

REPUBLIC OF TRINIDAD AND TOBAGO

MEMORANDUM OF UNDERSTANDING

Partnering For Successful Development Of The

Energy And Water Sectors

In The Interest Of Sustainable National Development

This MEMORANDUM OF UNDERSTANDING is made this 6 day of January, 2005.

BETWEEN:

Parties:

1. *National Energy Corporation of Trinidad and Tobago Limited (herein called "NEC") incorporated under the Companies Act, Chapter 81:01 of the laws of Trinidad and Tobago with its principal offices situated at Factory Roads, Brechin Castle, Couva in the Republic of Trinidad and Tobago being a wholly owned subsidiary of The National Gas Company of Trinidad and Tobago Limited (hereinafter called "NGC"); and*
2. *The Water and Sewerage Authority of Trinidad and Tobago, a statutory authority incorporated as a body corporate under Chapter 54:40 of the laws of Trinidad and Tobago with its principal offices situated at Farm Road, Valsayn, St. Joseph in the Republic of Trinidad and Tobago (hereinafter called "WASA").*

NEC and WASA may be referred to collectively as "the Parties" and each individually as a "Party".

BACKGROUND AND OBJECTIVES

Whereas:

1. WASA now has available for supply approximately 75,000 cubic meters per day of industrial water to industrial users on the Point Lisas Industrial Estate from its new Beetham Industrial Estate.
2. NEC's industrial tenants at Union Estate, Cap-de-Ville and Point Lisas will require approximately 109,600 cubic meters per day of high quality industrial water over the next four (4) to five (5) years. In



addition, water would be required to meet construction needs at the industrial estates over the next two (2) to three (3) years.

3. The Parties share the objective of utilizing and improving technologies for the efficient and sustainable use of water resources in a way that will be beneficial to the environment and ecosystems of Trinidad and Tobago.
4. The Parties are committed to using the combined expertise of NEC and WASA to provide increased high quality water supplies to users at industrial estates including but not limited to Point Lisas, La Brea Industrial Development Company Limited ("LABIDCO"), Union Estate, Cap-de-Ville, Chatham and Oropouche Bank.

UNDERTAKINGS

NEC and WASA have agreed:

1. To continue and strengthen collaboration on the planning and usage of potable water in the industrial estates. The parties will explore the long-term development of an Industrial Water Grid in support of development of Industrial Nodes throughout Trinidad and Tobago;
2. To develop, in collaboration with the Fire Services Division, a joint preparedness program for fighting fires in industrial estates throughout Trinidad and Tobago;
3. To pursue the establishment of a Joint Venture Company for researching and undertaking water reuse projects to serve industrial customers and firefighting demands. This undertaking must be done with the necessary Cabinet approvals and in the national interest for sustainable environment protection, integrated water resources management, development of the industrial water sector and the transfer of water treatment technologies;
4. To explore the use of GIS and other appropriate technologies for the benefit of national industrial development;
5. To initiate the establishment of a Domestic and Industrial Wastewater Management System within the Industrial Estates;
6. To collaborate on any future decision involving use of seawater for industrial purposes;
7. To collaborate on the use of lands for industrial purposes in a way that will ensure water resource availability and



8. To collaborate with the relevant regulatory agencies to ensure that all initiatives undertaken are completed in compliance with the regulatory standards outlined by these agencies.

CONFIDENTIALITY

Each Party undertakes that all information hereto or hereinafter furnished or made available to any one of them by the other including but not limited to technical information relating to the Memorandum of Understanding or any other information which may from time to time be identified by the terms of this paragraph will be kept strictly confidential and will not be disclosed or divulged to any person (other than its representatives) and that it will procure that its representatives will not disclose or divulge same.

No news, public announcement, advertisement or publicity concerning this Memorandum of Understanding shall be made by any of the Parties hereto without prior written consent of the other Party.

IN WITNESS WHEREOF the Parties hereto have caused this Memorandum of Understanding to be executed the day and year first above written:

For the National Energy Corporation of Trinidad and Tobago Limited

Authorized Signatory



President



Corporate Secretary






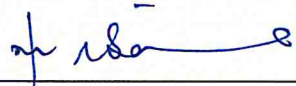
19.09.05

For The Water and Sewerage Authority

Authorized Signatory



Chief Executive Officer



Corporate Secretary

07.09.05

