

Memorandum of Understanding
between
the Ministry of Industries and Innovation of Iceland
and
the Ministry of Trade and Industry of the Faroe Islands
on Cooperation in the Energy Sector

The Ministry of Industries and Innovation (MII) of Iceland and the Ministry of Trade and Industry of the Faroe Islands (MTI), hereinafter referred to as 'the Parties', affirm their commitment to a strong partnership between the two countries on energy issues,

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

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


Desiring also to further strengthen the friendly relations between the two countries in the field of energy,

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

1. The Parties express their willingness to continue exploring the possibility of developing an electricity interconnection between Iceland and the Faroe Islands, including legal and regulatory aspects. A part thereof will be a continuation and update of the joint feasibility study of the Faroese Earth and Energy Directorate (Jarðfeingi) and the National Energy Authority of Iceland (Orkustofnun) from November 2007 („Indledende vurderinger af muligheden for at lægge elkabel fra Island til Færøerne“). The aim is for the study to be concluded by 1 January 2014.
2. The Parties may assign certain aspects of the aforementioned joint feasibility study to their respective energy directorates, Orkustofnun and Jarðfeingi. The study will be conducted in close cooperation with energy companies of the two countries and other interested parties.

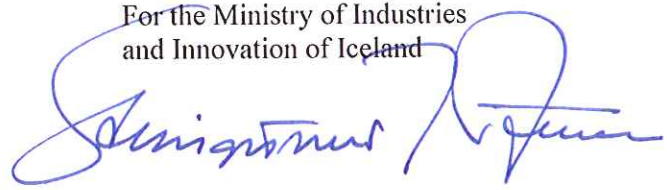
Signed in duplicate in Helsinki, this 31st day of October 2012.

For the Ministry of Trade
and Industry of the Faroe Islands



Johan Dahl

For the Ministry of Industries
and Innovation of Iceland



Steingrímur J. Sigfússon