MEMORANDUM OF UNDERSTANDING
BETWEEN THE
MINERALS MANAGEMENT SERVICE
OF THE
DEPARTMENT OF THE INTERIOR
OF THE
UNITED STATES OF AMERICA
AND THE
NORWEGIAN PETROLEUM DIRECTORATE
OF THE
KINGDOM OF NORWAY
CONCERNING
SCIENTIFIC AND TECHNICAL COOPERATION ON
OFFSHORE MINERAL RESOURCES

The Minerals Management Service of the Department of the Interior of the United States of America (hereinafter referred to as "MMS") and the Norwegian Petroleum Directorate of the Kingdom of Norway (here in after referred to as the "NPD") hereby agree to pursue scientific and technical cooperation related to offshore oil, gas, and mineral resources in accordance with this Memorandum of Understanding (hereinafter referred to as "Memorandum"), which establishes the procedure for cooperation.

ARTICLE I. SCOPE AND OBJECTIVES OF COOPERATION

The purpose of this Memorandum is to provide for the exchange of scientific and technical knowledge and the augmentation of the scientific and technical capabilities of the MMS and NPD (here in after referred to as "Parties" collectively and "Party" individually) related to the management, exploration, and development of offshore oil, gas, and other mineral resources.

For cooperation requested by either Party that extends into subjects outside the scope of expertise of the MMS or NPD, either may, with the consent of the other, and subject to applicable laws, rules, regulations, and policies of the Parties, endeavor to enlist the participation of other entities. The MMS and the NPD may, with the consent of the other, include the participation of other organizations of the United States of America or the Kingdom of Norway in the development of activities within the scope of this Memorandum. Participation by other organizations shall be governed by the provisions of this Memorandum. All objectives shall be pursued in accordance with the applicable laws, rules, and regulations of the United States and Norway.

Implementation of this Memorandum is subject to the applicable laws and policies of the United States of America and the Kingdom of Norway.

ARTICLE II. COOPERATIVE ACTIVITIES

Cooperative activities under this Memorandum may consist of exchanges of scientific and technical information, exchange visits, cooperative research between scientists of the Parties engaged in research disciplines of mutual interest within the scope of programs of the Parties, and other forms of cooperative activities as mutually agreed. Specific areas of cooperation may include, but are not limited to, such areas of mutual interest related to offshore oil, gas, and other mineral activities as:

- exploration and development
- leasing practices
- royalty management practices
- resource assessment
- safety and environmental protection
- economics and socioeconomic analysis
- and risk assessment

ARTICLE III. SOURCE OF FUNDING

Cooperative activities under this Memorandum shall be subject to and dependent upon the availability of appropriated funds and resources available to the MMS and NPD. The terms of financing will be agreed upon by the Parties in writing before the commencement of each activity.

ARTICLE IV. INTELLECTUAL PROPERTY

Provisions for the protection and distribution of intellectual property created or furnished in the course of cooperative activities under this Memorandum, and provisions for the protection of classified information and unclassified export-controlled information or equipment, are set forth respectively in Annexes I and II, which constitute integral parts of this Memorandum.

Information transmitted by one Party to the other under this Memorandum shall be accurate, but the transmitting Party does not warrant the suitability of information transmitted for any particular use or application by the receiving Party or by any third party. Neither Party shall be held responsible for any consequences of the use of or reliance upon such information.

ARTICLE VI. PLANNING AND REVIEW OF ACTIVITIES

The Parties shall designate representatives who, once mutually decided upon, will review and coordinate the execution of activities under this Memorandum.

ARTICLE VII. PROJECT ANNEXES

Any activity carried out under this Memorandum shall be agreed upon in writing by the Parties and shall be subject to further arrangements in accordance with the laws and policies of the United States of America and the Kingdom of Norway. Whenever more than the exchange of scientific and technical information or exchange visits of individuals is planned to take place, such activity shall be described in an annex to this Memorandum which shall set forth as appropriate to the activity, a work time line or timetable, staffing requirements, cost estimates, funding source, and other undertakings, obligations, or conditions not included in this Memorandum. In case of any inconsistency between the terms of this Memorandum and the terms of the Annex hereto, the terms of this Memorandum shall be controlling.

ARTICLE IX. ENTRY INTO FORCE AND TERMINATION

This Memorandum shall enter into force upon signature of both Parties and shall remain in effect for five years. It may be amended or extended by written agreement of the Parties. This Memorandum may be terminated at any time by either Party upon ninety (90) days written notice to the other Party. The termination of this Memorandum shall not affect the validity or duration of projects under this Memorandum which are initiated prior to such termination.

IN WITNESS WHEREOF, the undersigned, being duly authorized, have signed this Memorandum.

Done at Washington D.C., in duplicate, this 15th day of October, 1998.

FOR THE

MINERALS MANAGEMENT SERVICE OF THE DEPARTMENT OF THE INTERIOR OF THE UNITED STATES OF AMERICA:

Signature

Cynthia Quarterman

Director,
Minerals Management Service

FOR THE

NORWEGIAN PETROLEUM DIRECTORATE OF THE KINGDOM OF NORWAY

Signature

for Gunnar Berge

Director General,
Norwegian Petroleum Directorate

ANNEX I

INTELLECTUAL PROPERTY

Pursuant to Article IV of this Memorandum:

The parties shall insure adequate and effective protection of intellectual property created or furnished under this Memorandum and relevant project annexes. The parties agree to notify one another in a timely fashion of any inventions or copyrighted works arising under this Memorandum and to seek protection for such intellectual property in a timely fashion. Rights to such intellectual property shall be allocated as provided in this Annex.

I. SCOPE

A. This Annex is applicable to all cooperative activities undertaken pursuant to this Memorandum, except as otherwise specifically agreed by the Parties of their designees.

B. For purposes of this Memorandum, "intellectual property" shall have the meaning found in Article 2 of the Convention Establishing the World Intellectual Property Organization, done at Stockholm, July 14, 1967.

C. This Annex addresses the allocation of rights, interests, and royalties between the Parties. Each Party shall ensure that the other Party can obtain the rights to intellectual property allocated in accordance with the Annex, by obtaining those rights from its own participants through contracts or other legal means, if necessary. This Annex does not otherwise alter or prejudice the allocation between a Party's laws and practices.

D. Disputes concerning intellectual property arising under this Memorandum should 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 Memorandum shall not affect rights or obligations under this Annex.

II. 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 Memorandum. 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 section II. A. above, shall be allocated as follows:

1. Visiting researchers, for example, scientists visiting primarily in furtherance of their education, shall receive intellectual property rights under the policies of the host institution. In addition, each visiting researcher named as an inventor shall be entitled to share in a portion of any royalties earned by the host institution from the licensing of such intellectual property.

2. (a) For intellectual property created during joint research, for example, when the Parties, participating institutions, or participating personnel have agreed in advance on the scope of work, each Party shall be entitled to obtain all rights and interests in its own territory. Rights and interests in third countries will be determined in implementing arrangements. If research is not designated as "joint research" in the relevant project annexes, rights to intellectual property arising from the research will be allocated in accordance with paragraph II. B. (1). In addition, each person named as an inventor shall be entitled to share in a portion of any royalties earned by either institution from the licensing of the property.

(b) Notwithstanding paragraph II. B. 2. (a), if a type of intellectual property is protected under the laws of one Party but not the other Party, the Party whose laws provide for this type of protection shall be entitled to all rights and interests worldwide. Persons named as inventors of the property shall nonetheless be entitled to royalties as provided in paragraph II. B. 2. (a).

III. BUSINESS-CONFIDENTIAL INFORMATION

In the event that information identified in a timely fashion as business-confidential is furnished or created under the memorandum, each Party and its participants shall protect such information to the extent permitted by their respective 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, 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.

ANNEX II

SECURITY OBLIGATIONS

I. PROTECTION OF INFORMATION

Both Parties agree that no information or equipment requiring protection in the interests of national defense or foreign relations of either Party and classified in accordance with the applicable national laws and regulations shall be provided under this Memorandum. In the event that information or equipment which is known or believed to require such protection is identified in the course of cooperative activities undertaken pursuant to this Memorandum, it shall be brought immediately to the attention of the appropriate officials and the Parties shall consult concerning the need for and level of appropriate protection to be accorded such information or equipment.

II. TECHNOLOGY TRANSFER

The transfer of unclassified export-controlled information or equipment between the Parties shall be in accordance with the relevant laws and regulations of each Party to prevent the unauthorized transfer or retransfer of such information or equipment provided or protected under this Memorandum. If either Party deems it necessary, detailed provisions for the prevention of unauthorized transfer or retransfer of such information or equipment shall be incorporated into the contracts or implementing arrangements.