



## **ASEAN FRAMEWORK AGREEMENT ON PETROLEUM SECURITY**

The Governments of Brunei Darussalam, the Kingdom of Cambodia, the Republic of Indonesia, Lao People's Democratic Republic, Malaysia, the Republic of the Union of Myanmar, the Republic of the Philippines, the Republic of Singapore, the Kingdom of Thailand, and the Socialist Republic of Viet Nam, Member States of the Association of Southeast Asian Nations (ASEAN) (hereinafter collectively referred to as "Member States" or singularly as "Member State");

**RECALLING** the Agreement on ASEAN Energy Cooperation signed on 24 June 1986 in Manila, Philippines, which calls upon the Member States to co-operate in drawing up and concluding emergency agreements for different energy forms as may be desirable from time to time, and appropriate measures to cope with emergency situations;

**RECALLING** the ASEAN Petroleum Security Agreement signed on 1 March 2009 in Cha-Am, Thailand (hereinafter referred to as "2009 APSA");

**RECALLING** the Bandar Seri Begawan Joint Declaration of the 39<sup>th</sup> ASEAN Ministers on Energy Meeting (AMEM) on Energy Security and Energy Transition, which commits to take concrete actions in developing robust policies and measures, and strengthen national, bilateral, and multilateral energy programmes and projects that enhance energy resilience and improve energy security, which form the foundation of an inclusive and just energy transition, in achieving access to, affordable, reliable, sustainable, and modern energy for Member States, while taking into consideration respective national circumstances, priorities, policies, and capabilities;

**RECALLING** further the Joint Declaration of the 41<sup>st</sup> AMEM on Sustainable Energy Security Through Interconnectivity, which underscores the importance of enhancing petroleum and energy interconnectivity and co-operation for sustainable energy security;

**REALISING** that energy security and self-sufficiency can be achieved through national and multinational efforts geared towards innovations energy resource exploration, development, exploitation, distribution, and transportation, and undertaken in a manner that both conserve the resources and preserve the environment and human habitat;

**NOTING** that ASEAN is a net oil importer region and is projected to become a net natural gas importer, highlighting the growing significance of securing reliable and diverse petroleum and energy supplies for the region's sustainable development;

**NOTING** also of the increasing dependence of ASEAN on petroleum resources outside the region and recognising the need to co-ordinate and rationalise efforts, plans, and programmes to mitigate the global petroleum market volatility and enhance the security of petroleum supply for Member States;

**NOTING** further that ASEAN energy security is key to economic resilience and sustainability, as reflected in the evolving ASEAN Vision towards the ASEAN Community Post 2025 Vision, and further reaffirmed by the ASEAN Plan of Action for Energy Cooperation (APAEC), as the regional energy blueprint to strengthen energy resilience through greater innovation and co-operation, in line with the overarching goals of the ASEAN Economic Community;

**DETERMINING** to review and renew the 2009 APSA in complementing other regional initiatives, including the ASEAN Power Grid (APG) and the Trans-ASEAN Gas Pipeline (TAGP), and existing bilateral arrangements and efforts, to

further strengthen the economic resilience and sustainability of the individual Member State as well as the solidarity and integrity of ASEAN;

**RECOGNISING** each Member State's sovereignty over its petroleum resources, and upholding ASEAN centrality in APSA's engagement with ASEAN Dialogue Partners and international organisations, as well as other external partners, to enhance ASEAN's petroleum security,

**HAVE AGREED AS FOLLOWS:**

### **Article 1 Definitions**

For the purposes of this Agreement, the following definitions shall apply unless the context otherwise requires:

- (a) **coordinated emergency response measures** or **CERM** refers to coordinated emergency response that shall be developed and adopted by the Senior Officials Meeting on Energy (SOME) following the signing of this Agreement. These measures, upon their finalisation and annexation to this Agreement, will provide the framework for a coordinated response to petroleum supply emergencies in the region;
- (b) **critical shortage** means a situation when a Member State in distress is experiencing shortfall of at least 10% of the normal domestic requirement for a continuous period of at least 30 days or as prescribed otherwise by AMEM;
- (c) **crude oil** means oil extracted from bituminous shales and other rock formations before any such oil has been refined or otherwise treated and includes condensates from natural gas;

- (d) **emergency situation** means a situation when a Member State is faced with critical shortage in petroleum supply due to natural calamity (among others, earthquake and tsunami), explosion of facilities, war, pandemic, or other global and regional conflicts;
- (e) **natural gas** means a mixture of hydrocarbons and varying quantities of non-hydrocarbons that exist either in the gaseous or liquefied phases and includes all natural gas liquids, excluding LPG;
- (f) **Member State in distress** means a Member State that had given appropriate notice to the ASEAN Centre for Energy of the occurrence of a critical shortage due to an emergency situation that undermines energy security;
- (g) **normal domestic requirement** means the daily average domestic petroleum consumption over the 12 months period immediately preceding the occurrence of the emergency situation;
- (h) **oil stockpile** means strategic crude oil and petroleum products stored in ground level storage tanks or underground storage tanks to be used for both operational and strategic reasons; and
- (i) **petroleum** refers to crude oils, petroleum products, and natural gas.

## **Article 2 Objective**

The objective of this Agreement is to enhance petroleum security of the Member States, either individually or collectively, and minimise exposure to an emergency

situation, through the implementation of short, medium, and long-term measures.

### **Article 3 Principles**

For the purposes of this Agreement, Member States shall recognise that each Member State's participation and assistance under this Agreement, and CERM is on a voluntary and commercial basis.

### **Article 4 Strategic Measures to Enhance Petroleum Security**

1. Member States shall endeavour to implement short, medium, and long-term measures to minimise the exposure to an emergency situation.

#### **Short-Term Measures**

2. Member States shall endeavour to establish the following short-term measures:
  - (a) Member State in Distress' Emergency Response to Petroleum Supply Disruption
    - (i) During the critical shortage period, the Member State in distress will implement short-term measures to reduce the demand of its normal domestic requirement before requesting assistance under the CERM.
    - (ii) Such emergency response may include demand restraint (recognising the diversity and sovereignty of each Member State), fuel switching, surge protection, and information sharing or e-trading.

(b) CERM

- (i) Member States shall endeavour to supply petroleum to the Member State in distress at the aggregate amount equal to 10% of the normal domestic requirement of the Member State in distress based on the terms and conditions to be negotiated among the appropriate parties in the spirit of assistance and no undue advantage shall be taken by the Member States concerned.
- (ii) The assistance rendered under CERM shall be on a voluntary and commercial basis.

**Medium and Long-Term Measures**

- 3. Member States shall endeavour to adopt the following as medium and long-term measures taking into account the respective Member States' own supply situation, commitments, and reliance on petroleum:
  - (a) ASEAN energy co-operation under the APAEC;
  - (b) exploration of new petroleum resources, whereby interested or relevant parties of the Member States may endeavour to participate on a commercial and voluntary basis in joint ventures to explore and develop petroleum resources particularly in deepwater and new frontier areas, both globally and regionally;
  - (c) diversification of energy supply sources, whereby Member States are to reduce the dependence on import from a single petroleum source, including leveraging the APG and TAGP, and enhancing joint research development and demonstration in renewable and low carbon energy technologies;

- (d) improvement of energy efficiency measures to reduce oil and gas demand and consumption across oil and gas intensive and dependent sectors;
- (e) oil and gas markets liberalisation, whereby Member States recognise that the deregulation of petroleum industry would enhance ASEAN's overall petroleum security by allowing more players into the playing field; and
- (f) oil stockpiling, whether individually or jointly by Member States, shall be on a voluntary and commercial basis. The joint stockpiling may be commenced by Member States who are ready and willing to make the commitments and co-operation.

#### **International Co-operation**

- 4. Member States may participate in international dialogues to enhance ASEAN's petroleum security with ASEAN Dialogue Partners, other relevant international organisations and stakeholders.

#### **Article 5 Institutional Arrangements**

- 1. The AMEM shall be the main policy making body for the CERM. The AMEM shall assign the SOME to carry out the functions in accordance with the CERM and examine proposals to the AMEM on matters related to the CERM.
- 2. In the fulfilment of its functions, the SOME shall establish a working group composed of the energy authorities or ministries from each Member State, responsible for co-ordinating emergency response in the case of emergency situation, including to identify and appoint appropriate entities which shall execute the

implementation of CERM, subject to the laws and regulations of each Member State.

3. The ASEAN Centre for Energy shall serve as the secretariat which shall carry out the procedures and operations defined in CERM, including data collection and analysis as basis for the activation, and co-ordination with other operational bodies as necessary.
4. The appointed senior members of the selected entity or ASEAN Council on Petroleum (ASCOPE) Members which comprise the senior members of petroleum companies in ASEAN shall provide advice on matters related to and arising from a potential emergency situation and practical execution of emergency measures on an ad-hoc basis.

#### **Article 6 Implementation of this Agreement**

1. Member States shall endeavour to develop series of measures to implement this Agreement, to be facilitated and assisted by the ASEAN Secretariat, ASEAN Centre for Energy, ASCOPE, and the appointed entities. The measures may include:
  - (a) CERM for crude oil and oil products;
  - (b) CERM for natural gas;
  - (c) data sharing methodology and mechanisms;
  - (d) localisation guidelines; and
  - (e) oil and natural gas infrastructure planning.

2. Recognising the need for flexibility for Member States to implement this Agreement, each measure may incorporate appropriate provisions regarding the condition and timeframe for implementation.

### **Article 7 Settlement of Disputes**

1. Any dispute arising out of the implementation, interpretation, or application of this Agreement shall be settled amicably by consultations or negotiations between the Member States involved in the dispute.
2. In the event that Member States cannot reach an amicable settlement referred to in paragraph 1, the ASEAN Protocol on Enhanced Dispute Settlement Mechanism signed on 20 December 2019 in Manila, Philippines, or its successor, shall apply in relation to any disputes concerning implementation, interpretation, or application of this Agreement.

### **Article 8 Final Provisions**

1. This Agreement shall enter into force on the 90<sup>th</sup> day after the date of deposit of the 10<sup>th</sup> instrument of ratification, approval or acceptance with the Secretary-General of ASEAN.
2. No reservations shall be made to this Agreement either at the time of signature or ratification, approval or acceptance.
3. Upon its entry into force, this Agreement shall replace the ASEAN Petroleum Security Agreement signed on 1 March 2009 in Cha-am, Thailand.

4. This Agreement shall remain in force for a period of ten years, unless terminated earlier by agreement of the Member States. The termination of this Agreement shall be without prejudice to the rights and obligations of the Member States arising from this Agreement prior to the effective date of termination of this Agreement.
5. The provisions of this Agreement may be amended by mutual written agreement of the Member States. Any amendment shall enter into force on such date mutually agreed upon by the Member States.
6. Any amendment shall not prejudice the rights and obligation arising from or based on this Agreement prior and up to the date of such amendment.
7. This Agreement shall be deposited with the Secretary-General of ASEAN who shall promptly furnish a certified true copy thereof to each Member State.
8. A Member State may withdraw from this Agreement by giving advance written notice to the Secretary-General of ASEAN, who shall immediately notify other Member States. Such withdrawal shall take effect six months from the date of the said notice.

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

**DONE** at Kuala Lumpur, Malaysia, this Sixteenth Day of October in the Year Two Thousand and Twenty-Five, in a single original copy in the English Language.