

**República Democrática de Timor Leste**  
**Secretaria de Estado da Política Energética**

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**MEMORANDUM OF UNDERSTANDING**

The purpose of this Memorandum of Understanding ("MOU") is to set forth the understanding between the Secretary **of State for Energy Policy, Democratic Republic of Timor-Leste**, hereinafter referred to as Government, and **KOMOR Enterprise Ltd**, Lecidere Office Center (Loc) Avenida Direitos Humanos, Dili, Timor-Leste Suite 105 to cooperate in the pursuit of profitable investment opportunities in the field of bio-fuel such as corn plantation and jatrophas curcas (material for bio-diesel) in Timor-Leste, and agricultural technology transfer to Timor-Leste, according to the general terms set forth below:

(The Government and KOMOR Enterprise Ltd, hereinafter are also collectively referred to as the "Parties" and individually as "Party")

**Whereas:**

- A) The Government hopes it's economic development seeing the establishment and operation of profitable ventures in the field of bio-fuel not only by all property and service but also by agricultural technology transfer and personnel exchange through KOMOR Enterprise Ltd;
- B) KOMOR Enterprise, being a Korean company established for the purpose of bio-fuel industry like corn plantation and Jatrophas Curcas, processing and export out of Timor-Leste;

Now, therefore, the Parties do hereby agree that:

1. KOMOR Enterprise Ltd was established in Dili, Timor-Leste to enforce various kinds of bio-fuel businesses in Timor-Leste.
2. As the first step, KOMOR Enterprise intends to plant corn farm project in collaboration with local farmers, individually or through cooperatives, which is totally amount to over 100,000ha in five areas (Lospalos, Maliana, Baucau, Betano, Same, Viqueque) of Timor-Leste. The initial estimated total investment of the project in Lospalos area, in Betano area, Same, Timor-Leste is about USD 3,000,000 (estimated total investment) including costs import equipments and warehouses and other associated facilities . Subject to scope of work, it is expected that the project will generate about 300 new direct jobs.
3. KOMOR Enterprise will take full responsibility for any loan guarantees required to

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finance the business venture and it could be supported for large-scale plantation by agricultural technology and fund from Korean government and agriculture fund from Timor-Leste as well.

4. Therefore, the Government encourages KOMOR Enterprise to pursue the needed studies - technical, economic, financial, and of environmental feasibility - in order for the company to be able to prove the market opportunity and the feasibility of the project.
5. The Government also encourages KOMOR Enterprise to proceed with the negotiations with its strategic partners in order to put together a strong shareholders structure able to secure (either by its experience and know-how, or by its access to raw materials) markets, technology and funding, i.e., all the elements and conditions indispensable for the success of the new venture.
6. The Government will seek the best way to support KOMOR Enterprise Ltd in order to have the farmers of Timor-Leste well organized and proposed to develop plantation that will be used for bio-fuel productions.
7. KOMOR Enterprise will prepare a feasibility study of the proposed corn plantation to demonstrate to Government the profitability of the venture.
8. The Government will give due consideration to the review of the feasibility study and business plan presented by KOMOR Enterprise and will endeavor to facilitate the successful implementation of the proposed venture.
9. **Entirety.** This MOU constitutes the entire understanding and agreement between the Parties hereto and their affiliates with respect to the subject matter contained herein, and supersede all prior or contemporaneous agreements, representations, warranties and understandings of such parties (whether oral or written).
10. **Duration.** This MOU is valid, for two (2) years from the date of its signature below or unless extended by mutual agreement between the parties.
11. **Governing Law and Dispute Settlement.** This MOU shall be construed in accordance with the laws of the Democratic Republic of Timor-Leste. In the event of any dispute between the Parties concerning any matter in this MOU, the Parties will for a period of 30 calendar days after the dispute arises use their best endeavors to resolve such dispute amicably. If the dispute cannot be resolved, either party shall have the right to refer the dispute and final decision by the District Court of Dili.

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In witness whereof, the Parties have agreed and caused this MOU to be executed and delivered by their duly authorized representatives as of the date first below written.

Done and signed in Dili, Timor-Leste, on the 21<sup>st</sup> of August 2008

**República Democrática de Timor-Leste**  
**Secretary of State for Energy Policy**

Avelino Coelho

**KOMOR Enterprise Ltd**  
**Chairman/ CEO**

Ko Sag Soo