdóttir in cursive script, underlined.

For the Ministry of
Economic Affairs

György Matolcsy

Handwritten signature of György Matolcsy in cursive script, underlined.

DRAFT

ANNEX I

Scientific Areas of Initial Emphasis

Joint activities are expected to be undertaken initially on specific topics within the following broad areas of research:

1. Multipurpose use of geothermal energy,
2. Balneological tourism,
3. Reservoir modelling and simulation,
4. Geothermal horticulture,
5. Geothermal drilling,
6. Reservoir management.
7. Geothermal training.

ANNEX II

Exchange of Data and Goods

Each party to Joint Activities shall transfer to the other party only those technical data and goods necessary to fulfil the responsibilities of the transferring party under this Arrangement subject to the following conditions:

1. In the event a party to a Joint Activity finds it necessary to furnish technical data that are proprietary, and for which protection is to be maintained, such technical data will be marked with a notice indicating that it shall be used and disclosed by the receiving party, institutions acting on its behalf, and its contractors and sub-contractors only for the purposes of fulfilling the receiving party's responsibilities for the implementation of the Joint Activity, and that the technical data shall not be disclosed or retransferred to any other person without prior written consent of the furnishing party. The receiving party shall abide by the terms of the notice, and protect any such marked technical data from unauthorized use and disclosure.
2. In the event a party to a Joint Activity finds it necessary to transfer technical data and goods that are export controlled, the furnishing party shall mark such technical data with a notice and identify such goods. The notice or identification shall indicate that such technical data and goods shall be used, and such technical data shall be disclosed, by the receiving Party, institutions acting on its behalf, and its contractors and sub-contractors only for the purposes of fulfilling the receiving side's responsibilities for the implementation of the Joint Activity. The notice or identification shall also provide that such technical data shall not be disclosed, and such technical data and goods shall not be retransferred to any other person without prior written consent of the furnishing party. The parties agree to abide by the terms of the notice or identification and to protect any such marked technical data and identified goods.
3. The receiving party is under no obligation to protect any unmarked technical data or unidentified goods. However, all technical data and goods exchanged will be used exclusively for purposes of fulfilling the parties' responsibilities for the implementation of the Joint Activity.

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE MINISTRY OF ECONOMIC AFFAIRS
OF THE REPUBLIC OF HUNGARY
AND
THE MINISTRY OF INDUSTRY AND COMMERCE
OF THE REPUBLIC OF ICELAND
ON
COOPERATION IN GEOTHERMAL RESEARCH AND DEVELOPMENT**

The Ministry of Economic Affairs (MEA) of the Republic of Hungary and the Ministry of Industry and Commerce (MIC) of the Republic of Iceland (hereinafter referred to as "the Parties");

Recognizing that the MEA and the MIC are responsible for the research and exploitation of geothermal resources in Hungary and Iceland respectively in a way that promotes national goals;

Considering that promoting and strengthening scientific exchange and research co-operation between scientists and scientific institutions will further these goals;

Noting that Iceland and Hungary are leading countries in geothermal development; and

Recalling the mutual desire of the two countries to promote a sustainable use of renewable energy resources;

Desiring to promote co-operation between the two countries in areas of mutual scientific and economic benefit;

Agree as follows.

Article I

1. The Parties will promote, facilitate and co-ordinate joint and co-operative activities in geothermal research and development in both countries. Areas of emphasis for such activities will be listed in Annex I to this Memorandum of Understanding (hereinafter referred to as "Joint Activities").
2. "Joint Activities" shall be implemented on the basis of equality, reciprocity and mutual benefit, and merit review through programs and facilities as may be agreed upon by the Parties.

3. The Parties shall keep under review Joint Activities and may revise and update Annex I as appropriate.

Article II

1. Joint Activities may include the following:

- (a) conduct of joint and co-operative programs/projects;
- (b) exchange of research scientists and engineers, including principal investigators and post-doctoral scientists, and technical information and data;
- (c) convening of joint scientific conferences, workshops and similar meetings for scientific planning, analysis and evaluation; and
- (d) development of human resources.

2. Detailed arrangements to set forth terms and conditions of Joint Activities will be made by the Parties, as appropriate.

Article III

1. The Parties shall establish the Joint Council for MEA-MIC Co-operation in Scientific and Engineering Research (hereinafter referred to as “the Joint Council”) to oversee and co-ordinate Joint Activities.

2. Each Party shall designate a representative and alternate representative to the Joint Council.

3. The Joint Council shall operate by consensus. The Joint Council shall work primarily via electronic communications and correspondence to consult on any matters that may arise from or in connection with Joint Activities. Meetings of the Joint Council will be convened when deemed necessary by the Parties. Responsibility for planning, organising and convening the meetings of the Joint Council will be shared by the Parties on a reciprocal basis.

Article IV

1. The Parties shall take necessary measures so that scientific and technical information and data of a non-proprietary nature derived from Joint Activities will be made available to the international scientific community and to the public through customary channels and in accordance with the normal procedures of the Parties or relevant entities.

2. The Parties shall take necessary measures so that technical data and goods furnished in the course of Joint Activities will be governed by Annex II of this Memorandum of Understanding.

3. With respect to Article IV (1-2) above, such measures shall be taken in accordance with the respective laws and regulations.

Article V

Information transmitted by one Party to the other under this Memorandum of Understanding shall be accurate to the best knowledge and belief of the transmitting Party which may not be liable for the content or use of such information.

Article VI

The Parties shall consult, as appropriate, in respect of any matter that may arise from, or in connection with, this Memorandum of Understanding.

Article VII

Co-operation between the Parties under this Memorandum of Understanding shall be subject to the availability of appropriated funds and in accordance with the laws and regulations in each country.

Article VIII

1. This Memorandum of Understanding shall enter into force upon signature by the Parties and shall remain in force for five years. This Memorandum of Understanding shall be automatically renewed for further five-year periods, unless otherwise decided by the Parties.

2. However, either Party may at any time give written notice to the other of its intention to terminate this Memorandum of Understanding, in which case this Memorandum of Understanding shall terminate six months after such notice has been given.

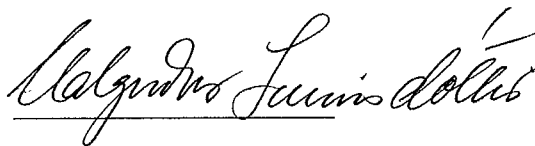
3. Termination of this Memorandum of Understanding shall not affect any activities of the Joint Council initiated under this Memorandum of Understanding but not yet completed at the time of termination unless otherwise agreed.

4. This Memorandum of Understanding and its Annexes may be amended by written agreement between the Parties.

Done in **Budapest** this **26th** day of **September, 2001**, in duplicate, in English language.

For the Ministry of Industry and
Commerce

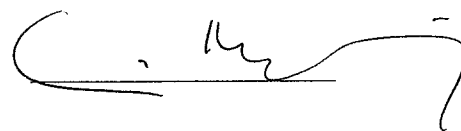
Valgerður Sverrisdóttir



Valgerður Sverrisdóttir

For the Ministry of
Economic Affairs

György Matócsy



György Matócsy

DRAFT

ANNEX I

Scientific Areas of Initial Emphasis

Joint activities are expected to be undertaken initially on specific topics within the following broad areas of research:

1. Multipurpose use of geothermal energy,
2. Balneological tourism,
3. Reservoir modelling and simulation,
4. Geothermal horticulture,
5. Geothermal drilling,
6. Reservoir management.
7. Geothermal training.

ANNEX II

Exchange of Data and Goods

Each party to Joint Activities shall transfer to the other party only those technical data and goods necessary to fulfil the responsibilities of the transferring party under this Arrangement subject to the following conditions:

1. In the event a party to a Joint Activity finds it necessary to furnish technical data that are proprietary, and for which protection is to be maintained, such technical data will be marked with a notice indicating that it shall be used and disclosed by the receiving party, institutions acting on its behalf, and its contractors and sub-contractors only for the purposes of fulfilling the receiving party's responsibilities for the implementation of the Joint Activity, and that the technical data shall not be disclosed or retransferred to any other person without prior written consent of the furnishing party. The receiving party shall abide by the terms of the notice, and protect any such marked technical data from unauthorized use and disclosure.

2. In the event a party to a Joint Activity finds it necessary to transfer technical data and goods that are export controlled, the furnishing party shall mark such technical data with a notice and identify such goods. The notice or identification shall indicate that such technical data and goods shall be used, and such technical data shall be disclosed, by the receiving Party, institutions acting on its behalf, and its contractors and sub-contractors only for the purposes of fulfilling the receiving side's responsibilities for the implementation of the Joint Activity. The notice or identification shall also provide that such technical data shall not be disclosed, and such technical data and goods shall not be retransferred to any other person without prior written consent of the furnishing party. The parties agree to abide by the terms of the notice or identification and to protect any such marked technical data and identified goods.

3. The receiving party is under no obligation to protect any unmarked technical data or unidentified goods. However, all technical data and goods exchanged will be used exclusively for purposes of fulfilling the parties' responsibilities for the implementation of the Joint Activity.