

## MEMORANDUM OF UNDERSTANDING

Between The California  
Technology, Trade and Commerce Agency and  
The Iceland Ministries of Industry and Commerce

The intent of this Memorandum of Understanding is to establish a relationship between the California Technology, Trade and Commerce Agency and the Iceland Ministries of Industry and Commerce to jointly promote and participate in developing environmentally sound energy resources throughout California to help the people of California increase their generation of renewable energy.

WHEREAS, California is experiencing difficulty in meeting its energy needs thereby placing the State's energy customers at risk for energy service interruptions, and,

WHEREAS, California is a leading innovator in natural resource management and environmental regulatory standards, the State recognizes the continued need for developing energy resources that have the least impact on air and water quality, and,

WHEREAS, California has abundant geothermal assets, which have the potential to be further and beneficially developed, and,

WHEREAS, Iceland is known for its innovative approach to sustainable energy development, for its unique geologic characteristics, and for capturing relatively large amounts of energy from its geothermal assets, as well as focusing on alternative energy solutions, such as hydrogen and fuel cell technology, and,

WHEREAS, due to Iceland's geologic characteristics and its historical development of geothermal resources, the people of Iceland are uniquely positioned to share their knowledge, skills, and applied science to assist California in exploring California's geothermal resources in an environmentally sound manner, and,

WHEREAS, both California and Iceland have appropriate agencies and agents willing to explore California's great potential geothermal resources,

THEREFORE BE IT RESOLVED, that California Technology, Trade and Commerce Agency and the Iceland Ministries of Industry and Commerce exchange of knowledge, education, skills, and ideas tending to further the exploration and development of California's geothermal electric generation capacity, and,

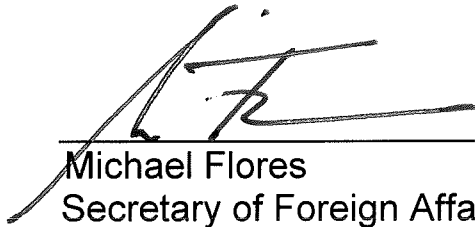
BE IT FURTHER RESOLVED, that California Technology, Trade and Commerce Agency and the Iceland Ministries of Industry and Commerce will work together to help California better meet its recent energy challenges, as well as explore other avenues of technological, cultural, and scientific exchanges, and

WE HEREBY RESOLVE, that on this day of August 14, 2001, the California Technology, Trade and Commerce Agency and the Iceland Ministries of Industry and Commerce join in this Bilateral Memorandum of Understanding to support one another in all of the aforementioned respects and concerns.

  
Lon Hatamiya  
Secretary  
California Technology, Trade  
and Commerce Agency

  
Thorgeir Orlygsson  
Permanent Secretary  
Ministries of Industry  
and Commerce

Witnessed by:

  
Michael Flores  
Secretary of Foreign Affairs  
Office of the Governor