

Memorandum of Understanding
Between
The Ministry of Industry, Energy and Tourism in Iceland
and
The Department for Energy and Climate Change in the United Kingdom
On cooperation in the energy sector

The Ministry of Industry, Energy and Tourism in Iceland (MIET) and the Department for Energy and Climate Change in the UK (DECC) (hereinafter referred to as 'the Participants'), affirm their commitment to a strong partnership between their two countries on energy and climate issues,

Recalling the shared vision of the two countries to promote a sustainable use of low carbon renewable energy resources,

Acknowledging the importance of promoting low emission growth at home and abroad by promoting the development of renewable energy,

Desiring to promote energy co-operation between the two countries with the aim to develop new science, technology and business opportunities in the field of energy,

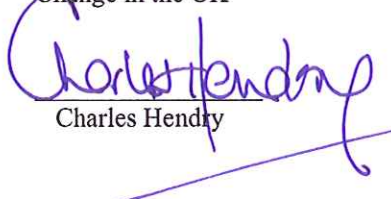
Desiring to further strengthen friendly relations between Iceland and UK in the field of energy,

Building on these common goals, the Participants have reached the following understanding:

- The Participants decide to exchange information and co-operate to support the development of the deep geothermal sector in the UK, including in the supply of heat to district heating networks,
- The Participants express their willingness to explore the possibility of developing an electricity interconnection between Iceland and the UK, including the legal and regulatory issues,
- The Participants express their willingness to encourage their respective Ministries for International Development to work together on renewable energy projects in developing countries with a special focus on East Africa,
- The Participants decide to exchange information regarding the development of oil and gas industries, including offshore drilling.

Signed in Reykjavik, this 30th day of May 2012, in duplicate.

For the Department of
Energy and Climate
Change in the UK


Charles Hendry

For the Ministry of Industry
Energy and Tourism of
Iceland


Oddný G. Harðardóttir