

ANNEX III

To the Agreement Between the Department of Energy and the Department of The Treasury of the United States of America and the King Abdulaziz City for Science and Technology and the Ministry of Finance and National Economy of the Kingdom of Saudi Arabia

WHEREAS, the Department of Energy (hereinafter referred to as "DOE") and the Department of the Treasury of the United States of America and the King Abdulaziz City for Science and Technology (hereinafter referred to as "KACST") and the Ministry of Finance and National Economy of the Kingdom of Saudi Arabia have entered into a Project Agreement for Cooperation in the Field of Renewable Energy Research and Development signed in Riyadh, on February 4, 1987, (hereinafter referred to as the "Agreement");

WHEREAS, the United States has experience in generating electricity from geothermal resources;

WHEREAS, the Kingdom of Saudi Arabia would benefit significantly from a cooperative activity consisting of evaluation, field work, data analyses, and dissemination of information on the geothermal resource potential of Saudi Arabia; and

WHEREAS, DOE and KACST (hereinafter referred to as the "Parties") believe that a joint project in the Assessment of Geothermal Energy Resources in Saudi Arabia (hereinafter referred to as the "Assessment Project") would be of mutual interest and benefit to Saudi Arabia and the United States;

THEREFORE, the Parties agree as follows:

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Article 1

Scope

The objective of the Assessment Project is to develop increased knowledge of and determine the potential of geothermal resources in the Kingdom of Saudi Arabia. The Assessment Project shall involve a review of existing studies and reports on geothermal resources in the Kingdom of Saudi Arabia, development of an annotated list of potential sites for additional studies, field studies of selected geothermal locations, and recommendations for follow-on activities. The collection of samples, data analysis, and training activities, as applicable, also shall be performed. The products of the Assessment Project will be an initial summary report and a final report.

Article 2

Tasks

The Assessment Project shall consist of the following tasks:

- Task 1. U.S. geothermal team conducts preparatory review of existing studies and reports. Develop an annotated list of potential sites for additional studies.
- Task 2. U.S. team enters available data into computer to evaluate quality of data and, if data are suitable, model data to determine which areas warrant further study.
- Task 3. U.S. team prepares report summarizing results of Tasks 1 and 2 above.
- Task 4. U.S. team leader travels to Saudi Arabia to meet with KACST personnel. Discuss report produced under Task 3. Decide whether or not to proceed with Project. If decision is to proceed, then visit potential geothermal areas to be studied (identified in Task 1). Select the specific sites for study. Finalize disciplines required for geothermal team. Arrange logistical details for field work.
- Task 5. U.S. geothermal team (geologist, geochemist, possibly two geophysicists) travels to Saudi Arabia. U.S. and Saudi Arabian experts conduct field work, collect samples, geologically map geothermal areas to delineate structural features and the distribution of rock types, and determine which geophysical techniques would be most useful.
- Task 6. Saudi Arabian expert(s) travels to the U.S. to assist in performing chemical analysis of samples and drafting geologic maps. Required geophysical equipment is prepared for field use.
- Task 7. U.S. geothermal team travels to Saudi Arabia to conduct final field work with Saudi Arabian expert(s).
- Task 8. Saudi Arabian expert(s) travels to the U.S. to assist in performing remaining data analysis and prepare draft report.

- Task 9. Experts meet Saudi Arabia (KACST and DOE personnel). Present results of studies. Discuss recommendations for further activities (e.g., more detailed studies, reconnaissance studies of additional areas, exploration core-drilling).
- Task 10. Publish final report.

Article 3

Schedule, Milestones and Reporting Requirements

The Assessment Project schedule and milestones are presented in Figure 1 to this Annex. Such plans may be revised by the Parties as necessary.

Article 4

Management

1. DOE and KACST shall be responsible for the development, coordination, and implementation of the activities under this Annex.
2. DOE and KACST each shall designate one official to supervise jointly the selection, authorization, and execution of cooperative activities in accordance with Article 2 of this Annex.
3. The Parties understand that DOE may enter into agreements with other U.S. Government agencies to assist in performing the activities under this Annex.

Article 5

Funding

1. The Parties shall provide financial resources necessary to conduct the activities provided for in this Annex subject to the availability of appropriated funds.
2. Saudi Arabia will be responsible for the following:
 - a. All costs incurred by DOE and its agents;
 - b. All costs incurred by KACST and its agents; and
 - c. The cost of meetings held in Saudi Arabia.
3. Saudi Arabia shall provide \$400,000 for the conduct of activities under this Annex and shall be responsible for any costs over that amount under this Annex.

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Figure 1. Project Schedule and Milestones

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Article 6

Information and Intellectual Property

1. The Parties support the widest possible dissemination of information provided, exchanged, or arising under this Annex, subject to the need to protect preexisting proprietary information and copyright restrictions.
2. Information transmitted by one Party to another Party under this Annex shall be accurate to the best knowledge and belief of the transmitting Party, but the transmitting Party does not warrant the suitability of the information transmitted for any particular use or application by the receiving Party or by any third Party. Information developed jointly by the Parties shall be accurate to the best knowledge and belief of both Parties. Neither Party warrants the accuracy of the jointly developed information or its suitability for any particular use or application by either Party or by any third Party.
3. Subject only to copyright restriction, the Parties shall have the right to publish all information provided to or arising from the Annex except preexisting proprietary information.
4. The Parties shall take all necessary measures in accordance with this paragraph, the laws of their respective countries, and international law to protect preexisting proprietary information provided under this Annex. Proprietary information shall mean information of a confidential nature, such as trade secrets and know-how (for example, computer programs, design procedures and techniques, chemical composition of materials, or manufacturing methods, processes, or treatments), which is appropriately marked, provided such information:
 - a. Is not generally known or publicly available from other sources;
 - b. Has not previously been made available by the owner to others without obligation concerning its confidentiality; and
 - c. Is not already in the possession of the recipient Party without obligation concerning its confidentiality.

It shall be the responsibility of either Party supplying preexisting proprietary information to identify the information as such and to ensure that it is appropriately marked.

5. The Parties may take appropriate measures necessary to protect copyrightable material generated under this Annex. Either Party may reproduce and distribute such material, but neither Party shall publish such material with a view to profit.
6. Inventions made or conceived in the course of or under this Annex (arising inventions) shall be owned by DOE in the United States and by KACST in Saudi Arabia. Ownership in third countries shall be by agreement between DOE and KACST on an equitable basis.

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Article 7

Other Agreements

The provisions of this Annex shall not affect the rights or duties of the Parties under other agreements or arrangements. This Annex also in no way precludes commercial firms or other legally constituted enterprises in each of the two countries from engaging in commercial dealings in accordance with the applicable laws of each country; nor does it preclude the Parties from engaging in activities with other governments or persons.

Article 8

Laws and Regulations

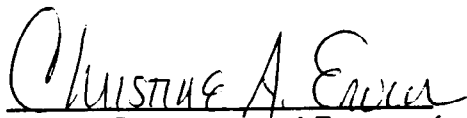
Activities under this Annex are subject to the provisions of the Agreement and shall be in accordance with laws and regulations of the countries of the Parties. All questions related to this Annex shall be settled by the Parties by mutual agreement.

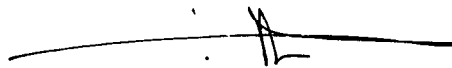
Article 9

Entry Into Force and Termination

1. This Annex shall enter into force upon signature by both Parties and shall continue in force for a two-year period, and may be amended or extended by mutual written agreement of the Parties.
2. In the event that, during the period of this Annex, the nature of either Party's energy programs should change substantially, either Party shall have the right to request revisions in the scope and/or terms of this Annex.
3. This Annex may be terminated at any time at the discretion of either Party, upon six months advance notification in writing by the Party seeking to terminate the Annex. Any such termination shall be without prejudice to the rights which have accrued under this Annex to either Party up to the date of such termination.

Done at _____ this 9th day of February 1994.


For the Department of Energy of
the United States of America


For the King Abdulaziz City for
Science and Technology, Kingdom of
Saudi Arabia