Section 1. There is hereby established a zone to be known as the exclusive economic zone of the Philippines. The exclusive economic zone shall extend to a distance of two hundred nautical miles beyond and from the baseline from which the territorial sea is measured: provided, that, where the outer limits of the zone as thus determined overlap the exclusive economic zone of an adjacent or neighbouring State, the common boundaries shall be determined by agreement with the State concerned or in accordance with pertinent generally recognized principles of international law on delimitation.

Section 2. Without prejudice to the rights of the Republic of the Philippines over its territorial sea and continental shelf, it shall have and exercise in the exclusive economic zone established herein the following:

A. Sovereign rights for the purpose of exploration and exploitation, conservation and management of the natural resources whether living or non-living, both renewable and non-renewable, of the seabed, including the subsoil and the superjacent waters, and with regard to other activities for the economic exploitation and exploration of the resources of the zone, such as the production of energy from the water, currents and winds;

B. Exclusive rights and jurisdiction with respect to the establishment and utilization of artificial islands, off-shore terminals, installations and structures, the preservation of the marine environment, including the prevention and control of pollution, and scientific research;

C. Such other rights as are recognized by international law or State practice.

Section 3. Except in accordance with the terms of any agreement entered into with the Republic of the Philippines or of any licence granted by it or under authority by the Republic of the Philippines, no person shall, in relations to the exclusive economic zone:

A. Explore or exploit any resources;

B. Carry out any research, excavation or drilling operations;

C. Conduct any research;

D. Construct, maintain or operate any artificial island, off-shore terminal, installation or other structure or device; or

E. Perform any act or engage in any activity which is contrary to, or in derogation of, the sovereign rights and jurisdiction herein provided.

Nothing herein shall be deemed a prohibition on a citizen of the Philippines, whether natural or juridical, against the performance of any of the foregoing acts, if allowed under existing laws.

Section 4. Other States shall enjoy in the exclusive economic zone freedoms with respect to navigation and overflight, the laying of submarine cables and pipelines, and other internationally lawful uses of the sea relating to navigation and communications.

Section 5. (a) The President may authorize the appropriate government office/agency to make and
promulgate such rules and regulations which may be deemed proper and necessary for carrying out the purposes of this decree.

(b) Any persons who shall violate any provision of this decree or of any rule or regulation promulgated hereunder and approved by the President shall be subject to a fine which shall not be less than two thousand pesos (Pesos 2,000.00) nor be more than one hundred thousand pesos (Pesos/100,000.00) or imprisonment ranging from six (6) months to ten (10) years, or both such fine and imprisonment, in the discretion of the Court. Vessels and other equipment or articles used in connection therewith shall be subject to seizure and forfeiture.

Section 6. This decree shall take effect thirty (30) days after publication in the official Gazette.