

AGREEMENT

between

THE DEPARTMENT OF ENERGY OF THE UNITED STATES OF AMERICA

and

**THE MINISTRY OF INDUSTRY, ENERGY AND TOURISM OF
ICELAND**

for

SCIENTIFIC AND TECHNOLOGICAL COOPERATION ON GEOTHERMAL RESEARCH AND DEVELOPMENT

The Department of Energy of the United States of America and the Ministry of Industry, Energy and Tourism of Iceland (hereinafter the “Parties”),

Recognizing the critical need of both countries to develop all available energy resources in a way that is economic, environmentally acceptable and sustainable;

Recognizing the vast potential of geothermal resources in both countries;

Taking into account the differences in resources in both countries;

Desiring to collaborate on a mutually beneficial basis to advance the understanding of advanced geothermal technologies and accelerate their utilization and deployment;

Desiring to exchange technical information and expertise to improve efficiency, and avoid duplication in the research, development and deployment of advanced geothermal technologies;

Seeking through cooperative research and development to further the common objectives of both countries of energy security, and market development for geothermal energy; and

Recognizing the successful collaboration between the Parties under the Charter for the International Partnership for Geothermal Technology of August 28, 2008;

Have agreed as follows:

Article 1

Purpose

The purpose of this Agreement is to establish a framework for mutually beneficial cooperation between the Parties in the development of advanced, cost-effective geothermal energy technologies; to accelerate the availability of these technologies internationally; and to identify and address wider issues relating to geothermal energy, thereby advancing the common interests of the Parties and industries in their respective countries.

Article 2

Areas of Cooperation

The areas of cooperation under this Agreement may include the following:

1. Exchange of scientific and technical information, documentation and research results as a means of enhancing and accelerating advanced geothermal development in both Parties' countries;
2. Promotion of appropriate technical, political, financial and regulatory environments for the development and deployment of geothermal technologies;
3. Joint projects on advanced geothermal technologies, including cooperative activities with members of the International Partnership for Geothermal Technology (IPGT);
4. Exchange of expert reviewers for the Parties' geothermal technology programs;
5. Development and use of international geothermal test sites and facilities; and
6. Additional areas of scientific collaboration as the Parties may agree to in writing.

Article 3

Forms of Cooperation

The forms of cooperation under this Agreement may include the following:

1. Conduct joint research projects, such as joint theoretical, experimental, developmental, demonstration, and project activities through collaborative activities between technical personnel and research centers of the Parties' countries;
2. Foster and promote collaborative research, development and deployment projects with all sectors of the international research community, including industry,

academia, governmental and nongovernmental organizations, on geothermal technologies, which may include drilling, reservoir characterization, reservoir stimulation, power conversion, modeling, education and training, environmental impact assessment and monitoring and resource assessments;

3. Establish guidelines for collaborations and reporting of results;
4. Prioritize and evaluate collaborative research, development and deployment projects, and make recommendations on the direction of such projects;
5. Exchange best practices on accelerated geothermal deployment; for example, policies, financing and loan guarantees;
6. Identify key obstacles to achieving improved technological capacity;
7. Develop a framework for sharing best technology applications, policies and financing mechanisms;
8. Identify interoperable codes and standards and work toward international standards where appropriate;
9. Exchange best practices on social and environmental issues, including community consultation and environmental assessment and monitoring;
10. Establish working groups to address specific issues and to plan and execute joint studies and tasks;
11. Conduct, and/or jointly participate in, meetings, seminars and conferences;
12. Exchange instrumentation, equipment, and materials necessary for carrying out agreed-upon projects;
13. Exchange technical specialists;
14. Exchange students and academics to promote workforce development and education in the Parties' countries;
15. Conduct, and/or jointly participate in educational programs;
16. Facilitate access to each Party's geothermal resources for research and development; and
17. Other forms of cooperation as the Parties may agree to in writing.

Article 4

Project Annexes

1. Cooperative activities under this Agreement may be undertaken by the Parties or, as appropriate, laboratories or contractors of the Parties. Each such cooperative activity that may involve the sharing of costs or which may give rise to intellectual property shall be set forth in a Project Annex which shall be subject to the terms of this Agreement.
2. Each Project Annex shall include detailed provisions for conducting and managing the cooperation, and shall cover such matters as technical scope, work plan, staffing requirements, funding sources and budget, exchange of proprietary information, and any undertakings, obligations or conditions necessary to the proposed activity.

Article 5

Management

1. The Parties shall establish a Joint Coordinating Committee (JCC), consisting of an equal number of representatives from each Party, to coordinate and review cooperative activities under this Agreement.
2. The responsibilities of the JCC include:
 - a. coordination and review of all aspects of this Agreement and taking such action as appropriate for its effective implementation;
 - b. overseeing the development of appropriate Project Annexes under this Agreement, within the framework of jointly approved cooperative activities; and
 - c. coordinating the activities under this Agreement with the activities of the IPGT, including attendance of the Parties' representatives at meetings of the IPGT Steering Committee.
3. All decisions of the JCC shall be made by consensus.

Article 6

Transfer of Information and Equipment

Any information transmitted by one Party to the other Party under this Agreement and any related Project Annexes shall be accurate to the best knowledge and belief of the transmitting Party. Any equipment transferred by one Party to the other Party under this Agreement shall be suitable for its intended use to the best

knowledge and belief of the transmitting Party. The transmitting Party does not warrant the suitability of the information or equipment transmitted for any particular use or application by the receiving Party or by any third party. Information or equipment developed jointly by the Parties shall be accurate, and jointly developed equipment shall be suitable for its intended use, to the best knowledge and belief of both Parties. Neither Party warrants the accuracy of the jointly-developed information or the appropriateness of equipment, nor its suitability for any particular use or application by either Party or by any third party.

Article 7

Intellectual Property; Business Confidential Information

1. Scientific and technological information (other than business-confidential information) resulting from cooperation under this Agreement shall be made available to the world scientific community, unless otherwise agreed by the Parties.
2. The protection and allocation of intellectual property, and the treatment of business-confidential information, shall be governed by the Annex to this Agreement, which constitutes an integral part of this Agreement.

Article 8

Exchange or Provision of Equipment

Unless otherwise agreed in writing, the following provisions shall apply concerning exchanges or the provision of equipment pursuant to this Agreement:

1. When a Party provides equipment to be utilized in a joint activity, that Party shall supply, as soon as possible, a detailed list of the equipment to be provided, together with the relevant specifications and appropriate technical documentation related to the use, maintenance, storage, and repair of the equipment.
2. Title to the equipment and necessary spare parts supplied by the sending Party for use in joint activities shall remain with the sending Party, and the property shall be returned to the sending Party upon completion of the activity, unless otherwise agreed.
3. Equipment provided under this Agreement shall be brought into operation at the host establishment only by mutual agreement between the sending and receiving Parties.
4. The host establishment shall provide the necessary premises and shelter for the equipment; utilities such as electric power, water and gas; and normally, shall

provide materials to be tested, in accordance with the technical requirements, as mutually agreed.

5. Responsibility for expenses, safekeeping, and insurance during the transport of equipment from the original location in the country of the sending Party to the point of entry in the country of the receiving Party shall rest with the sending Party. If the sending Party elects to have the equipment returned, it shall be responsible for expenses, safekeeping, and insurance during the transport of the equipment from the original point of entry in the country of the receiving Party to the final destination in the country of the sending Party.
6. Responsibility for expenses, safekeeping, and insurance during the transport of equipment from the point of entry in the country of the receiving Party to the final destination in the country of the receiving Party and at the destination shall rest with the receiving Party. If the sending Party elects to have the equipment returned, the receiving Party shall be responsible for expenses, safekeeping and insurance during the transport of the equipment from the final destination in the country of the receiving Party to the original point of entry in the country of the receiving Party.
7. Responsibility for expenses, safekeeping and insurance during the time period that the equipment is in use in the country of the receiving Party shall rest with the receiving Party.
8. Equipment provided by the sending Party for carrying out joint activities shall be considered to be scientific, and not having a commercial character, and the receiving Party shall work toward obtaining duty free entry for such equipment.

Article 9

Exchanges of Personnel

Unless otherwise agreed in writing, the following provisions shall apply concerning exchanges of personnel under this Agreement:

1. Whenever an exchange of personnel is contemplated, each Party shall ensure the selection of personnel with skills and competence necessary to conduct the activities planned under this Agreement. Each such exchange shall be agreed in advance by an exchange of letters between the Parties referencing this Agreement.
2. Each Party shall be responsible for the salaries, insurance, and allowances to be paid to its staff or its contractors.
3. Each Party shall pay for the travel and living expenses of its staff or contractors when on assignment to the host Party unless otherwise agreed in writing.

4. The receiving Party shall assist in arranging adequate accommodations for the sending Party's staff or its contractors and their families on a mutually agreeable reciprocal basis.
5. The receiving Party shall provide all necessary assistance to the staff of the other Party or its contractors and their families regarding administrative formalities, such as making travel arrangements and obtaining work permits.
6. The sending Party's staff and contractors shall conform to the general rules of work and safety regulations in force at the host establishment.

Article 10 Contracts

In the event that a Party awards contracts for the acquisition of articles and services to implement this Agreement, such contracts shall be awarded in accordance with the laws and regulations of that Party.

Article 11 Final Provisions

1. Unless otherwise agreed in writing, all costs resulting from cooperation pursuant to this Agreement and any related Project Annexes shall be the responsibility of the Party incurring the cost.
2. Cooperation under this Agreement is subject to the availability of appropriated funds, personnel and other resources.
3. Any question concerning the interpretation or application of this Agreement shall be resolved by consultation between the Parties.

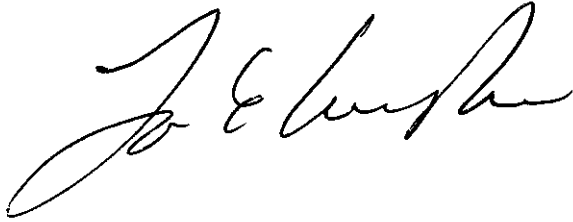
Article 12 Entry into Force, Duration and Termination

1. This Agreement shall enter into force upon signature and shall remain in force for five years. It shall be automatically extended for additional three-year periods unless terminated in accordance with paragraph 3.
2. This Agreement may be amended by written agreement of the Parties.
3. This Agreement may be terminated in writing by the agreement of the Parties or by either Party, upon three months' written notice to the other Party of its intent to terminate the Agreement. All ongoing joint activities, projects and experiments

not completed at the termination of this Agreement may be continued until their completion under the terms of this Agreement.

DONE at Reykjavik, in duplicate, this 6th day of October 2010.

FOR THE DEPARTMENT OF ENERGY
OF THE UNITED STATES OF AMERICA:

A handwritten signature in black ink, appearing to read "John E. Lush". The signature is fluid and cursive, with a large initial "J" and "E".

FOR THE MINISTRY OF INDUSTRY,
ENERGY AND TOURISM OF ICELAND:

A handwritten signature in black ink, appearing to read "Hattvig Vignisdóttir". The signature is cursive and somewhat stylized, with a large initial "H".

ANNEX I

Intellectual Property Rights

I. General Obligation

The Parties shall ensure adequate and effective protection of intellectual property created or furnished under this Agreement and relevant Project Annexes. Rights to such intellectual property shall be allocated as provided in this Annex.

II. Scope

- A. This Annex is applicable to all cooperative activities undertaken pursuant to this Agreement, except as otherwise specifically agreed by the Parties or their designees.
- B. For purposes of this Agreement, "intellectual property" shall mean the subject matter listed in Article 2 of the Convention Establishing the World Intellectual Property Organization, done at Stockholm, July 14, 1967, and may include other subject matter as agreed by the Parties.
- C. Each Party shall ensure, through contracts or other legal means with its own participants, if necessary, that the other Party can obtain the rights to intellectual property allocated in accordance with this Annex. This Annex does not otherwise alter or prejudice the allocation between a Party and its nationals, which shall be determined by that Party's laws and practices.
- D. Except as otherwise provided in this Agreement, disputes concerning intellectual property arising under this Agreement shall be resolved through discussions between the concerned participating institutions, or, if necessary, the Parties or their designees. Upon mutual agreement of the Parties, a dispute shall be submitted to an arbitral tribunal for binding arbitration in accordance with the applicable rules of international law. Unless the Parties or their designees agree otherwise in writing, the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL) shall govern.
- E. Termination or expiration of this Agreement shall not affect rights or obligations under this Annex.

III. Allocation of Rights

- A. Each Party shall be entitled to a non-exclusive, irrevocable, royalty-free license in all countries to translate, reproduce, and publicly distribute scientific and technical journal articles, reports, and books directly arising

from cooperation under this Agreement. All publicly distributed copies of a copyrighted work prepared under this provision shall indicate the names of the authors of the work unless an author explicitly declines to be named.

B. Rights to all forms of intellectual property, other than those rights described in paragraph III.A. above, shall be allocated as follows:

(1) Visiting researchers shall receive rights, awards, bonuses and royalties in accordance with the policies of the host institution.

(2) (a) Any intellectual property created by persons employed or sponsored by one Party under cooperative activities other than those covered by paragraph III.B.(1) shall be owned by that Party. Intellectual property created by persons employed or sponsored by both Parties shall be jointly owned by the Parties. In addition, each creator shall be entitled to awards, bonuses and royalties in accordance with the policies of the institution employing or sponsoring that person.

(b) Unless otherwise agreed in a Project Annex, each Party shall have within its territory a right to exploit or license intellectual property created in the course of the cooperative activities.

(c) The rights of a Party outside its territory shall be determined by mutual agreement considering the relative contributions of the Parties and their participants to the cooperative activities, the degree of commitment in obtaining legal protection and licensing of the intellectual property and such other factors deemed appropriate.

(d) Notwithstanding paragraphs III.B.(2)(a) and (b) above, if either Party believes that a particular project is likely to lead to or has led to the creation of intellectual property not protected by the laws of the other Party, the Parties shall immediately hold discussions to determine the allocation of rights to the intellectual property. If an agreement cannot be reached within three months of the date of the initiation of the discussions, cooperation on the project in question shall be terminated at the request of either Party. Creators of intellectual property shall nonetheless be entitled to awards, bonuses and royalties as provided in paragraph III.B.(2)(a).

(e) For each invention made under any cooperative activity, the Party employing or sponsoring the inventor(s) shall disclose the invention promptly to the other Party together with any documentation and information necessary to enable the other Party

to establish any rights to which it may be entitled. Either Party may ask the other Party in writing to delay publication or public disclosure of such documentation or information for the purpose of protecting its rights in the invention. Unless otherwise agreed in writing, the delay shall not exceed a period of six months from the date of disclosure by the inventing Party to the other Party.

IV. Business Confidential Information

In the event that information identified in a timely fashion as business-confidential is furnished or created under this Agreement, each Party and its participants shall protect such information in accordance with applicable laws, regulations, and administrative practices. Information may be identified as "business-confidential" if a person having the information may derive an economic benefit from it or may obtain a competitive advantage over those who do not have it, and the information is not generally known or publicly available from other sources, and the owner has not previously made the information available without imposing in a timely manner an obligation to keep it confidential.