

# **MEMORANDUM OF UNDERSTANDING**

**UNITED STATES DEPARTMENT OF ENERGY  
NATIONAL ENERGY TECHNOLOGY LABORATORY**

**and**

**CHINA SHENHUA COAL TO LIQUID AND CHEMICAL  
COMPANY LIMITED**

**October 22, 2009**

## MEMORANDUM OF UNDERSTANDING

The United States Department of Energy's (USDOE's) National Energy Technology Laboratory and the China Shenhua Coal To Liquid And Chemical Company Limited (CSCLC) collectively herein the "Participants,"

SHARING an interest in collaborating to advance the technical, environmental, and cost performance of fossil energy technologies,

HAVE REACHED THE FOLLOWING UNDERSTANDING:

### I. OBJECTIVE

The Participants intend to work together to develop the mechanisms and processes that will promote and sustain collaborative efforts for research and development (R&D) on base and enabling technologies, and assessments of technology options and economics.

### II. AREAS OF COOPERATION

Topics of the Participants' proposed collaboration may include, but are not limited to, the following:

1. Clean and low carbon conversion of coal technology, including coal hydrogenating liquefaction, coalbased Fisher Tropsch (FT) liquids synthesis, coal gasification, coal to natural gas, syngas to ethanol, and integrated gasification combined cycle (IGCC).
2. CO<sub>2</sub> capture, or utilization technologies including, but not limited, to CO<sub>2</sub> enrichment, geological or saline storage, oil driving in oil field, and other utilization.
3. Techno-economic analysis and integration studies to identify and assess advanced fossil energy-based processes and systems, including definition of advanced "reference" coal plants for production of power, chemicals, and /or clean fuels, especially with carbon capture and storage (CCS) , and environmental evaluation

Other areas of collaboration may be added by the Participants' mutual consent in writing.

### III. FORMS OF COOPERATION

Specific cooperative projects will be defined in supplemental project agreements between the Parties. Cooperation may include, but is not limited to:

1. Exchange of information, publications, reports, technical data, samples, and materials;
2. Exchange of scientists, engineers, and other specialists for participation in training, project definition activities, research, energy analyses, and technology transfer. Each Participant is

to abide by the health, safety, and environmental requirements of the host Participant when on an exchange assignment at the host Participant's facility;

3. Planning of joint research projects in the Areas of Cooperation cited in Section II, such R&D to be undertaken pursuant to an appropriate written agreement therefore.

#### **IV. MECHANISMS OF COOPERATION**

##### **1. Lead Coordinators**

Each Participant should designate one or more Lead Coordinators, to serve as its principal representative(s) for all activities conducted under this MOU, including identifying areas of cooperation, providing rapid response concerning its organization's interest in specific areas of cooperation, coordinating cooperation among the Participants, and identifying available resources (including funding) for collaborative activities under this MOU.

##### **2. Joint Steering Committee**

A Joint Steering Committee should be formed among the Participants, to be co-chaired by the Lead Coordinators and composed of designated representatives in the mutually determined areas of cooperation. The Joint Steering Committee should meet regularly to review the cooperation under this MOU, discuss and identify new collaborative areas, and define funding requirements.

##### **3. Technical Groups**

Technical Groups may be established by the Joint Steering Committee to implement the cooperative projects determined by the Joint Steering Committee. The Technical Groups should consist of experts in the mutually determined areas of collaboration. Working under the Joint Steering Committee, the Technical Groups should meet regularly to review ongoing activities, consider new opportunities for collaboration, plan future activities, and report on the progress of each cooperative project under this MOU to the Joint Steering Committee.

#### **V. GENERAL PROVISIONS**

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

2. The conduct of cooperative activities contemplated by this MOU is subject to the availability of funding, personnel, and other resources.

3. Each Participant should conduct the cooperation under this MOU in accordance with applicable laws and regulations to which it is subject, and international agreements to which its Government is party.

4. Each Participant is responsible for the costs it incurs in participating in cooperative activities under this MOU

**VI. INTELLECTUAL PROPERTY**

Each Party will retain rights to its own background intellectual property. The allocation of rights to newly generated intellectual property will be determined on a project-by-project basis in a supplemental project agreement.

**VII. CONFIDENTIALITY**

The Parties agree to maintain each other's properly identified and marked confidential information in confidence to the extent permitted by applicable law and in accordance with the terms of supplemental project agreements.

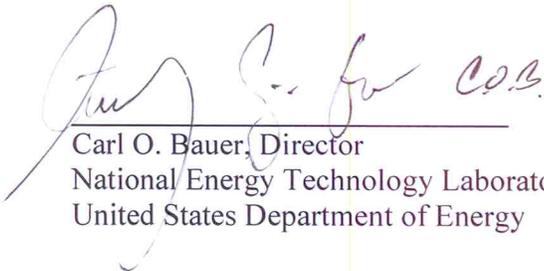
**VIII. COMMENCEMENT, MODIFICATION AND DISCONTINUATION**

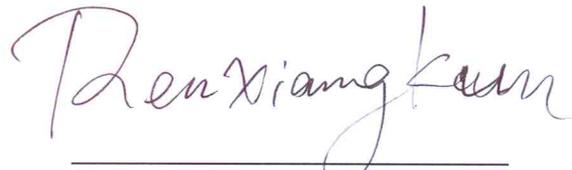
1. Cooperative activities under this MOU may commence upon signature by the Participants and continue for a 5-year period unless discontinued in accordance with paragraph 2 of this Section VIII.

2. The Participants may discontinue this MOU at any time in writing. A Participant that wishes to discontinue its participation in this MOU should endeavor to provide at least ninety (90) days written notice to the other Participants. The withdrawal of either Participant constitutes discontinuation of this MOU.

3. This MOU may be modified in writing by mutual consent of the Participants, and may be extended for additional periods.

Signed at Beijing, in duplicate, on the 22 day of October 2009, in the English and Chinese languages, with each text being equally authentic.

  
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Carl O. Bauer, Director  
National Energy Technology Laboratory  
United States Department of Energy

  
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Zhang Yuzhuo, President  
China Shenhua Coal to Liquid and  
Chemical Company. Limited