

**[ EXECUTIVE ORDER NO. 254-A, March 03, 2004 ]**

**AUTHORIZING THE FURTHER RELEASE OF FUNDS FROM THE NET GOVERNMENT SHARE FROM SERVICE CONTRACT NO. 38 OVER THE CAMAGO-MALAMPAYA NATURAL GAS RESERVOIR AS ASSISTANCE TO THE PROVINCE OF PALAWAN**

WHEREAS , the Republic of the Philippines, through the Department of Energy (DOE), entered into Service Contract No. 38 (SC 38) with Shell Philippines B.V. and Occidental Philippines, Inc. on 11 December 1990 for the exclusive conduct of petroleum operations in the area referred to as Camago-Malampaya located off the shores of northwest Palawan;

WHEREAS , Executive Order No. 254 dated 08 December 2003 [EO 254] recognizes the strategic importance of SC 38 in providing secure, reliable and environmentally-friendly indigenous energy and the responsibilities that have been undertaken by the Province of Palawan in assisting the National Government in securing the SC 38 Project Exclusion Zone and, therefore, it is deemed appropriate for the Province of Palawan to benefit from the net government revenues from SC 38 for its socio-economic and environmental development projects;

WHEREAS , under the Local Government Code, the President may, upon the request of the local government unit concerned, direct the appropriate national agency to provide financial, technical or other forms of assistance to the local government unit, at no extra cost to the local government unit concerned;

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

SECTION 1. Release of Funds. – Subject to applicable laws and availability of funds, the Department of Budget and Management (DBM) shall release, through the DOE, the additional funds necessary to implement the projects mentioned in Section 2 hereof for the Province of Palawan, which have been determined by the DOE in consultation with the Provincial Government of Palawan, in the amount of Three Hundred Million Pesos (P300,000,000.00), sourced from the net government share of the revenues from SC 38 for fiscal year 2002 and 2003.

SECTION 2. Allocation. – The foregoing amount shall be allocated for priority development projects for the Province of Palawan as approved by its Sangguniang Panlalawigan, as follows:

- a. Twenty Million Pesos (P20,000,000.00) for purchase of land for relocation of the landless of Puerto Princesa City;
- b. Five Million Pesos (P5,000,000.00) for the Livelihood Program for Market Vendors, Puerto Princesa City;