Cooperation Agreement of Sino-Icelandic Geothermal Research and Development Center

Between

Party A: Sinopec Star Petroleum Co., Ltd. with its registered…. and
Party B: Arctic Green Energy Geothermal ehf. with its registered….
Party C: Orkustofnun, the National Energy Authority of Iceland as a strategic partner; with its registered….

For the implementation of the Memorandum of Understanding on the Establishment of a Sino-Icelandic Geothermal Research and Development Center signed between the Ministry of Science and Technology of the People’s Republic of China and the Ministry of Education, Science and Culture of the Republic of Iceland on March 24, 2015 in Beijing, and for conducting high-level joint research using the platform of Sino-Icelandic Geothermal Research and Development Center, enhancing exchange and training of researchers, encouraging technology transfer,
strengthening the geothermal capacity building in Iceland and China, and strengthening the cooperative relationship in the field of geothermal research and development in a long term and steady way between the two countries, the PARTIES agree to enter into the following agreement through friendly consultations:

I. **Objective of the Agreement**

This Agreement reflects the PARTIES’ sincere and genuine intentions to enter into a formal Agreement regarding the implementation of the Memorandum of Understanding on the Establishment of a Sino-Icelandic Geothermal Research and Development Center signed between the Ministry of Science and Technology of the People’s Republic of China and the Ministry of Education, Science and Culture of the Republic of Iceland and collaborate in specific activities pertaining to the research and development of geothermal energy utilization as set out in Article IV of this Agreement. The CENTER will be formally launched on the 10 year anniversary of SGE.
II. Location of the Sino-Icelandic Geothermal Research and Development Center

Sino-Icelandic Geothermal Research and Development Center shall be located in both China and Iceland with following addresses:

Chinese location: Beijing.........
Icelandic location: Reykjavik...

III. Organization and Steering Committee

Major decisions regarding the CENTER’s development planning shall be taken by the joint steering committee. The joint steering committee of the Sino-Icelandic Geothermal Research and Development Center consists of 2 directors (one appointed by PARTY A and one appointed by PARTY B) and 1 deputy director (appointed by PARTY C) and shall be established within two weeks of signing of this Agreement.

Its function will be to manage and make decisions of the CENTER’s development planning, operational model and key issues; provide academic consultation and guidance for key technologies of geothermal development and utilization; organize and review research direction, academic activities and talent training plans of geothermal energy technology.
IV. Scope of Cooperation

4.1 The PARTIES shall utilize their platforms and resources to enforce international cooperation and communication with the aim of increasing their international influence in the field of geothermal development, utilization and research. The PARTIES will focus their collaboration on the following aspects:

4.1.1 Research & Development.

The PARTIES shall carry out R&D work in geothermal energy including but not limited to the fields of geothermal power and heat generation (including EGS technology research), geothermal reinjection, long distance transportation of geothermal water and geothermal drilling and resource identification technologies.

4.1.2 International Conferences.

The PARTIES agree to hold special international conferences on geothermal technology on an annual or two-year basis with Sino-Icelandic Geothermal Research and Development Center as the platform. The conference shall be hosted by Sino-Icelandic Geothermal Research and Development
Center in China and Iceland. Organization shall be undertaken by the host party.

4.1.3 Expert Exchanges
The PARTIES shall arrange exchanges between technical professionals once a year in the form of work-shops, study trips, research seminars or through any other means of communication between geothermal professionals of both countries.

4.1.4 Talent Training.
The PARTIES shall train geothermal talents of both countries in cooperation with domestic universities, research institutes and enterprises in the field of geothermal heat and power generation (including EGS technology), geothermal reinjection etc., and shall provide field practice for technical professionals.

4.1.5 Provision of Services
Provision of expertise services in the field of geothermal utilization to third parties.

V. Expenses
For the expenses on trainings, conferences, exchanges and other matters mentioned in the agreement, the PARTIES shall agree otherwise under negotiation according to specific circumstances.
The PARTIES do not undertake or enter into any financial commitments by signing this agreement.

**VI. R&D and Intellectual Property Rights**

The projects that are carried out by joint cooperative technical study, jointly declared and granted as intellectual property rights, shall be shared by all PARTIES, and revenues generated by these property rights shall be distributed evenly by the parties, unless otherwise agreed by all PARTIES.

**VII. Confidentiality**

Unless agreed by written consent of all PARTIES, the PARTIES shall at no time make any public disclosure of the content of this cooperation agreement and cooperation achievements. Any direct and consequential loss occurred by disclosing cooperative achievements without consent of the partner party shall be borne by the disclosing party.

**VIII. Disputes Settlement**

Any disputes and disagreements due to implementation of this agreement shall be settled by friendly consultations.

**IX. Contract Validation and other terms**

9.1 The agreement shall come into effect upon being signed by legal representatives or authorized representatives of all PARTIES with validity of five years. Any Party can inform
the other Party of terminating this agreement with a written notice six months before expire date and the agreement shall be terminated after the other party receiving the notice. The PARTIES can negotiate further cooperation matters after this agreement expires.

9.2 This agreement is made in triplicate, one for each signatory.

9.3 The PARTIES shall negotiate and sign supplementary agreement for other matters not mentioned herein. The supplementary agreement and this agreement shall be equally authentic.

9.4 Technical training and exchange professionals shall abide by laws and regulations of the host country and respect the local customs during their stay in the partner country for the cooperation.

Done in Reykjavik, Iceland on 23 September 2016 in duplicate in Chinese and English languages, all texts being equally authentic. In case of any divergence of interpretation, the English text shall prevail.

For Sinopec Star Petroleum Co., Ltd
For Arctic Green Energy Geothermal ehf.

Name:
Date:

For Orkustofnun, the national energy authority of Iceland

Name:
Date: