

MALACAÑANG

Manila

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 556

AMENDING EXECUTIVE ORDER NO. 473 AND REQUIRING THE EXPLORATION, DEVELOPMENT AND PRODUCTION OF CRUDE OIL FROM THE CAMAGO-MALAMPAYA RESERVOIR TO BE UNDERTAKEN THROUGH BIDDING

WHEREAS, Executive Order no. 473 tasked the Department of Energy (DOE) to pursue the immediate exploration, development and production of crude oil from the Camago-Malampaya Reservoir;

WHEREAS, transparency is a government policy;

WHEREAS, it is government policy to bid out projects unless only one qualified bidder emerges from a published invitation to bid;

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Philippines, by virtue of the powers vested in me by law, do hereby order:

Section 1. There shall be no "farm-in" or "farm-out" contracts awarded by any government agency, including the Philippine National Oil Company (PNOC), including the contract for the exploration, development and production of crude oil from the Camago-Malampaya Reservoir.

Section 2. All government agencies, including the PNOC, shall follow a strict bidding procedure in forging partnership with interested parties, including the Camago-Malampaya Reservoir venture.

Section 3. The corporate identity and of any partner tapped by any government agency, including the PNOC, must be beyond question.

Section 4. The paid-up capital of any partner tapped by any government agency, including the PNOC, must clearly show financial capability to undertake the subject venture;

Section 5. No government agency, including the PNOC, may enter into a contract with a company registered in a jurisdiction known to be a haven for a money laundering;

Section 6. All government agencies, including the PNOC, may award a contract, including the Camago-Malampaya Reservoir venture, only to a true principal group and not to a trader/broker.

Section 7. Any and all negotiations or arrangements entered into by any government agency, including the PNOC, which violate this Executive Order, shall be immediately discontinued or cancelled.

Section 8. All other executive issuances, rules and regulations or parts thereof, including Executive Order 473, which are inconsistent with the provision of this Executive Order are hereby repealed, amended or modified accordingly.

Section 9. This Executive Order shall take effect immediately following its publication in the Official Gazette or in a newspaper of general circulation.

Done in the City of Manila, this 17th day of June in the year of Our Lord, Two Thousand and Six.

(Sgd.) **GLORIA MACAPAGAL-ARROYO**

By the President:

(Sgd.) **EDUARDO R. ERMITA**
Executive Secretary