

AGREEMENT
BETWEEN
THE GOVERNMENT OF AUSTRALIA
AND
THE GOVERNMENT OF THE KINGDOM OF THE NETHERLANDS
CONCERNING OIL STOCKS CONTRACTS

The Government of Australia

and

the Government of the Kingdom of the Netherlands (hereinafter referred to as “the Parties”);

RECOGNISING the *Agreement on an International Energy Program* of 18 November 1974, as amended by the International Energy Agency (hereinafter referred to as “the IEP Agreement”);

RECOGNISING that, pursuant to Article 2 (2) of the IEP Agreement, Australia is obliged to maintain oil reserves equal to ninety (90) days of net oil imports and to comply with IEP Agreement obligations following the activation of emergency measures by the IEA Governing Board to respond to a supply emergency;

RECOGNISING that, pursuant to Article 3 of the IEP Agreement and to Article 3 of the Annex to the IEP Agreement, oil stocks held by Australia in the territory of another country may be credited towards Australia’s emergency reserve commitment, provided that the country has an agreement with Australia which states that no impediment shall be imposed to the transfer of those oil stocks to Australia in an supply emergency;

RECOGNISING the Netherlands’ national legislation regarding oil stockholding obligations;

Have agreed as follows:

Article 1
Definitions

For the purposes of this Agreement:

- (a) the term “Competent Authority” refers to the Governmental authority of each Party responsible for supervising the fulfilment of the oil stockholding obligation:
 - (i) in Australia this means, the agency responsible for implementing the Agreement, being the Australian Government Department of the Environment and Energy or its successor; and
 - (ii) in the Netherlands this means, the Minister of Economic Affairs and Climate Policy, or his or her successor;
- (b) the term “entity” means any legal person or any other body duly constituted or otherwise organised or otherwise regulated by the law of one Party, which holds oil stocks for the purpose of facilitating Australia’s compliance with its oil stockholding obligations;
- (c) the term “impediment” means any legislative, physical or other measures with the effect of restricting or preventing the removal of oil stocks held in the Netherlands pursuant to oil stocks contracts notified to the Netherlands in accordance with this Agreement;
- (d) the term “notification” means communication by hand delivery, facsimile, and electronic mail. A notification shall be deemed to have been received:
 - (i) in the case of hand delivery, at the time of actual delivery; or
 - (ii) in the case of delivery of facsimile, from the time of transmission specified in a transmission report from the sending machine which indicates that the facsimile was sent in its entirety to the recipient; or
 - (iii) in the case of delivery by email, from the time the email was sent, provided that the sender has not received any notification of delivery failure or delay in respect of that email.
- (e) the term “oil stock” means any stock of crude oil, major products and unfinished oils covered by Article 1 of the Annex to the IEP Agreement;
- (f) the term “oil stocks contract” means a commercial contract between the Government of Australia or an Australian entity authorised to act on behalf of the Australian Government, and an entity in the territory of the Netherlands, for holding oil stocks (reserved stocks) for the purpose of complying with Australia’s oil stockholding obligation pursuant to the IEP Agreement;
- (g) the term “territory” means in respect of the Kingdom of the Netherlands the European part of the Netherlands, including its territorial sea and any area beyond and adjacent to its territorial sea within which the Kingdom of the Netherlands, in accordance with international law, exercises jurisdiction or sovereign rights and in respect of Australia:

- (i) the territory of Australia, excluding all external territories other than the Territory of Norfolk Island, the Territory of Christmas Island, the Territory of Cocos (Keeling) Islands, the Territory of Ashmore and Cartier Islands, the Territory of Heard Island and McDonald Islands, and the Coral Sea Islands Territory; and
- (ii) Australia's territorial sea, contiguous zone, exclusive economic zone and continental shelf over which Australia exercises sovereignty, sovereign rights or jurisdiction, as the case may be, in accordance with international law including the United Nations Convention on the Law of the Sea, done at Montego Bay, December 10, 1982.

Article 2
Objectives

1. The primary objective of this Agreement is to enable the Government of Australia to fulfil its obligation to maintain emergency oil reserves equal to ninety (90) days of net oil imports pursuant to Article 2 (2) of the IEP Agreement.
2. This Agreement shall enable an Australian entity or the Competent Authority of Australia to hold oil stocks in the territory of the Netherlands under commercial oil stocks contracts, those oil stocks to be credited towards Australia's emergency reserve commitment for the purpose of satisfying its obligation to maintain emergency oil reserves equal to ninety (90) days of net oil imports, pursuant to Articles 2 and 3 of the IEP Agreement and Article 3 of the Annex to the IEP Agreement.
3. Oil stocks to which this Agreement applies may be held:
 - a) directly by the Competent Authority in Australia; or
 - b) by an Australian entity; or
 - c) by an entity holding oil stocks in the Netherlands, on behalf of the Competent Authority in Australia.
4. For the avoidance of doubt regarding the Parties' IEP reporting obligations in relation to oil stocks held in the Netherlands, approvals made under Article 6 of this Agreement shall constitute the formal record of oil stocks held in the Netherlands which are subject to oil stocks contracts with the Competent Authority of Australia, or with an entity described in Article 2(3) of this Agreement, and to which this Agreement applies.

Article 3
Scope

This Agreement shall apply to the oil stocks contracts that require approval of the Netherlands and Australia in accordance with Article 6 of this Agreement.

Article 4
Competent Authorities

This Agreement shall be administered by the Competent Authorities of each Party.

Article 5
Oil Stocks Contracts

1. The Competent Authority of Australia, or an Australian entity, shall have the right to negotiate and conclude oil stocks contracts with entities holding oil stocks in the Netherlands.
2. All oil stocks contracts for holding oil stocks in the Netherlands concluded under Article 2 of this Agreement shall require the approval of the Competent Authority of the Netherlands and the Competent Authority of Australia, which shall be applied for in accordance with the procedure laid down in Article 6 of this Agreement.

Article 6
Maximum Limits and Approval of Proposed Oil Stocks Contracts

1. The Competent Authority of Australia shall seek advice from the Competent Authority of the Netherlands as to any applicable thresholds of oil stocks to contract on an annual basis.
2. The Competent Authority of Australia shall notify the Competent Authority of the Netherlands of any oil stocks contracts concluded under Article 5 of this Agreement, for the purpose of seeking the Competent Authority of the Netherlands' approval for the oil stocks contracts. This notification shall be provided at least one (1) month before the commencement of the term of any such oil stocks contract and shall include the following information:
 - a) the name and address of the entity with whom the contract is in place;
 - b) the nature and quantity of the oil stocks subject to the contract;
 - c) the period for which the oil stocks are to be held; and
 - d) the location of the depot(s) where the oil stocks are to be held.
3. The Competent Authority of the Netherlands shall notify the Competent Authority of Australia whether or not it approves an oil stocks contract notified under Article 6 (2) of this Agreement no later than two (2) weeks before the start of the term of the oil stocks contract in respect of which approval was sought.
4. The Competent Authority of Australia shall notify the Competent Authority of the Netherlands if there is any significant change in the information supplied in accordance with Article 6 (2) of this Agreement.
5. The Competent Authority of the Netherlands has the right to withdraw its approval for an oil stocks contract if it identifies any significant inaccuracy in the particulars provided to it under Article 6 (2) of this Agreement, subject to the terms of this paragraph. Before withdrawing an approval under this provision, the Competent Authority of the Netherlands shall inform the Competent Authority of Australia of its intention to withdraw its approval in respect of an oil stocks contract and afford the entity with the stockholding obligation, and which had detailed the particulars, a reasonable opportunity to rectify the inaccuracy identified. If the inaccuracy is so rectified, the Competent

Authority of the Netherlands shall not withdraw its approval in respect of the oil stocks contract.

6. Notwithstanding the time limits indicated in Article 6 (2) and (3) and Article 8 (2) of this Agreement, the Competent Authorities may, if required by particular circumstances, mutually decide to vary any or all of those time limits.

Article 7

Exercise of Contractual Rights under an Oil Stocks Contract

The Competent Authority of Australia, or an Australian entity, has the right to exercise a contractual right regarding any or all oil stocks held directly or, in the case of the Competent Authority of Australia, on its behalf by an entity established or active in the Netherlands, pursuant to an oil stocks contract to which this Agreement applies, when Australia's obligations under the IEP Agreement to implement emergency measures to deal with a supply disruption are activated.

Article 8

Notification of Intention to Exercise Contractual Options

1. Where the Competent Authority of Australia or an Australian entity has decided to exercise a purchase option, or other such contractual rights, under an oil stocks contract to which this Agreement applies, in the circumstances referred to in Article 7 of this Agreement, the Competent Authority of Australia shall notify the Competent Authority of the Netherlands of that decision.
2. This notification shall be provided no less than two (2) weeks before the exercise of the purchase option, or other contractual rights, is intended to take place.

Article 9

No Impediment to Removal of Oil Stocks

The Government of the Kingdom of the Netherlands shall impose no impediment to the removal of oil stocks held under oil stocks contracts to which this Agreement applies from its territory, and the transfer of those oil stocks to the Competent Authority of Australia or an Australian entity, in accordance with the terms of any such oil stocks contract.

Article 10

Consultation and dispute settlement

1. The Competent Authorities of both Parties shall consult with each other as soon as reasonably practicable:
 - (a) where either of the Parties faces a supply emergency which has, or may have, an effect on oil stocks contracts to which this Agreement applies;
 - (b) if any circumstances arise which may be taken into consideration in the exercise of Australia's purchase options, or other contractual rights, under oil stocks contracts to which this Agreement applies;
 - (c) where either of the Parties requests consultation to resolve any difficulty in the interpretation or application of the Agreement; or

- (d) if either of the Parties wishes to amend this Agreement.
2. Any dispute between the Parties arising out of the interpretation, implementation or application of this Agreement shall be settled through consultations through diplomatic channels.

Article 11
Entry into Force, Amendment and Termination

1. Each Contracting Party shall inform the other Contracting Party in writing through diplomatic channels of the completion of its domestic requirements for entry into force of this Agreement. This Agreement shall enter into force on the date of the later of these notifications and shall remain in force unless terminated in accordance with paragraph 3 of this Article.
2. This Agreement may be amended by mutual agreement in writing by the Parties. Each Party shall inform the other Party in writing through diplomatic channels of the completion of its domestic requirements for entry into force of amendments to the Agreement. The amendments shall enter into force in accordance with paragraph 1 of this Article.
3. The Agreement may be terminated by either Party by giving no less than twelve (12) months' notice in writing to the other Party through diplomatic channels.
4. Neither Party shall exercise the power of termination in paragraph 3 of this Article during a supply emergency.

IN WITNESS WHEREOF, the undersigned, being duly authorised by their respective Governments, have signed this Agreement.

DONE in duplicate at Canberra on this _____ day of _____, 2018
in the English language only.

FOR THE GOVERNMENT OF
AUSTRALIA

FOR THE GOVERNMENT OF THE
KINGDOM OF THE NETHERLANDS
