

**ANNEX TO THE COMPREHENSIVE ECONOMIC PARTNERSHIP
AGREEMENT BETWEEN THE REPUBLIC OF CHILE AND THE UNITED ARAB
EMIRATES**

UNDERSTANDING ON THE ENERGY RESOURCES SECTOR

1. The UAE is an independent, sovereign, federal State, with seven sovereign Member Emirates (“Member Emirates”). Pursuant to the Constitution of the UAE, each of the Member Emirates retains full sovereignty, sovereign rights or exclusive jurisdiction over its natural resources and wealth under the Energy Resources Sector. For the purposes of this Understanding, “Energy Resources Sector” means the ownership, management (including reservoir management), exploration, development and production, exploitation, transportation, storage, refining and processing, distribution (including retail distribution) of all hydrocarbons, such as oil, gas, and condensates, derivatives and primary by-products thereof.

2. In recognition of the foregoing, the Comprehensive Economic Partnership Agreement between the Republic of Chile and the United Arab Emirates (“Agreement”) shall not grant any rights to Chile or create any obligations for the UAE or any of its Member Emirates with regard to the Energy Resources Sector. Accordingly, the Energy Resources Sector is excluded from the scope of the Agreement, including Chapter 18 (Dispute Settlement) without prejudice to paragraph 4 of this Understanding. All matters pertaining to the Energy Resources Sector fall within the exclusive jurisdiction of each of the Member Emirates, and all determinations and decisions made by each of the Member Emirates’ competent authorities pertaining to the Energy Resources Sector (“competent authorities”) shall be final, binding and not subject to review or challenge.

3. If the UAE, with the concurrence of the Member Emirates’ competent authorities, concludes a regional trade agreement by which it grants to a third country any right with regard to the Energy Resources Sector, such right shall be granted to Chile.

4. In the event of a difference in the interpretation or application of this Understanding, the Parties shall have recourse to confidential consultations under Article 18.5 (Consultations). If the UAE and Chile have failed to achieve a mutually agreed solution within 60 days after the date of receipt of the request for consultations, or if the UAE fails to comply with such mutually agreed solution, including within the agreed timeframe, Chile may suspend benefits under the Agreement proportionate to the trade effects which the measure in question causes. For greater certainty, a Party shall not initiate a dispute settlement proceeding other than as provided under this paragraph.

5. For greater certainty, neither Party shall have recourse to any further proceeding under the Agreement or under any other forum.

6. In the event of any inconsistency between this Understanding and any provisions of the Agreement, this Understanding shall prevail to the extent of that inconsistency.