

Framework Agreement on Joint Maritime Oil and Gas Exploration between China and the Philippines

(Chinese draft)

- I. Political basis. *Joint Statement between the People's Republic of China and the Republic of the Philippines* dated 21 October 2016, *Joint Statement between the People's Republic of China and the Republic of the Philippines* dated 16 November 2017, and *Memorandum of Understanding on Energy Cooperation between China and the Philippines* signed by the two state's energy departments on 15 May 2017.
- II. Basic principle. In accordance with the principles of "mutual respect, fairness and mutual benefit, flexibility and pragmatism and consensus", through equal and friendly consultation, China and the Philippines (hereinafter referred to as "the two parties") have agreed to conduct joint oil and gas exploration in relevant sea areas in the South China Sea.
- III. Working Mechanism. Establish Inter-governmental Joint Steering Committee (hereinafter referred to as "Committee") and Inter-Entrepreneurial Working Group (hereinafter referred to as "Working Group"). The Committee is led by the ministries of foreign affairs, with the participation of relevant agencies, including energy departments of the two parties. The Working Group consists of representatives from enterprises of the two parties. China authorizes China National Offshore Oil Corporation as Chinese enterprise. The Philippines authorizes _____ as Philippine enterprise. The Working Group shall operate under the guidance of the Committee.
- IV. Outcome Sharing. The joint exploration shall be conducted by the two parties, and the outcome shall be only shared by the two parties.

- V. Relevant Position. The joint oil and gas exploration shall not affect the respective position on sovereignty and maritime rights and interests of the two parties.
- VI. Contract Signing. Working Group is to discuss the details of the joint exploration. The two parties' entrepreneurs are to sign contract based on the discussion. The contract is to be performed upon ratification of the Committee.
- VII. Confidentiality. Any document, information or data concerning the joint maritime oil and gas exploration between the two parties shall be kept confidential, unless the two parties decide otherwise.
- VIII. Dispute Settlement. Any dispute concerning the implementation or interpretation of the agreement or any other relevant disputes shall be settled through friendly consultation by the two parties.
- IX. Without prejudice to their respective position, the two parties shall, based on the outcome of the joint exploration, to make arrangements for relevant bilateral cooperation including joint exploitation.
- X. Any other matters shall be consulted and agreed upon by the Committee as well as the Working Group or through diplomatic channel.