MEMORANDUM OF UNDERSTANDING

(hereinafter referred to as MOU)

BETWEEN

EARTH SCIENCES SECTOR, OF THE DEPARTMENT OF NATURAL RESOURCES, CANADA

(hereinafter referred to as "ESS")

AND

FEDERAL INSTITUTE FOR GEOSCIENCES AND NATURAL RESOURCES OF THE FEDERAL REPUBLIC OF GERMANY

(hereinafter referred to as "BGR")

(hereinafter jointly referred to as the "Participants")

concerning

COOPERATION IN THE GEOSCIENCES

WHEREAS the Participants have stated their mutual desire to develop and reinforce their cooperation in the fields of geoscience;

WHEREAS this MOU establishes a framework for this cooperation concerning the fields of geoscience, on subjects of mutual interest; and

WHEREAS the Participants are participating in this MOU with a view to contributing to the further development of scientific cooperation between Canada and the Federal Republic of Germany and, at the same time, reinforcing and strengthening the links between the two countries.

The Participants, therefore, have reached the following understanding:

ARTICLE 1

The purpose of this MOU is to establish a working relationship between the Participants based on equality, overall reciprocity and mutual benefit.

ARTICLE 2

Cooperation under this MOU may include the following forms:

- 1. Exchange visits of individual scientists;
- 2. Exchange of scientific and technical information including specimens and standards;
- 3. Collaboration in science and technology on issues of mutual interest;
- 4. The development of contacts (both nationally and internationally) in the industrial sectors and academia;
- 5. Training of individual scientists through participation in collaborative projects or workshops; and
- 6. Other forms of cooperation as may be mutually agreed upon between the Participants.

ARTICLE 3

For cooperation requested by either of the Participants that extends to subjects outside their expertise, upon mutual written agreement, the Participants may endeavour to include the participation of other appropriate organizations in the development of and participation in activities under this MOU.

ARTICLE 4

Cooperation under this MOU may include the following science and technology areas of interest, where appropriate:

- 1. Geoscience related to deep structure and evolution of the continents, including seismic reflection profiling and drilling;
- 2. Hydrocarbon basin analysis, including evolution analysis;
- 3. Petroleum geology of continental shelves and slopes;
- 4. Science and technology related to oil sands;
- 5. Hydrocarbon resource evaluation;
- 6. Geoscience in polar regions (high arctic and antarctic regions);
- 7. Environmental geology / geohazards;
- 8. Other areas of interest to be mutually agreed upon by the Participants.

ARTICLE 5

This MOU is general in nature and is neither comprehensive nor exhaustive. When the Participants intend to conduct a collaborative activity under this MOU, the Participants will execute an Implementing Arrangement that will set forth the timing and scope of the specific forms of cooperation and any other matters on which mutual consent may be desirable such as funding, contacts, intellectual property, liability, etc. It is understood that the ability of each Participant to undertake forms of cooperation is subject to the availability of funds and resources.

ARTICLE 6

The scientific and technical results of cooperative projects conducted under this MOU will be shared and published or held confidential in accordance with the specific terms identified in the associated Implementing Arrangements.

ARTICLE 7

In order to implement cooperation under this MOU, the Participants will designate appropriate representatives to identify cooperative activities and the details of implementation.

ARTICLE 8

No cost incurred by one Participant shall be assumed by the other Participant unless otherwise agreed to in writing under an Implementing Arrangement pursuant to this MOU. All costs or estimated costs will be detailed in the Implementing Arrangements.

ARTICLE 9

All activities related to this MOU conducted in Canada shall be carried out in accordance with the applicable laws and regulations in force in Canada. Activities related to this MOU conducted in Federal Republic of Germany shall be carried out in accordance with the applicable laws and regulations in force in Federal Republic of Germany.

ARTICLE 10

This MOU is written in English, French and German, with each version being equally authentic.

ARTICLE 11

This MOU will enter into effect upon signature by both Participants (of all three versions) and remain in effect for five (5) years. It may be extended or amended with the mutual written consent of both Participants. This MOU may be terminated at any time upon 90 days written notice from one Participant to the other Participant.

Termination of this MOU does not affect the implementation of any existing Implementing Arrangements between the Participants. Termination or amendment of the Implementing Arrangements will be in accordance with the provisions of each specific Implementing Arrangement.

ARTICLE 12

This MOU does not create any legally binding obligations between the Participants.

Signed at Hundow on the 3rd day of July 2003.

Accepted on Behalf of ESS by: Accepted on Behalf of BGR by: Prof. Dr.-Ing. Dr. h. c. mult. F.-W. Wellmer Dr. Irwin Itzkovitch President Federal Institute for Geosciences and Assistant Deputy Minister Natural Resources Geological Survey of Lower Saxony Earth Sciences Sector Stilleweg 2 Department of Natural Resources Canada D-30655 Hannover, Germany 588 Booth Street, Ottawa, Ontario Canada K1A 0E9