

Annual Report

2012

Message from the President

To Whom It May Concern,

On behalf of the Board of Directors, Management Committee, and all the ANP staff, I am pleased to present to you the 2012 Annual report of the Autoridade Nacional do Petróleo (ANP) Timor-Leste.

This annual report highlights updates on petroleum activities pertaining to the ANP's jurisdictions including the Downstream Sector. These include the petroleum activities in the Exclusive Timor-Leste areas, and in the Joint Petroleum Development Area. Additionally, it also presents updates on the ANP's activities both as a petroleum regulatory body and as an institution which always aims at continuous development of corporate related policies and procedures, HR Development for employees, and the continuous reviews and the establishment of the petroleum legal framework required for the ANP's jurisdictional areas. Similar to the report produced for 2011 activities, this report was prepared in such a way that oil companies activities are separate from the authority's functions, providing better understanding on the roles and functions from each of the two parties and the relations between them.

The 2012 report highlighted on the completion of ranges of the ANP's inspections to the petroleum project facilities, amongst others were, the ANP's Combined Process and HSE Inspection to the Bayu Undan Facilities, the Metering Inspection to the Darwin LNG facility and the KITAN FPSO. Despite the upcoming acreage bid round for the ANP's jurisdiction was yet to realize in 2012, various preparatory activities were carried out ranging from the completion of the draft bidding pre-qualification bidding guidelines, acreage definition guidelines, to the completion of the draft block division guidelines. Moreover, the ANP also is continuously active in promoting hydrocarbon potentials in its jurisdictional areas through its active participations as speakers both regional and international. On the project operations side, Bayu Undan liquids start to experience noticeable decline as per estimate by the year's end while gas production remain high. Meanwhile, Kitan production achieved early profit due to high oil price in late 2011 to mid-2012.

In addition to the activities for the upstream petroleum, the promulgation of the first and the only Downstream Decree Law in Timor-Leste by the President of the Democratic Republic of Timor-Leste (RDTL) in February 2012 marked a new chapter for the administration of the Downstream Petroleum in the country.

At the year's end, two subordinate downstream regulations were further completed covering administration of licenses, and downstream inspection.

We hope that this report provides sufficient updates on the way in which the petroleum activities are undertaken in Timor-Leste Exclusive Areas (TLEA), and in the Joint Petroleum Development Area (JPDA) in the Timor Sea under the spirit of the Timor Sea Treaty signed between Timor-Leste and Australia in 2002, and the way in which ANP as a petroleum regulatory authority undertakes its active roles in accordance with its mandate. Despite of the experiences gained, the ANP is committed to continuous learning and improvement to better serving all stakeholders interests in various respective areas of its mandate. In doing so, constructive inputs and thoughts are mostly appreciated and welcomed for improvement clear and user friendly reports in the years to come.

Sincerely,

Gualdino da Silva

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I. Our Values and Strategic Directions

Our Values

C O U R A G E

COLLABORATION to conduct efficient and effective collaborating among (i) ANP's internal Directorates, and (ii) with its stakeholders.

OPENNESS honesty and transparency – underpinned by a culture of trust and respect

UNITY ANP promotes and displays a high degree of teamwork and integration its employees and Directorates. Whilst appreciating and respecting the cultural intellectual diversity of the individuals that works within it, the ANP is united in its ambition to become a world class organization in Timor-Leste.

RESPONSIBILITY as true leaders, ANP team members take full responsibility for the results of their actions

ACCOUNTABILITY ANP and its team members are fully accountable for their ethical standards, behavior and performance – at all times. Furthermore the ANP is accountable for the governments of Timor-Leste. In performing the task in and for the JPDA, the ANP is accountable for Timor-Leste and Australia .

GLOBAL VIEW whilst operations for the ANP reside in Timor-Leste, its view is a global one. It works with and coordinates activities with operators that are multi-national in nature, size and scope.

EXCELLENCE in line with developing a world class organization, the ANP believes in excellence – in everything that it does.

Vision

To be a leading petroleum regulatory authority in the region and a model for institutional development in Timor-Leste.

Mission

- To maximize revenue and multiply economic benefits;
- To maximize the participation of Timor-Leste in the development of its petroleum sector;
- To promote best Health, Safety and Environmental practices;

- To develop the institutional capacity of the Timor-Leste petroleum sector

Goals

- Ensure that petroleum resources are effectively explored, developed, managed and regulated;
- Ensure that economic benefits are delivered to the contracting states;
- Maximize employment opportunities for Timor-Leste nationals;
- Develop organizational excellence;
- Promote and ensure best HSE practices;
- Regulate all downstream petroleum activities in Timor-Leste;
- Maximize economic activities of petroleum sector in Timor-Leste

II. Organization Structure

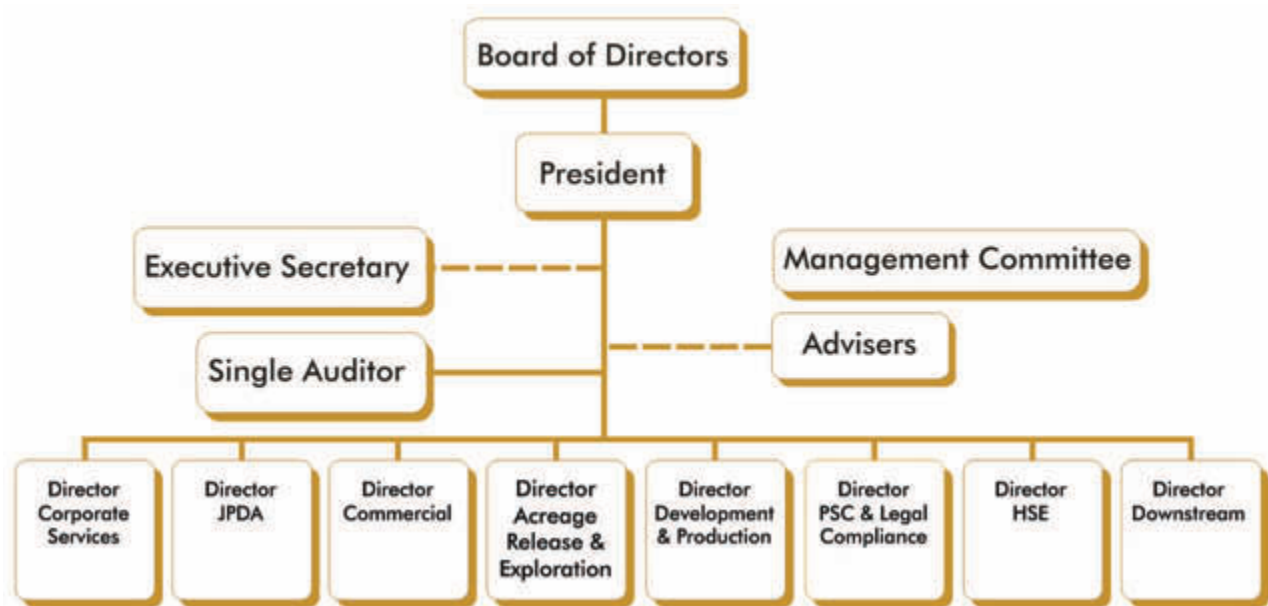


Chart 1: Organization Structure

By the end of FY 2012, the ANP had 78 employees. Several new employees were recruited throughout 2012 to execute functions foreseen in the approved organization structure.

The activities of each of the organs within the ANP structure in 2012 are provided below:

2.1. Board of Directors (BoD)

The ANP's Board of Directors is the highest body in the organization responsible for defining directions and policies. In doing so, the board is responsible for approving corporate policies, strategic plans, technical regulations and directives required under the Petroleum Act; and approving the ANP's consolidated work plan and budget as prescribed under Article 7 of the Decree-Law no 20/2008.

Members of the ANP's Board of Directors (BoD):

Following is the list of the BoD Members for 2012:

- 1) Gualdino do Carmo da Silva – Chair
- 2) Jorge Dasilaku Martins – Member – Non-Executive
- 3) Mateus da Costa- Member – Executive
- 4) Nelson de Jesus – Member- Executive

There were 5 meetings conducted during 2011. Those meetings were conducted on the following days:

1. 23rd BoD on 20th April 2012
2. 24th BoD on 27th April 2012
3. 25th BoD on 12-13 July 2012
4. 26th BoD on 30th, 31st July and 1st August 2012
5. 27th BoD on 29th August 2012

2.2. Single Auditor

The functions of the Single Auditor are provided under Article 14 of the Decree Law on the establishment of the ANP. The Single Auditor is the organ responsible for monitoring legality, regularity, and proper financial and patrimonial management of the ANP. Highlights of activities carried out by the Single Auditor during FY 2012 are provided under subchapter 5.1. of this report.

2.3. Management Committee

Management Committee Meeting (MC) is chaired by the President and the members comprising all the executive directors. The MC holds a meeting at least once a month to address day to day management matters. The Committee also addresses regulatory or petroleum projects related subject which required further decision by either the Board, the Joint commission, or by the Sunrise Commission respectively depending on the types of projects or issues. Following is the list of the MC members for 2012:

1. Gualdino do Carmo da Silva, Chair
2. Jose Manuel Goncalves, JPDA Director
3. Emanuel Angelo Lay, Commercial Director
4. Rui Soares, Development and Production Director
5. Dionisio Martins, Corporate Service Director
6. Mateus da Costa, Acreage Release and Exploration Director
7. Verawati Corte Real de Oliveira, HSE Director
8. Nelson De Jesus, Downstream Director

From time to time the Single Auditor, Ms. Cipriana Tita Sousa, was invited for the MCM.

III. Joint Commission and Sunrise Commission

In addition to the internal Structure as provided under chapter 2 of this report, the ANP, in respect of managing petroleum activities in the Joint Petroleum Development Area (JPDA) in the Timor Sea in accordance with the Timor Sea Treaty and all other relevant Treaties, also participated in both Joint Commission and the Sunrise Commission Meetings.

3.1. Members of the Joint Commission

Following are the Timor Sea Treaty Joint Commission Members and their alternates in 2012.

1. Francisco da Costa Monteiro (Timor-Leste)
2. Tania Constable (Australia)
3. Antonio Jose Loyola (Timor-Leste)

Alternate Commissioners

1. Martin Squire (Alternate to Ms. Tania Constable)
2. Vicente Lacerda (Alternate to Mr. Jose Antonio Loyola)
3. Domingos Maria Lequisiga (Alternate to Mr. Francisco da Costa Monteiro)

Timor Sea Treaty Joint Commission Meetings

There were 3 Joint Commission Meetings (JCM) held for the JPDA in 2012.

1. 33rd JCM on 20th March 2012 in Darwin
2. 34th JCM on 27th August 2012 in Dili
3. 35th JCM on 11th December 2012 in Melbourne

2012 Timor Sea Treaty Joint Commission Meetings major resolutions, amongst others, were:

- * Approval of PWC GSA price review
- * Approval of ANP 2013 WP&B
- * Approval of DLNG 2012 final price
- * Consent for Approval to extend the initial exploration period of PSC JPDA 06-103

3.2. Sunrise Commission

The Sunrise Commission is established in accordance with Article 9 of the International Unitization Agreement (IUA) between Timor-Leste and Australia.

Members of the Sunrise Commission in 2012

1. Tania Constable (Australia)

2. Rod Smith (Australia)
3. Francisco da Costa Monteiro (Timor-Leste)

Alternate Commissioners

1. Martin Squire (Alternate to Tania Constable)
2. Stephanie Werner (Alternate to Rod Smith)
3. Vicente Lacerda (Alternate to Francisco da Costa Monteiro)

Sunrise Commission Meetings

1. 10th Sunrise Commission meeting on 21st March 2012 in Darwin
2. 11th Sunrise Commission meeting on 28th August 2012 in Dili
3. 12th Sunrise Commission meeting on 12th December 2012 in Melbourne

IV. Major Achievements and Project Highlights in 2012

ANP major achievements in 2012 are provided as follows:

- ❖ In preparation for a new acreage releases revised sets of legal framework had been completed. This includes the following;
 - Finalization of the draft pre-qualification guidelines for both TLEA and the JPDA
 - Finalization of the draft Internal Guidelines for Acreage Definition
 - Finalization of the Block definition Guidelines for the JPDA
 - Continuous improvement in the Lafaek Database, online technical database of ANP
 - Promoting petroleum potentials in the region and in international conferences and seminars for oil and gas sector; Deep water Congress in Bali, and Offshore Technology Asia in Shanghai, China.
- ❖ After long and tedious process involved the newly proposed PSC 11-106, Joint Commission in principal agreement in 2012, paving the ways for completing all necessary works required for the granting of the said PSC.
- ❖ ANP completed combined process and HSE inspection to the Bayu Undan facilities. Findings were communicated accordingly to operators for further follow up actions.
- ❖ ANP completed metering inspection to the Darwin LNG. Findings were communicated accordingly to the operator for further follow up actions.
- ❖ Following a thorough assessment acceptance were granted to the Safety Case of the Bayu Undan Asset Integrity Management (AIM) project.

In respect of the petroleum operations under the jurisdiction of the ANP, several important highlights are provided below:

- ❖ Due to higher oil price, Kitan production achieved its early profit oil in August 2012, resulted in early profit distributed to the governments of Timor-Leste and Australia. Consequently this brings early increase to the Petroleum Fund of Timor-Leste as opposed to initial estimation.
- ❖ As opposed to 2011, in 2012 Bayu Undan Condensate buyers were mostly from Asia region

- ❖ No work related fatalities occurred in the petroleum activities within the ANP's jurisdiction

V. Administration and Organizational Development

5.1. Internal Audit

In due respect to the Single Auditor's roles and functions as stated in ANP Decree Law No. 20/2008 Article 14, Single Auditor unit had been regularly reviews and provides advice on the ANP's financial reports and its internal control on monthly basis.

Moreover, to enhance the internal audit resources, Single Auditor Unit recruited additional staff at fourth quarter of 2012.

In order to be familiar with areas to be audited as well as enhancing the capacity building of the Single Auditor's team, various trainings and seminars where identified and attended, including in the areas of:

1. Financial Risk Management
2. Risk Based Operational Audit and Operational Risk Management
3. Effective Strategies in Internal Audit for Oil, Gas and Energy Sector
4. Quality Assurance Auditing and Effective Audit Report Writing

5.2. Institutional Development

5.2.1. Policies and Procedures

The ANP continues to improve and enhance its internal policies and procedures as part of its institutional development initiative. In 2012, a corporate guideline on Employee Promotion (ANP/05/05/007 Rev 0) was approved by the ANP Management Committee. In addition, a procedure was established to manage Per Diem for Long Term Secondments and Trainings (ANP/09/09/011 Rev 0).

5.2.2. Human Resources Development

ANP optimally invested significantly in human resource development to be able to perform its role. This is done in various ways, including scouting the local work force market for qualified individuals for new positions and supervision, mentoring, training, workshop, secondment and conferences for existing positions.

5.2.2.1. Staff Recruitment

In 2012 ANP recruited 18 staffs for both new and replacement position. The recruitment is done in an open, transparent and competitive environment.

New Positions:

- Manager – Downstream Inspection
- Senior Officer – Finance and Fiscal Assurance

- Administration Officer
- Administration Officer – Downstream
- Health and Safety Officer
- Audit Officer
- Environment Inspector
- Health, Safety and Environment Inspection Officer – Downstream
- Fuel Quality Assurance Officer - Downstream
- Petroleum Analyst
- Legal Assistant
- Legal Assistant
- Geophysics Assistant

Replacement Positions:

- Manager – Corporate Finance
- Finance Officer – Management Accountant
- Logistic Officer
- Receptionist
- Executive Secretary

5.2.2.2. Training and Development

The ANP continually committed to develop its staffs competencies, skills and abilities through training, secondment, workshop and conferences. During 2012, the ANP staff were exposed to a variety of different professional - developments depending on the areas of work. The professional developments such as training, secondment, workshop and conferences are provided in the [Table 1](#) of annex II.

Apart from ANP's staff training and development, the ANP also accommodated Timorese national students and graduates on internship programs in various identified areas, originated from both local and foreign universities. The details of the internship at the ANP during 2012 shows in the [Table 2](#) of annex II.

5.2.3. Procurement

Details of successful companies providing good and services to ANP presented in the [Table 3](#) of annex II.

5.2.4. Financial Statement

Below is the summary of ANP's 2012 Expenditure Report after Financial audit. All figures are presented in United State Dollars (USD) in the next page.

Income and Expenditure Report Per 31 December 2012 (Audited)		
	Actual	Budget
Development Fees	\$ 3,983,200	\$ 3,983,200.00
Contract Services Fees	\$ 960,533	\$ 960,000.00
Income from Timor - Leste Government	\$ 1,500,000	\$ 1,500,000.00
Interest	\$ 263	
Net Gain in Foreign Exchange	\$ -	
Profit and disposal of assets	\$ 28,250	
Other Income	\$ 20	
Total Income	\$ 6,472,266	\$ 6,443,200.00
EXPENSES		
Employee Cost	\$ 2,281,873.00	\$ 2,822,176.48
General and Administration	\$ 2,861,991.00	\$ 3,252,924.72
Depreciation and Amortization	\$ 289,387.00	\$ -
Contingency	\$ 196,578.00	\$ 316,305.06
Net Loss in Foreign Exchange	\$ 852.00	\$ -
**Purchase of Intangibles and Property, Plant & Equipment	\$ 513,581.00	\$ 251,000.00
Total Expenditure/Budget	\$ 6,144,262.00	\$ 6,642,406.26

Table 1: Details of ANP Financial statement for 2012

** The expenses of purchasing Intangibles and Property, Plant & Equipment, are described in 2012 Financial Audit report under statement of Cash Flows Ended December 2012 as per Annex attached in page 81.

The ANP actual total expenditure was \$6,144,262.00. This represents 92.50% of the 2012 approval Budget of \$6,642,406.26.



ANP Social Activities



VI. Petroleum Exploration and Exploitation (Operator's activities)

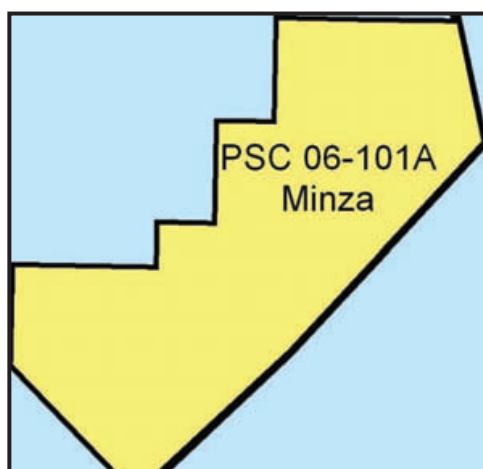
6.1. Exploration

6.1.1. Updates on the activities within the JPDA Area

PSC JPDA-06-105 (Eni)

All committed exploration work program under this PSC had been completed. The existing exploration area not declared as Development Area had been completely relinquished. The relinquished exploration area situated within a well proven oil bearing reservoir area in the JPDA.

PSC JPDA-06-101 A (MINZA)



Picture 1: Map of PSC JPDA 06-101A

The ANP approved to carry forward exploration work commitment from exploration year 4 and 5 into year 6 and 7. This allowed sufficient time for the operator, Minza Limited to deliver its exploration work commitment and additional 3D seismic data acquisition over 800km² area. The additional 3D seismic data acquisition was completed in December 2012.

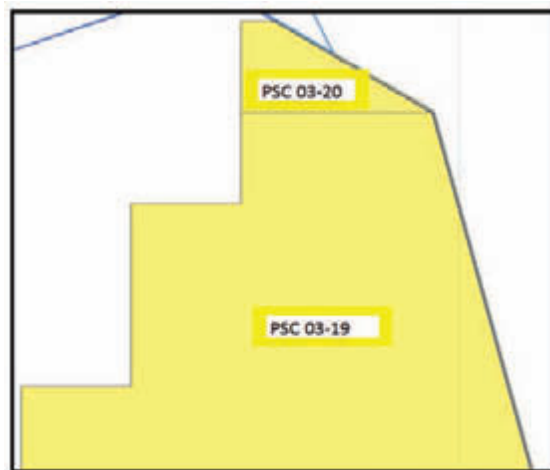
The PSC monitoring focus for this Contract Area is mainly on the progress of technical work of the operator on the finalization of Tutuala 3D Seismic data interpretation, Bazartete and Maura 3D reprocessing and Bazartete structure re-interpretation as part of the next drilling campaign preparation. Further focus has been on the Oilex efforts on securing the drilling rig and potential drillable prospect candidate identification.

PSC Error! No sequence specified. JPDA-06-103 (OILEX):



Picture 2: Map of Contract Area PSC JPDA 06-103

PSC Error! No sequence specified. JPDA 03-19 and 03-20 – Greater Sunrise (Woodside)



Picture 3: Map of Contract Area PSC JPDA 06-103

No major technical work taken place under these two PSCs during the period of the 2012. As for the PSC management the ANP approves the work program and budget for the administration of the Production Sharing Contract.

6.1. 2. Report updates on the activities within the TLEA Area

The PSCs TLEA S06-02, S06-03, S06-04, S06-05 (Eni)

The PSC S06-02 to S06-05, as Contract Area B, C, E and H are operated by the same operator, Eni Timor-Leste S.p.A (Eni TL) with Galp and Korean Gas as Joint Ventures.

The monitoring of these PSCs was mainly focused on technical work undertaken in all of the four PSCs post Cova-1 well drilling. The second exploration period expired by November 2012. Upon the ANP request Eni TL has submitted all of the results of the technical work for the

review. Based on the technical results presented, further in depth discussion has taken place in regards to the relinquishments of the high geological risks areas, and the continuation of the exploration activities in the low risks and high prospective areas.

PSC TLEA S06-06 (Reliance)

Reliance and its JVs finalized all the work commitment by end of its initial exploration period. However, due to different understanding on the implementation of the Local Content in regards Sera – K-1 drilling campaign using the Dili port as the support base, the process of the final formal relinquishment had been pending. During the period of 2012 after several back and forth communications, further auditing to the local vendors or the local service provider to Reliance during the 2010 Sera-K-1 drilling campaign. The ANP and Reliance finally settled the differences with an understanding that all the good and services Reliance and JVs procured locally in Timor-Leste, during the Sera-K-1 has now considered to be part of the spirit of Local Content.

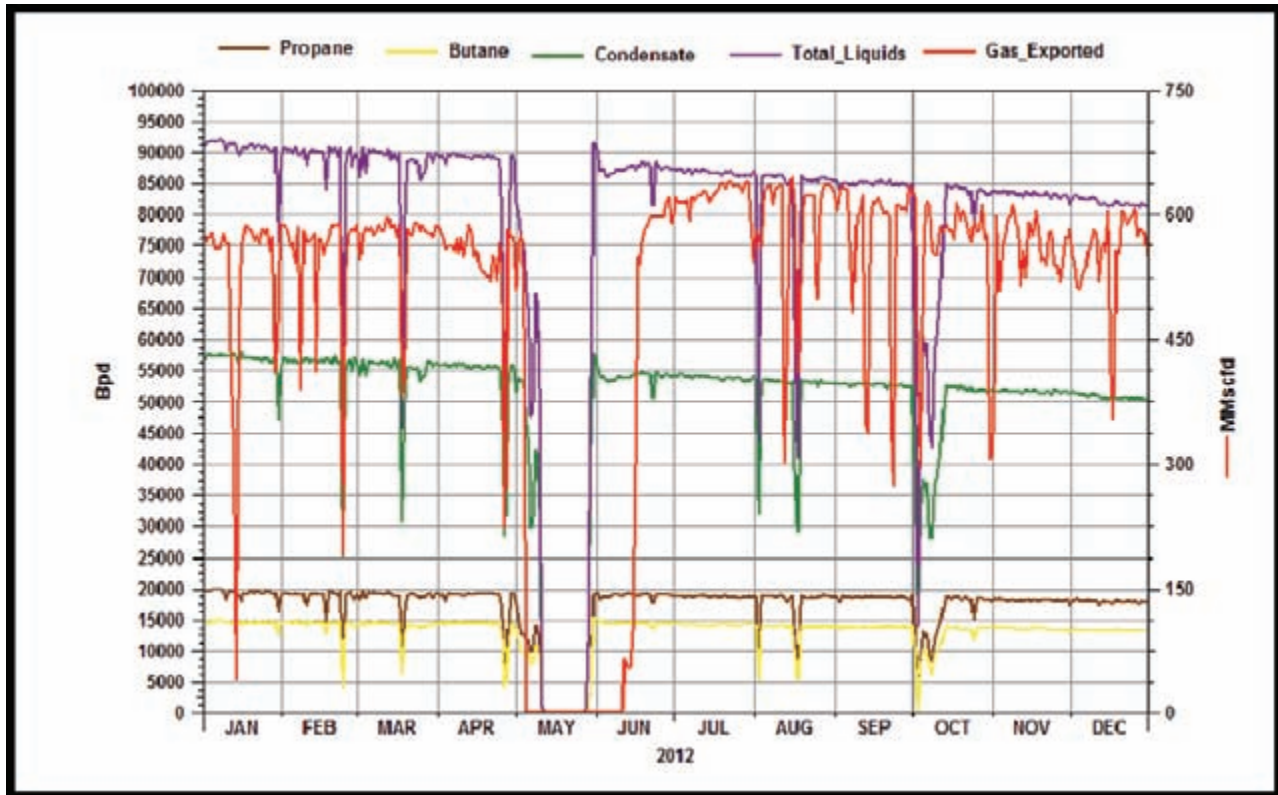
After the settling all the differences of view in regards to the implementation of the Local Content commitment, the ANP issued its approval to the total relinquishment of the Reliance Contract Area K, PSC S06-06.

6.2 Development and Production

6.2.1 PSC JPDA 03-12 and 03-13, Bayu Undan Field

6.2.1.1. Production

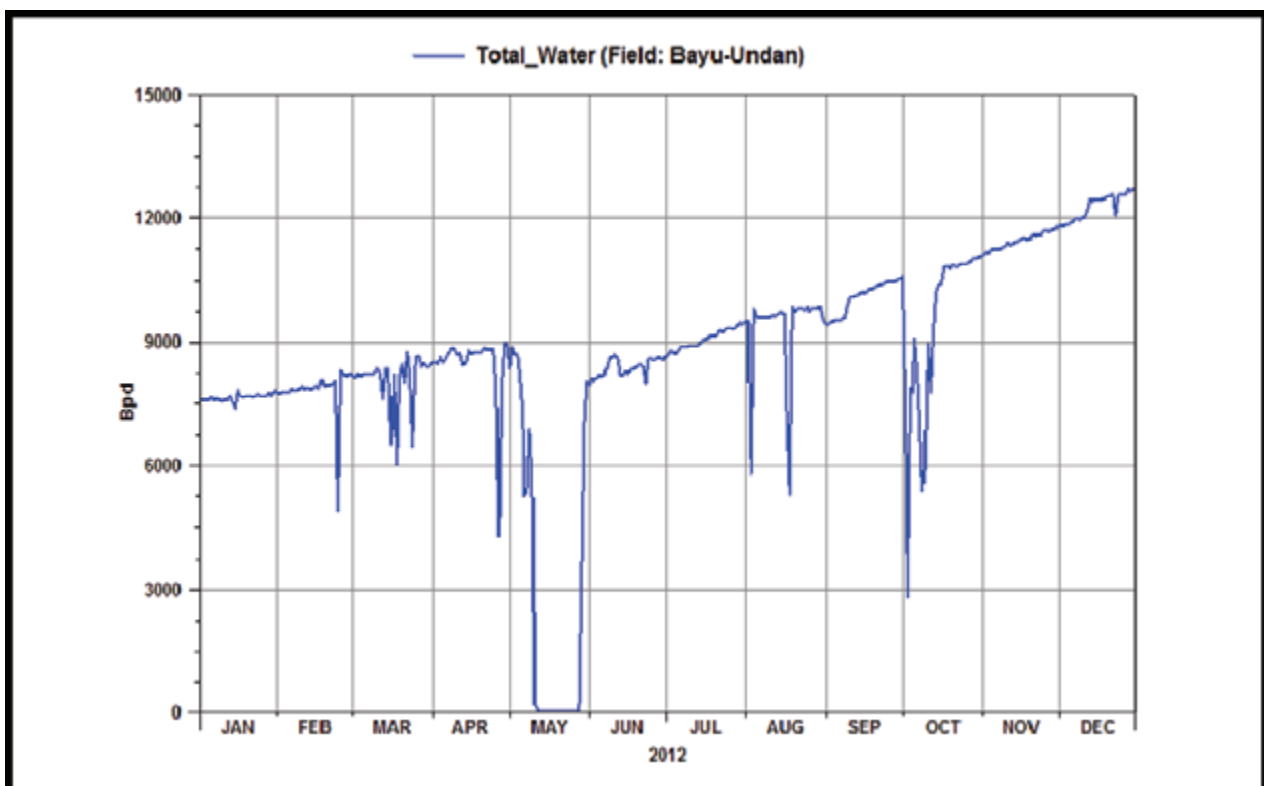
The Bayu Undan Field has 12 producing wells and was producing from 10 wells. One well was shut-in due to mechanical issue and the another one was permanently shut-in due to increased water production. The average liquid production from January to December 2012 was 83.7 kbpd (thousand barrels per day).



Graph 1: Total Liquids Production and Gas Exported

Total liquids production was impacted by May planned shutdown, frequent full de-rimes of cold trains, process shut downs and emergency shut downs.

Although the average liquid production was decreasing, the average wet gas production and exported gas remains steady. Throughout the year, average wet gas production was 1.1 Bcf/day



and lean gas exported to DLNG with an average of 550 MMscf/day. Total liquids composed of propane, butane and condensate.

Graph 2: Total Water Production

The average water production has increased by more than 60% in December when compare to January figure. Out of 10 producing wells, only 4 wells are major contributor for water production.

6.2.1.2. Subsurface

The field has IGIP (Initial Gas In place) of 7.5 Tcf with liquids in place about 850 MMstb (post Phase II development well). The reduction in daily liquid production was also affected by reservoir issues such as the lean gas production due to the proximity of production wells to the injection wells and increasing water production from some wells.

6.3. HSE Performance in the JPDA

Health, Safety and Environment (HSE) Directorate

The function of Health, Safety and Environment Directorate to ensure proper mechanism in place to avoid loss to people, property, process and environment. In order to prevent such a loss the Directorate regulates and enforces Health, Safety and Environment as per regulations in TLEA and JPDA. The activities performed by the HSE Directorate are to carry out Health, Safety and Environment assessment, review documents and accord acceptance and approval of HSE related documents. The Directorate conducts planned and regular HSE inspection on facilities, vessels, rigs and supporting facilities. Further it analyzes incidents to understand trends. The Directorate has planned regular dialogue with Operators on Technical matter related to Health, safety and environment.

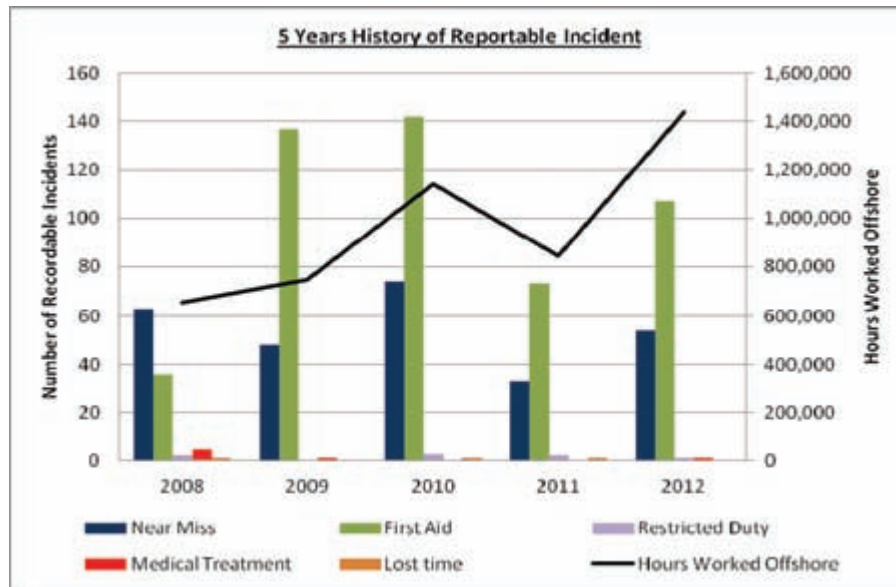
In the JPDA the Directorate regulates and enforces HSE matters whereas, in the TLEA the Directorate regulates and enforces H&S matters and for Environmental related matters jointly coordinate with Timor-Leste's National Directorate of Environment.

6.3.1. HSE Performance in the JPDA

6.3.1.1. Incident statistics on the production facilities in the JPDA

Operators and contractors are enforced to report on regular and periodic basis matters related to HSE especially on HSE performance. This includes non-work related incident and work related incident occurred in the production facility, supporting vessels, and seismic survey vessels. The statistics below covers all incidents occurred during duty shift.

Below is graph representing the past 5 years history of the reportable incidents and hours worked offshore. 2010 planned shutdown and 2012 AIM and planned shutdown in the Bayu-Undan contributed to high hours worked offshore.



Graph 3: Representing the past 5 years history of the reportable incidents and hours worked offshore

The main reportable incidents occurred throughout the year were first aid case and near miss. In 2012, 66% of reportable incidents were first aid case and 33% accounted for near miss case. Below are graphs representing 2012 percentage of each incident by category and the spread of each incident category across the month of the same year.

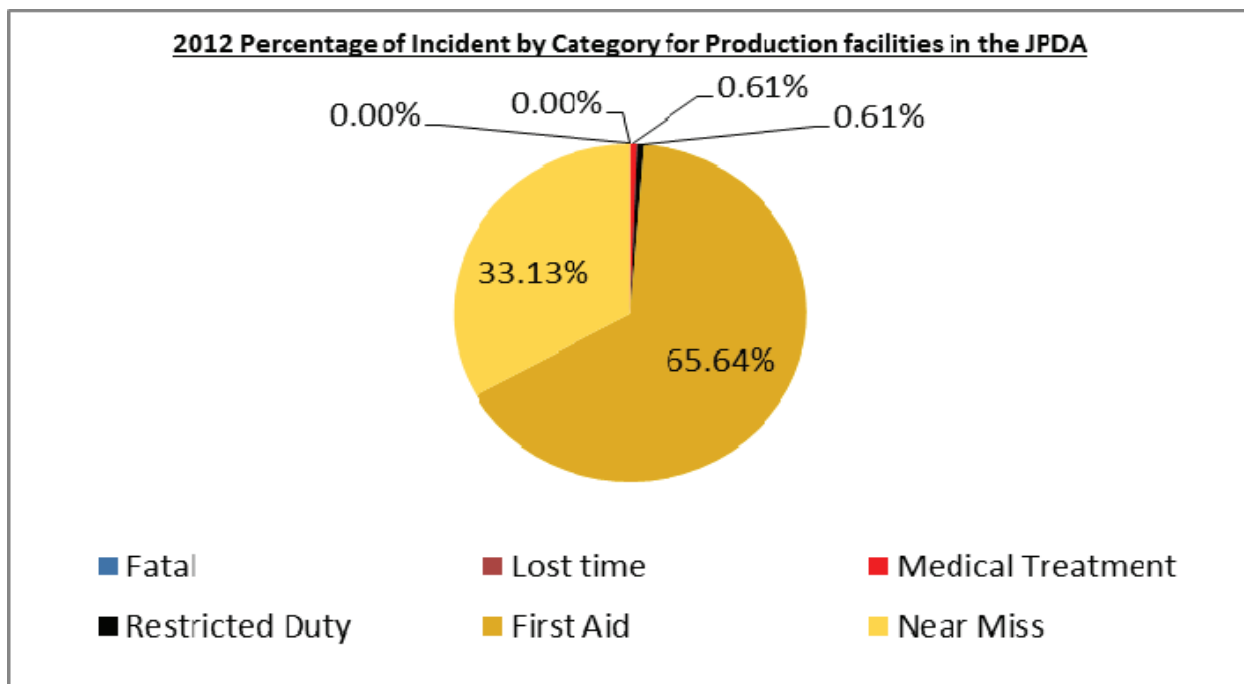
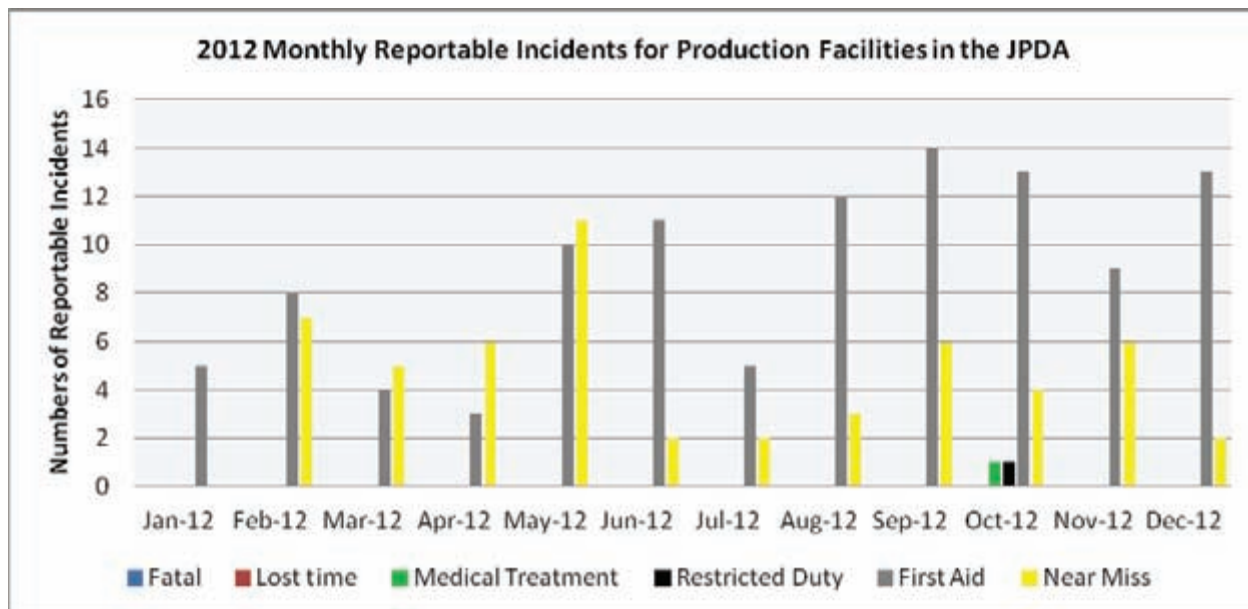


Chart 2: 2012 percentage of each incident by category



Graph 4 : 2012 Monthly Reportable Incidents for Production Facilities in the JPDA

6.3.1.2. Gas disposal in the production facilities in the JPDA

a. Bayu-undan flaring

Flaring allowance is approved annually based on the activities to be undertaken each year. In 2012, a total of 3460 mmscf was requested to flare. This application had assumed the 2012 shutdown, 2012 rate reduction campaign (AIMs campaign). The graph below shows flaring allowance and the actual volume flared during 2012.

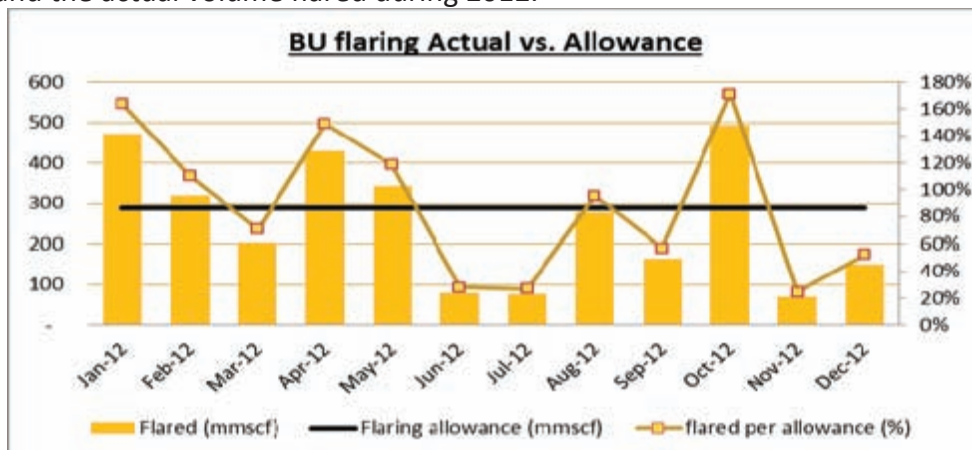


Chart 3: 2012 percentage of each incident by category

The total volume flared during 2012 was 3075 mmscf or 11% less than the approved 2012 flare volume. The high flare in certain months indicated in the graph above was due to Emergency Shutdown, Process Shutdown and 2012 planned maintenance shutdown.

The gas recycled project in the Bayu-Undan had allowed a total of 161,600 mmscf gas to be re-injected back to the reservoir. Nevertheless, as indicated in the graph below, the volume of the flared gas since 2005 is within the approved allowance.

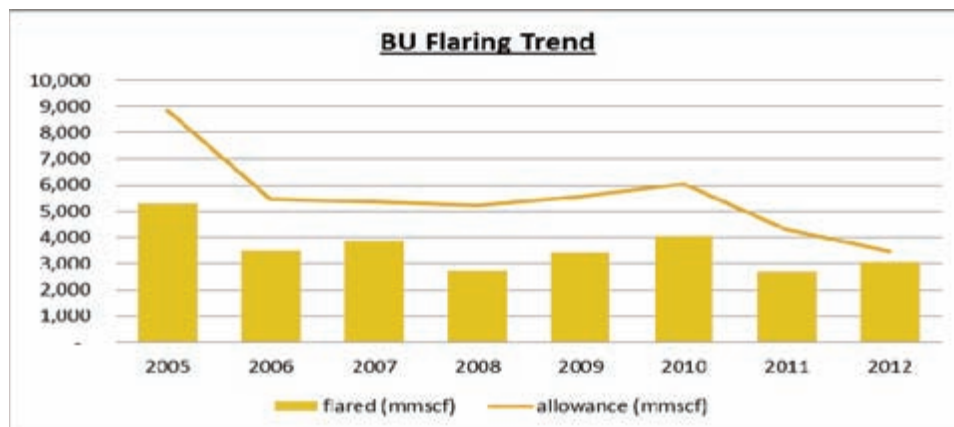


Chart 4: Volume of the flared gas since 2005

b. Kitan Flaring

Gas disposal arrangement for Kitan was approved following the Study of Gas Disposal Alternatives. Based on this study, the recommendation to flare excess gas from Kitan was viewed as the preferred gas disposal option for Kitan as a standalone development. The graph below shows that Kitan 2012 flaring was within the approved volume.

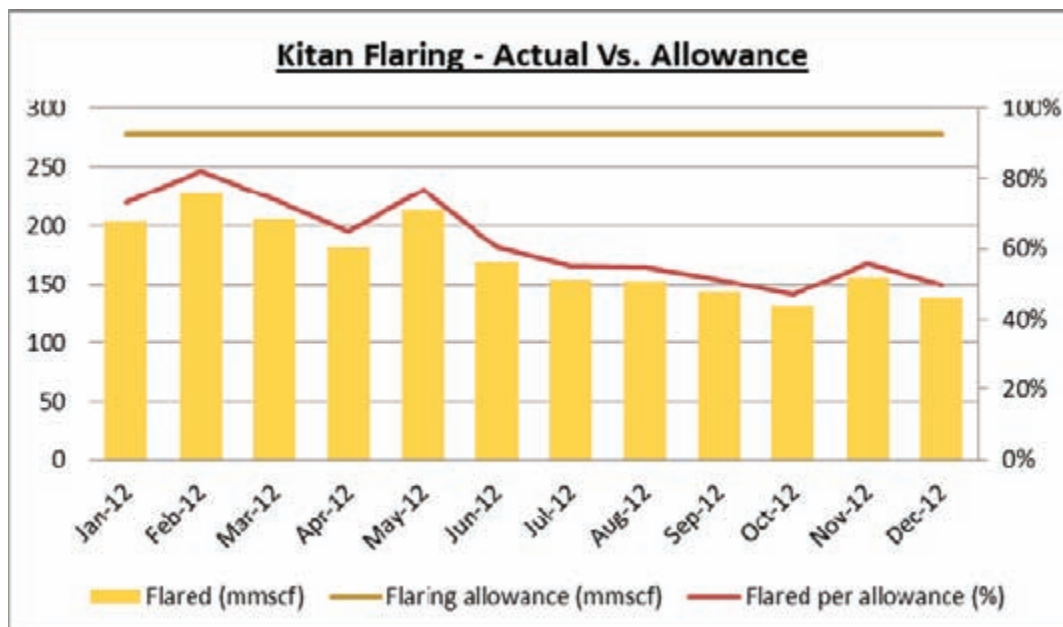


Chart 5: Kitan 2012 flaring

In 2012, a total volume of 3339 mmscf was requested to be flared in Kitan field. The total volume flared was 2075 mmscf.

6.3.2. HSE performance during exploratory survey in the JPDA & Detail Marine Survey in TLEA and JPDA

A total of two 3-D Marine seismic surveys, on Minza block and an open acreage area in the JPDA were carried out during the reporting year. No major incidents were recorded during the survey. Timor Gap also carried out Detailed Marine Survey in the TLEA and JPDA. Survey was completed without any major incident. Description of exploratory survey is covered under section VII of this report.

6.4. Commercial Activities Highlights

ANP managed to bring to Operator's attention of some outstanding finance and accounting issue and be resolved amicably in due course. After 10 months of production, Kitan project reached its first profit oil in mid-August 2012. This brings meaningful revenue to state and changed the Estimated Sustainable Income slightly. Commercial has committed to carry out its own audit towards operator's account starting next year. This is an effort to exercise the Regulatory Authority rights under the contract.

6.4.1. Bayu-Undan and Kitan Marketing

Bayu-Undan (BU) product marketing continued the same mechanism in place. Other BU petroleum products such as LPG and LNG were continued sold under term basis. Bayu LPG and LNG are sold under a term contract to Japan. While Kitan crude marketing was slightly different from Bayu. Kitan product was mostly sold at spot basis. Given that Kitan crude is relatively new in the market, it is considered as reasonable strategy to capture more diversified buyers. 2012 BU planned shutdown has slightly impacted the total production of condensate, LPG and LNG, as more feed gas delivered to Downstream LNG plant. DLNG buyers have lifted all LNG produced from Darwin LNG plant.

6.4.2. Condensate

Condensate buyers in 2012 were dominated by South East Asia followed by Asia Pacific and Eastern Asia. Mostly are end users such as GS Caltex, CPC Corporation, SK Energy and Shell International were amongst countries from the region mentioned. As can be seen, buyers from South East Asia decreased slightly, while more buyers from Asia Pacific, adding 25% in 2012 compared to 9% last year.



Chart 6: Shows the percentages of the BU Condensate buyers

6.4.3. Liquefied Petroleum Gas (LPG)

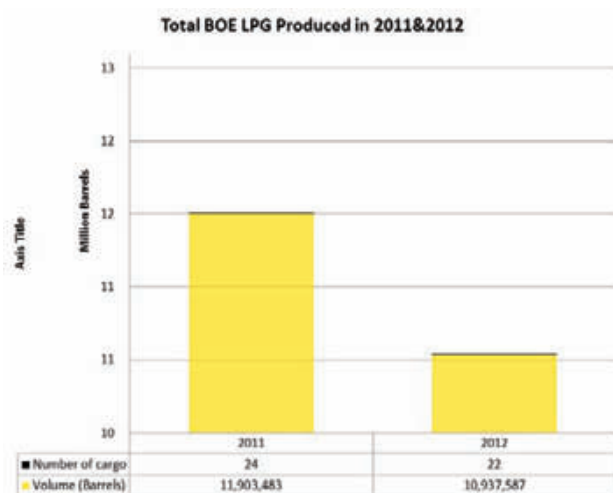


Chart 7: Shows the BU LPG production and cargoes sold in 2011&2012

As a result of planned shutdown of Bayu LPG production in 2012 was lower than previous year. This has impacted the total number of cargoes sold as well. This can be seen from the graph that in 2012 total of 22 cargoes of Bayu LPG were sold compared to the previous year, which were 24 cargoes.

Most of the Bayu Undan LPG cargoes were sold under short term contract with Astomos Japan. Revenue received in 2012 was slightly lower than the previous year, despite higher average LPG achieved in the reporting year.

6.4.4. Liquefied Natural Gas (LNG)

Total LNG produced in 2012 was slightly lower than previous year. Mainly due to plan shutdown and DLNG maintenance. Number of cargoes sold (mmbtu) also differs compared to last year, about 3 cargoes less than the previous year.

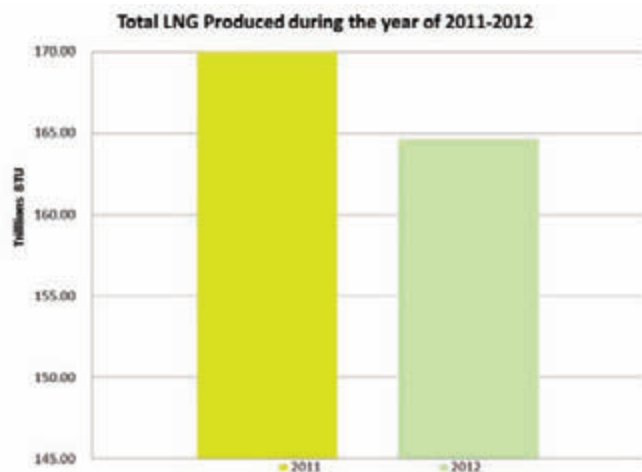


Chart 8: Shows the summary of total actual LNG production in 2011&2012

2012 has been a good year for Darwin LNG as buyers managed to lift all cargoes available. No spot cargo was sold in this year.

6.5. PSC JPDA 06-105, Kitan Field

6.5.1. Production

The average oil production from January to December 2012 was 37.23 kbpd. Total oil production was impacted by emergency Shutdowns, well completion issues, well intervention and blockage of gas lift line. Average gas production at the end of December 2012 was 224.9 km³/d. Average total gas flared was 160.7 km³/d.

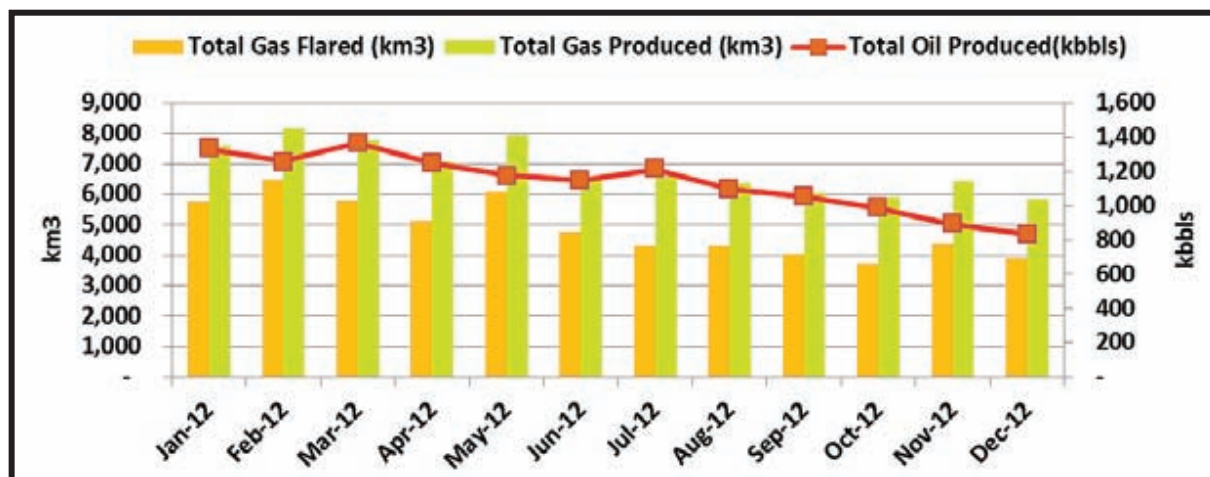


Chart 9: Kitan Oil and Gas Production

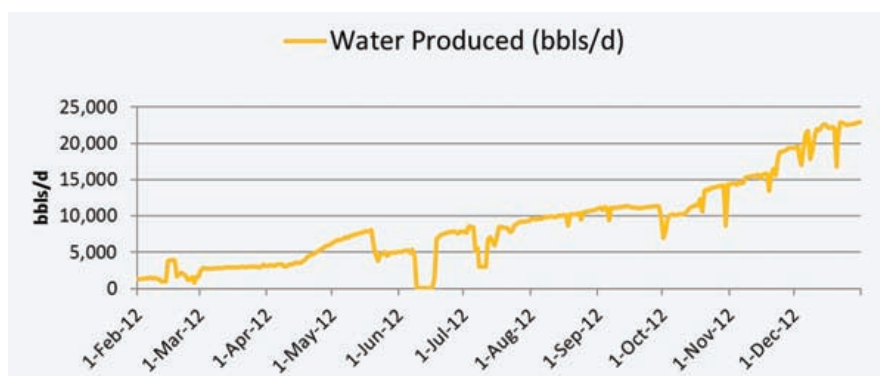


Chart 10: Kitan Water Production (bbls/d = barrels per day)

Water production in the field has increased to approximately 20,000 bbls/d in December 2012 compare to approximately 2000 bbls/d in January 2012. Two (2) out of three (3) producing wells were major contributor of water production.

6.5.2. Subsurface

During 2012, ENI has come with proposal to drill 3 new wells such as Kitan South (separate closure against southern fault south Kitan-2), Kitan West (close to Kitan-4) and Kitan East (further east of Kitan-2). Both wells the Kitan West and Kitan South, in the event of success, will add 4.8 MMSTB and 8.6 MMSTB of incremental reserves respectively. However, Kitan East was believed not to add any value but only to accelerate the production by around 2.5 years.

In the year end of 2012 the revised OOIP was updated after further study of reservoir modeling. Based on the results of the study the current estimated OOIP (Original Oil in Place) is 133.6 MMstb with Cumulative Oil is 56.5 MMstb and RF (Recovery Factor) of 42.3%.

6.6. Commercial

6.6.1. Kitan Crude Marketing

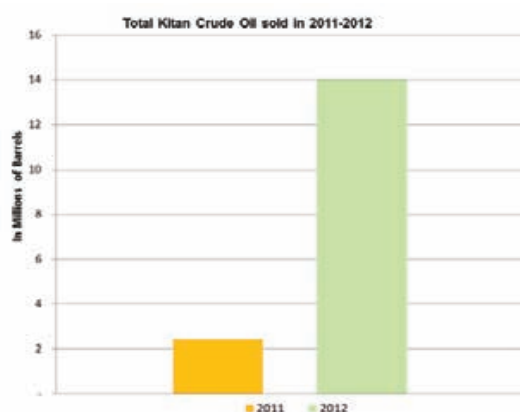


Chart 11: Total Kitan Crude Production

Kitan crude is considered relatively new in this region. Kitan first production started in Oct 2011. In order to reach more diversified buyers, Kitan crude continued to be marketed under spot basis. Kitan crude marketing is well received by end users due to its premium quality. Total of 27 cargoes were sold in 2012.

6.6.2. Revenues Distributed to Contracting States

Graph below summarizes total revenue collected between 2011&2012. As can be seen from the graph, the impact of planned shutdown has accordingly disturbed total revenue collection from condensate LPG, and LNG. Interesting to note that in 2012, with the addition of Kitan revenue from royalty and profit oil (reached profit oil in August 2012) total revenue received by ANP on behalf of States was overall higher than last year.

Kitan project reached its first profit oil earlier than forecast. Initial forecast suggested that Kitan will reach its profit at least in the first quarter of 2013. The relatively high statistic crude oil prices were, the main driver of early profit oil payment. This suggested that all Kitan project past costs have been fully recovered. Total Kitan profit alone recorded about USD 130m in 2012.

Figure below outlines total revenue received from Bayu-Undan and Kitan, and the distribution of the payment to States account. It is obvious to note that 2012 revenue accounted higher than that of 2011 as a result of Kitan profit oil started its payment in the last quarter of the year. Other incomes from late payment of Bayu Undan profit oil was lower in 2012 mainly because of lower interests applied.

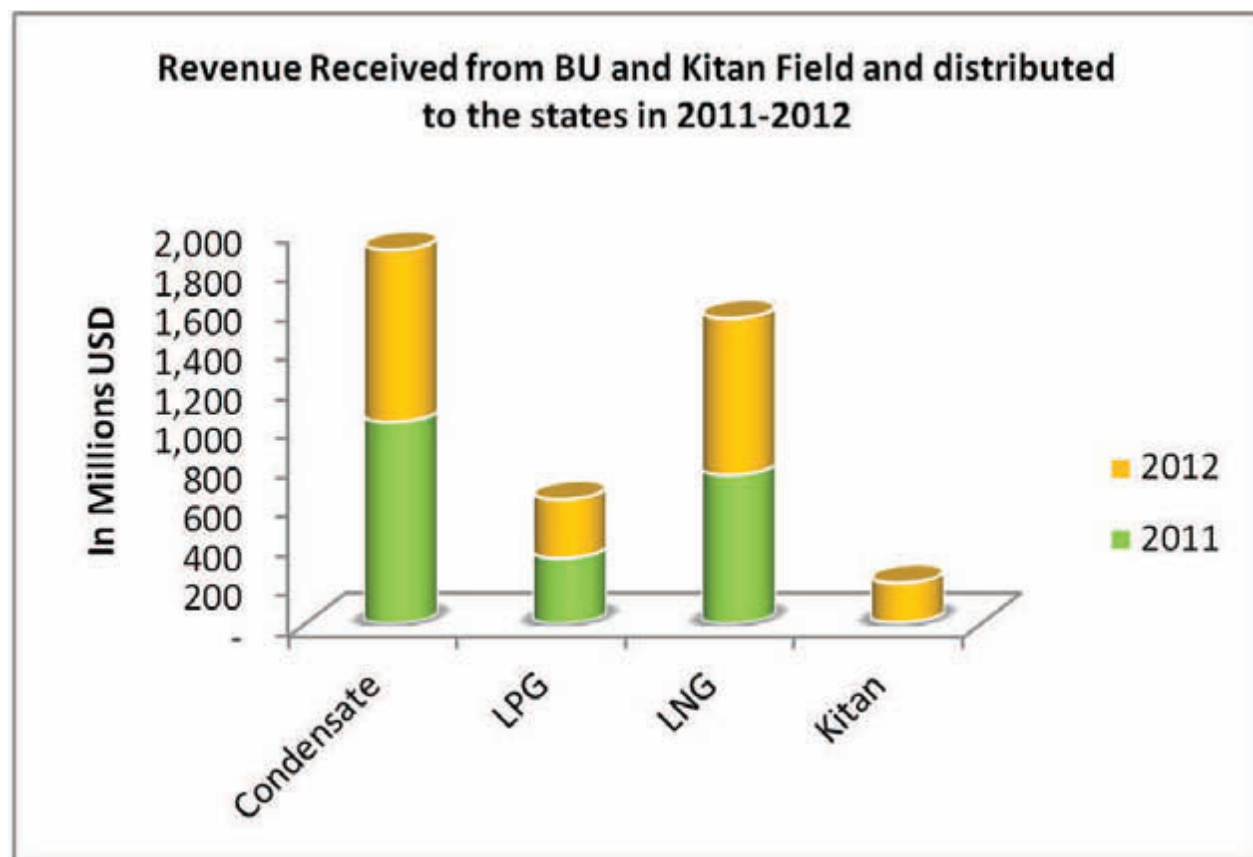


Chart 12: Bayu Undan and Kitan Revenues in 2012

Autoridade Nacional do Petroleo			
Petroleum Revenue Receipts and Distribution from Bayu-Undan and Kitan for 2011&2012			
	2011	2012	Increase /(decrease)
Opening Balance	18,973,604.43	28,486,781.20	
Revenue Received YTD	2,118,422,467.53	2,173,055,962.75	54,633,495.22
Other income	3,047,629.82	1,618,333.90 -	1,429,295.92
Related expenses:			
Bank charges	- 1,966.60 -	1,920.24 -	46.36
Net revenue YTD	2,140,441,735.19	2,203,159,157.61	62,717,422.42
Revenue Distribution YTD:			-
Timor Leste	1,900,759,458.60	1,937,724,527.22	36,965,068.62
Australia	211,195,495.39	215,302,725.22	4,107,229.83
Closing Balance	28,486,781.20	50,131,905.17	

Note : Other income covers Term Deposit Interest earned, interest on late payments.

Figure 1: Shows the total JPDA revenue receipts and distributed to States during 2011&2012

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VII. Regulatory Performance

7.1. Exploration and Acreage Release Directorate Activities

7.1.1. Highlights of 2012

- a. Finalize the final draft Pre-qualification guidelines for TLEA and JPDA in house.
- b. Finalize the final draft of Internal Guidelines for New Exploration Acreage Definition in house.
- c. Coordinate and finalize service contract negotiation with Fugro Geosciences on the Kyranis 3D Multi Client Survey.
- d. In close coordination with the IT team in further improvement of the Lafaek database work flow approval.
- e. Taking leading roles in various exhibitions in relation oil and gas sectors nationwide.

7.1.2. Training and Secondment

As part of internal directorate internal human resources and capacity building, during the year of 2012, Exploration and Acreage Release directorate had sent its staff for training and secondment for skill and knowledge development. Below is a list of the training and secondment that the staff has attended:

1. Training on Subsurface Mapping for Exploration and Production
2. A 3 weeks Secondment with ConocoPhillips (CoP) in Perth – Western Australia, Australia. The secondment with the CoP covered following topics:
 - a. Fundamentals in Petroleum Geology
 - b. Prerequisite for 3D Modeling using Petrel
 - c. Petro physics (loggings, and fundamental interpretation)
 - d. Recognizance into various drilling tools/kits and types of wells
 - e. GRV & NTG, HCPV, STOOIP, GIIP calculations (Fundamentals)
 - f. Fundamentals of Reservoir Engineering and Reservoir descriptions
 - g. Geophysics and Seismic Interpretation

3. A 2 week Secondment at Norwegian Petroleum Directorate (NPD), at Stavanger – Norway. The two week secondment at the NDP was a part of the ongoing cooperation program between the ANP and the NPD through cooperation between the Ministry of Petroleum and Natural Resources of Timor Leste, and the Ministry of Petroleum and Ministry of Foreign Affairs of the Royal Kingdom of Norway. The secondment was aimed to focus on the following topics:
 - a. Technical Data Management
 - b. Knowledge exchange and sharing on:
 - The roles of data management in supporting the Acreage Release, E&P activities
 - Integration of data management across various directorates
 - Lafaek data base and online training
4. NPD Data Management and Geosciences training at ANP

As a part of the coordination between NPD and ANP, within the year of 2012, two NPD advisers were on a one cycle visit to ANP each to provide further advice and training specifically to the Exploration and Acreage Release directorate. The first cycle of a one week visit of a Data Management expert was to provide advice and training on the Lafaek data base improvement and the second cycle of a geosciences expert to provide further training and advice on the geosciences field.



Picture 4: E& AR staff and some GIP on field geological visit with the NPD Geosciences advisor in Dili

7.1.3. Graduate Internship Program (GIP)

Apart from internal capacity building, the ANP also contributes to the Ministry of Petroleum and Mineral Resources (MPRM)'s Graduates Internship Program by taking on and accommodating the newly graduates of the government sponsored students for some periodical internship programs. The graduates are recommended by the Ministry for the ANP for a certain periodical engagement in the forms of internship training into the oil and gas business environment.

For the period of 2012, the Directorate took in 7 Graduates interns where among them 6 were graduates from Indonesian Universities and one graduate from Australia. Apart from the Graduates, we also had 3 final year students from Dili Institute of Technology (DIT) who stayed for 3 months internship program. The interns were provided with the introductory knowledge into the exploration and production of oil and gas, further regulatory framework, and mostly on the technical and G&G knowledge. Some students were sent to have close observation and learning onboard Marine 3D Seismic data Acquisition during the Kyranis 3D survey.

7.1.4. Conferences

Apart from monitoring the explorations activities the daily operation activities, the Directorate also responsible for promotion of Petroleum geological prospects and attracting future investment in the exploration business. Therefore, one of this directorate's roles is to participate in the International campaign through various International conferences. Below is a list of the International conferences where our personnel participated as key note speakers.

1. The 4th Deep Water Asia Congress in Bali, Indonesia: May 14 – 16th, 2012 as speaker panel.
2. Offshore Technology Asia 2012, June 5 – 8, 2012, Shanghai - China

7.1.5. Acreage Release Activities

The work on the new acreage block definition by a third party consultant was completed. However, due to some recent new relinquishment, the boundaries of some of the newly defined blocks have to be revisited and revised.

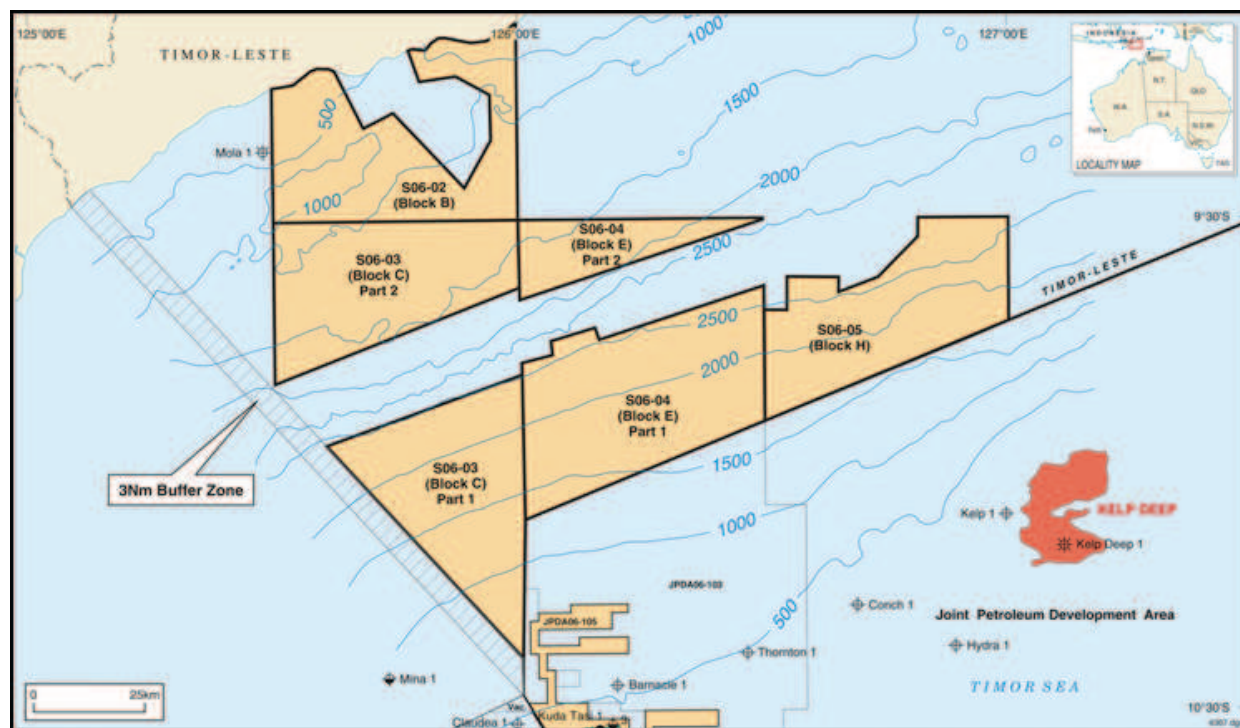
7.2. The Exploration's PSCs And Other Authorized Activities

7.2.1. Timor-Leste Exclusive Area

7.2.1.1. S06-02, S06-03, S06-04, S06-05 (Eni)

These Contract Areas are operated by the same operator and Joint Ventures. Eni Timor-Leste S.p.A (Eni TL) has 80 % of the shareholder, with the Galp Exploration and Production (10 %) and Korean Gas Timor-Leste Limited (10 %).

By 2012 Eni TL and JVs hold four explorations Production Sharing Contracts (PSC) in the Timor-Leste Exclusive Area. These PSCs are S06-02 (Block B), S06-03 (Block C), S06-04 (Block E) and S06-05 (Block H). The main exploration activities throughout the Eni TL PSCs were focused on the finalization of regional technical reviews based on the post Cova-1 well drilling.



Picture 5: The brown Polygon in TLEA Contract Areas shows the PSCs S06-02 to S06-05 (Block B, C, E and H)

7.2.1.2. Joint Petroleum Development Area

7.2.1.2.1. JPDA 06-101A (Minza)

This Contract is operated by Minza Limited, a UK company. The operational activities of this PSC was mainly focused on technical studies, additional 3D – Seismic Survey and drilling rig scouting as part of the preparation of the next drilling campaign. The Kyranis 3D-Seismic survey was initiated in the month of October 2012 and was concluded in month of December 2012.

The seismic survey covered the entire southern part of the contract area which is believed to cover all the existing prospects. During the survey, as part of the knowledge and technology transfer, with the ANP recommendation, Minza took on two Graduates on board the Seismic Geo-Atlantic for a period of two weeks to directly observe and learn from the actual Seismic Acquisition processes.



Picture 6: Geo-Atlantic Vessel acquiring 3D Kyranis seismic survey

7.2.1.2.2. JPDA 06 -103 (Oilex)

This Contract Area is operated by Oilex JPDA 06-103 (10 %) and Joint Ventures partnership such as Videocon JPDA 06-103 ((20 %), GSPC JPDA (20 %), Bharat Petro Resources JPDA Limited (20 %), Japan Energy E&P JPDA Pty Ltd (15 %), Pan Pacific Petroleum JPDA 06-103 Pty Ltd (15 %).

The focus of operational activities in this PSC was mainly on the preparation from drilling the next commitment well. The finalization of the Tutuala 3D Seismic interpretation and Bazartete structure 3D Seismic reprocessing and reinterpretation has been one of the main highlights. The result of the two studies shows that Bazartete prospect to be target for the next drilling campaign in the Contract Area.

7.2.1.2.3. JPDA 06-105 (Eni)

This Contract Area is operated by Eni JPDA 06-105 Pty Ltd (Eni JPDA) JVs including Inpex Timor Sea Ltd (Inpex) and Talisman Resources. Eni JPDA and JVs have fulfilled all the minimum work program commitment as per the contract.

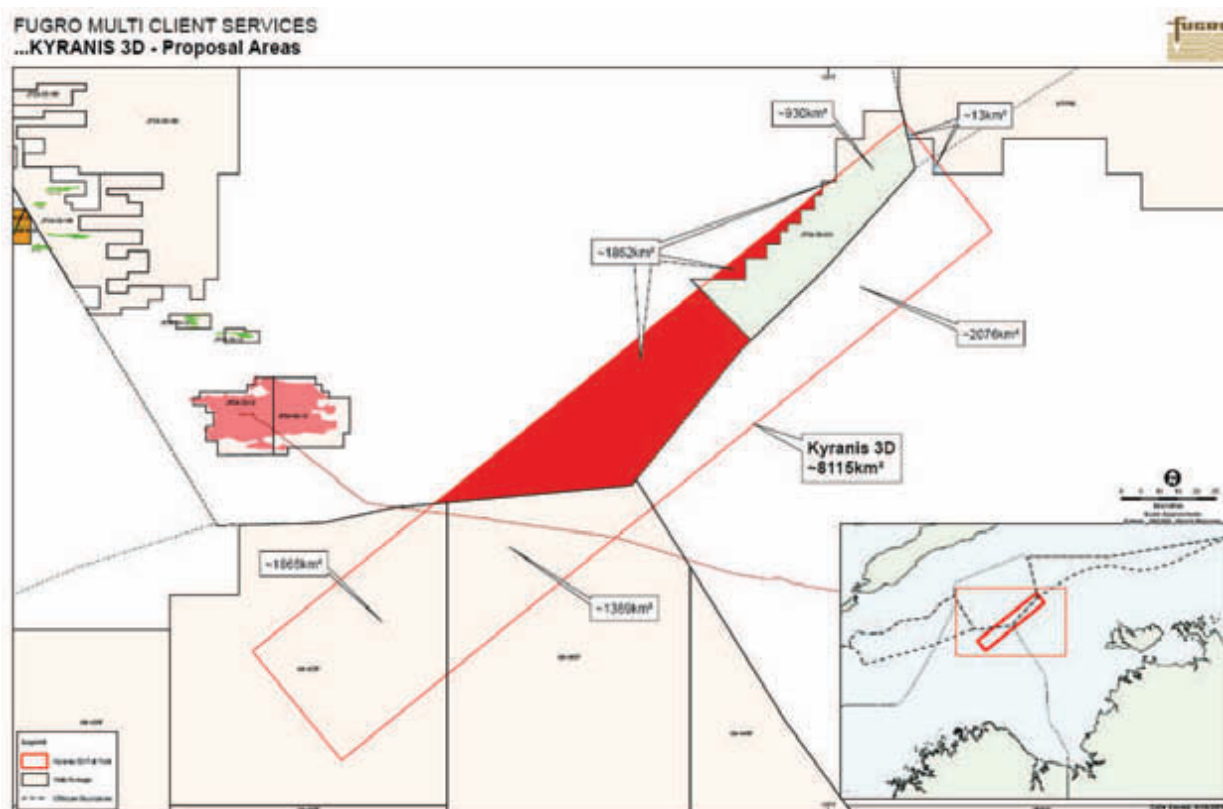
Eni JPDA and Inpex submitted a request to extend the PSC life time in order to deliver two additional wells. Several ongoing discussions between the Eni JPDA and the ANP took place in order to decide whether the PSC to be extended or to issue a new PSC which may cover the same content and scope. The ANP has advised further to the Joint Commissions (JC) for further decision. The relinquishment of this PSC is currently pending due to a further decision and instruction regarding the way forward from the Joint Commission.

7.2.1.2.4. PSC 03-19 and JPDA 03-20 (Greater Sunrise)

This PSC is operated by Woodside Energy Ltd that forms a Joint Venture Partners with Shell Development Australia, Conocophlips Pty Ltd, and Osaka Gas Pty Ltd. There is no technical work activities taken place during the period of the 2012. The only operational activities took place during the period is the submission of the 2012 work program and budget as part of the normal PSC management. Further in depth discussion into the decision on the option development concepts has been limited into very high level of the government to government discussion.

7.2.2. Other Exploration Activities

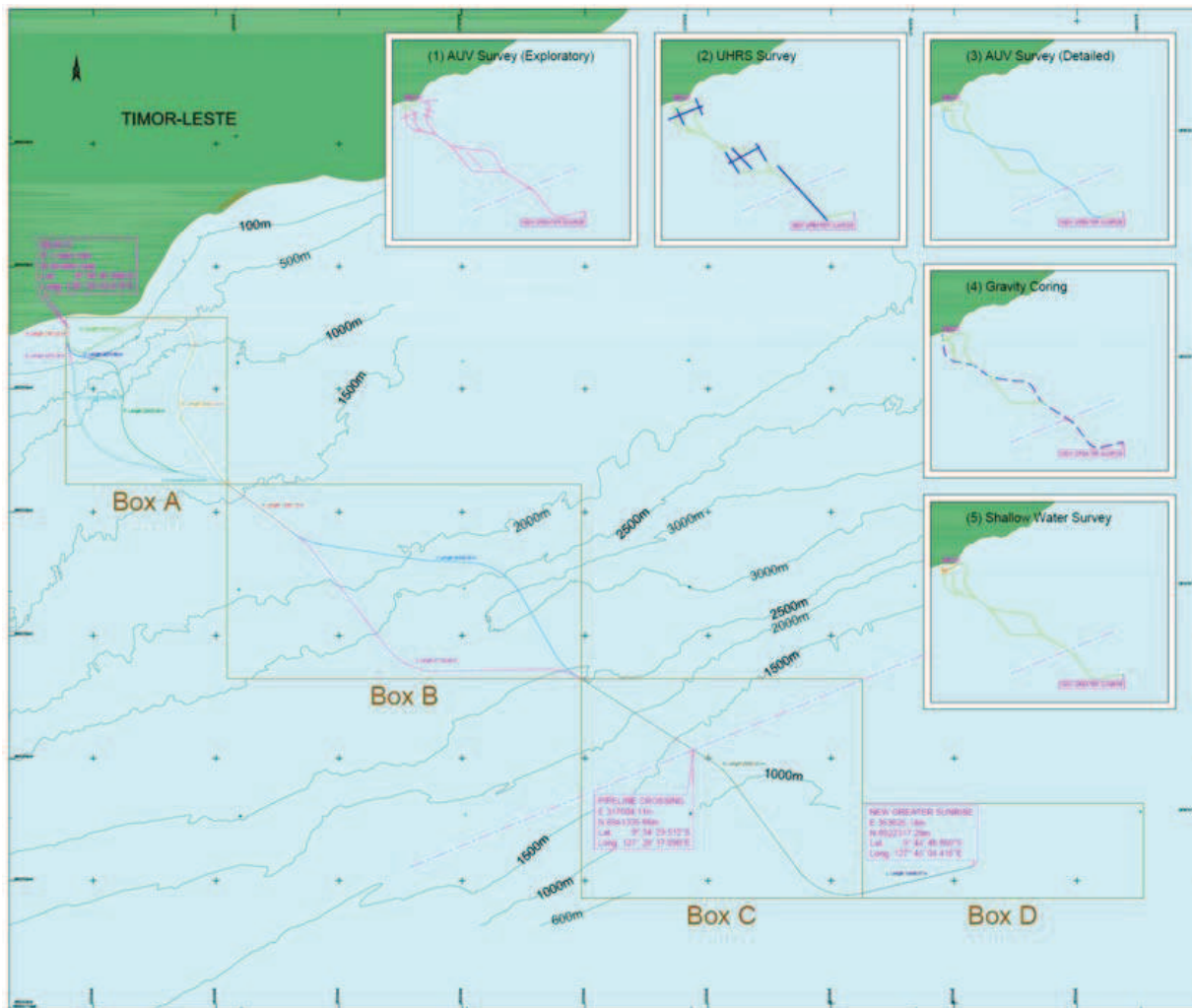
Kyranis 3D Seismic Survey under the ANP Prospecting authorization in month of September 2012, the Fugro Multi Client Seismic Survey conducted 3D Multi Client Survey, in the open Acreage in the southern part of the JPDA open acreage. The Survey covered an area of 1862 square kilometers. The survey was completed in December 29, 2012. It is expected that the processing and interpretation of the data itself can be completed within 6 to 9 months.



Picture 7: Map of the Kyranis 3D Multi Client Survey by Fugro Multi Client Survey

7.2.3. Timor Gap EP Detail Marine survey

In October 2012 under the ANP access authorization Timor GaP E.P as representative of Project Management Units of the Ministry of Petroleum and Mineral Resources, conducted a Detail Marine Survey (DMS) in the open acreage of TLEA and JPDA for a period of approximately 3 days. The survey intended to map out the possibility pipeline routes for the Greater Sunrise and Troubadour gas fields to come to the onshore Timor Leste. The Survey was completed in November 11, 2012.



Picture 8: Authorised Area in TLEA Box A, B , and partly C and in JPDA partly C and D.

7.3. Inspections and Supervisions (Non – HSE)

7.3.1. Production

7.3.1.1. Bayu Undan

7.3.1.1.1 Process Inspection

ANP carried out second process inspection on the Bayu Undan Facility from 1 to 7 August 2012. The inspection was focusing on the System 17: De-butaniser System; System 18: De-Sulphurisation and LPG Splitting; System 19: FSO Refrigeration System; System 20: Gas Reinjection and Export Modes; System 21: Flash Gas Compression; System 22: Gas Export Pipeline Operation and System 24: Produced Water Treatment. Hertel Modern was contracted to assist in conducting this process inspection along with ANP process Engineers.

The above inspection was carried out in combination with HSE inspection. The process part of inspection identified several issues which have been detailed in the inspection report. There were 62 findings detailing 17 findings for no further recommendation and 45 findings required ConocoPhillips (CoP) to take action accordingly.



Picture 9: Combined Process and HSE Inspection at Bayu Undan Offshore

7.3.1.1.2. Drilling

ANP was in continues discussion with CoP on the planning and procurement of long lead items for the third phase drilling campaign commencing in 2014.

7.3.1.1.3. Metering

- The ANP metering team closely monitored and supervise the metering system at BU-CPP, BU-FSO, Darwin LNG, export gas to PWC Darwin by witnessing the calibration checks every 6 months for the meters and auditing the metering system at each facility once a year.
- The Metering team carried out an audit at the DLNG metering system from 4th – 13th September 2012 with a total of 7 findings with recommendations. The audit focused on the inlet meter, Power and Water Cooperation (PWC) meter, gas chromatograph operations and calibration, chemical laboratory operations and observation on uplift of LNG shipment. The report was completed and distributed to ConocoPhillips.

- An observation of the BU-CUQ metering system was carried out at CPP platform from 13th to 18th June 2012. This observation was conducted in line with verification of Export Gas Meters. A total of 4 parameters was found to be out of acceptable tolerance limits and others, ANP had further addressed to CoP personnel during the observation.
- Second observation was carried out on the BU-FSO metering system from 2nd to 9th July 2012. This observation was conducted in line with the verification of SAAB tank Radars. All instruments were working within the acceptable tolerance limits.
- Third observation of verification check of metering system was carried out on the BU CUQ from 22nd to 25th November 2012. It was verified that some parameters and equipment were not working as expected. These issues have been discussed with CoP personnel during the observation. Follow up to be carried out during the next verification.

7.3.1.1.6. Subsurface

ANP conducted a regular meeting quarterly with the CoP reservoir team to update the Field Reservoir Performance. Follow up with the CoP reservoir team on reporting requirement for the effective reservoir management.

ANP and CoP conducted a review on Bayu Undan Reservoir Modeling from 22- 23 November 2012 to justify the need for phase 3 wells and overall reservoir management approach for the remaining field life.

7.3.1.2. Kitan

7.3.1.2.1. Drilling

ANP is in continues discussion with ENI on the planning of the Kitan South and Kitan West well to be drilled in 2013.

7.3.1.2.2. Production

There was no process inspection for Kitan Process facilities in 2012, however ANP Production team was planning for Process Inspection of the FPSO Glass Dowl at the end of February 2013.

ANP conducted regular meeting with the operator to ensure the FPSO facility is operating as per design.

7.3.1.2.3. Metering

- The metering team closely monitor and supervise the metering system of crude oil on GD FPSO – Kitan field by witnessing the calibration checks for the meters and auditing the metering system at facility once a year.
- Metering team completed audit on the Kitan Metering System for the period of 20th to 23rd October 2012. Significant findings were observed in 2012 audit and many of these findings are still in progress to be closed out. The audit identified 13 findings and some

of these originated from FATs. These findings have been responded by ENI which included a preventive action plan. ANP also noted that improvements have been made in relation to maintenance and maintenance planning.



Picture 10: Metering Audit on the Kitan GD FPSO Facility

7.3.1.2.5. Subsurface

ANP has regular quarterly meeting with Eni on reservoir performance of Kitan field. ANP conducted a meeting with Eni to discuss overall Kitan Reservoir Performance and proposed additional wells (Kitan West and Kitan South) from 22 to 23 October 2012.

7.3.2. HSE Activities

7.3.2.1. HSE review and approval

Vessel, Personnel, aircraft, and equipment to support petroleum activities are subject to HSE clearances. HSE clearances in 2012 included Safety Case, Oil Spill Contingency Plan, Environmental Management Plan, Environmental Monitoring Plan, HSE plan, and Emergency Response Plan as detailed below:

Safety Case Acceptance

In 2012, major activity required Safety Case was on AIMs campaign on the Bayu-Undan production facilities.

AIMs campaign

During 2010 and 2011 CoP planned Asset Integrity Program inspection, it was discovered that accelerated corrosion was particularly found in the Bayu-Undan facility. Corrosion poses high risk to production and HSE as it puts the facility into greater risks to loss of containment and failures of equipment, which could lead to Major Accident Events.

Corrosive tropical offshore environment, Corrosion Under Insulation (CUI) and Passive Fire protection (PFP) on process pipework and vessels in certain areas, and chloride-Induced Stress Corrosion Cracking to instrument tubing fittings were some of the main causes, lead to the need of rapid and immediate intervention. Considering the unanticipated high rates of corrosion, it was opted to intervene with an intensive, extended maintenance program, designed to address the corrosion issue.

AIMs campaign has involved identification, prioritization and remediation. Non Destructive Testing (NDT) inspection is used to identify the corrosion issues. During 2012, inspection and remediation activities were carried out and will continue on the following year.

Execution of AIM campaign has involved an approximately 200 maintenance workers and support staff, additional storage, workshop and utility support services. A temporary docking of a Jack-up Accommodation Support Vessel (ASV) Burj has been brought alongside with CPP Bayu-Undan to provide extra support.

ASV Burj Safety Case review process

Early 2012, HSE Directorate reviewed and accepted the Safety Case for Accommodation Support Vessel (ASV) Burj and supporting documents to carry out the AIMs campaign. To ensure safe operations, activities are conducted in Combined Operations (COMOPs)¹ and Simultaneous Operations (SIMOPs)² environment. Following the Acceptance of the ASV Safety Case, Rig move procedure was accepted, which allow the Consent to Move to be issued to ASV Burj. Early March, 2012, ASV Burj was successfully and safely positioned alongside with the Production Facility Bayu-Undan.

7.3.2.2. HSE related review and Acceptance/Authorization regarding surveys in the TLEA and JPDA

HSE plan and Emergency Response Plan (ERP) is required during seismic survey. Three HSE plan and ERP were reviewed and accepted for two 3-D seismic surveys in the JPDA and one Detailed Marine Survey in TLEA and JPDA.

7.3.2.3. Environment related review and Acceptance

2012 coincided with 5 yearly reviews of Bayu-Undan Oil Spill Contingency Plan, Environment Management Plan, and Environment Monitoring Plan. These Environmental related documents

¹ COMOPs is when two or more facilities are located within the field at any one time

² SIMOPs is when activities, other than production operations, occur at the same time as production operations

were reviewed and accepted. Environmental baseline survey was carried out during the reporting year to anticipate the upcoming phase 3 drilling in Bayu-Undan field.

7.3.2.4. Vessel Approvals

To support the above mentioned activities, different vessels to support various petroleum activities were authorized to enter JPDA and were authorized to carry out the activities in TLEA. The below table approved vessels:

TYPE OF VESSEL	ACTIVITY	TYPE OF AUTHORIZATION	FIELD	NO. OF VESSEL
Accommodation support vessel (Burj)	AIMs	Annual authorization	Bayu-Undan	1
Heavy lift vessel	AIMs	Short term authorization to transfer ASV burj to location	Bayu-Undan	1
Allison tide (support vessel)	AIMs	Short term authorization to support AIM campaign and 2012 shutdown	Bayu-Undan	1
Supply vessel	Operations Requirement	Annual entry authorization	Bayu-Undan and Kitan	2
Infield Support Vessels	Operations Requirement for production and seismic survey	2 Annual Entry and 4 short term entry authorization	Bayu-Undan, Minza block, open acreage in the JPDA	6
Survey vessel	G&G survey, subsea inspection and Environmental Survey, For 3-D seismic survey and detailed marine survey	Short term authorization	Bayu-Undan, Minza block, open acreage in the JPDA and TLEA	3
Support vessel	Fast rescue craft (FRC)	Short term authorization until FRC was completely installed	Kitan	1
Off take handling vessel	Operations requirement	Annual authorization	Kitan	1
Support vessel	Operations requirement for well intervention	Short term authorization	Kitan	1

Table 2: Approved vessels

Timeframe for the vessel approval expiry varied from couple of weeks to 1 year entry approval, depending on the function of each vessel. Supply vessel and infield support vessel for operations requirements are generally granted an annual approval. Vessel certificate dossiers were also reviewed in conjunction with HSE documents for the said activity.

In addition, the HSE Directorate had also approved a total of 77 offtake tankers on the reporting year.

7.3.3. HSE inspection

Inspection is a powerful tool to ensuring Operators' compliance to the established Regulations and to ascertain that Operators adequately addressed health and safety risks and environment related issues. HSE inspection was carried out in the production facilities and its supporting services.

7.3.3.1. HSE Inspection in Bayu-Undan and its supporting facilities

- Early 2012, HSE carried out an inspection on ASV Burj. This inspection was particularly focused on ensuring that all identified COMOPS and SIMOPS hazards and its risks during maintenance campaign in the ASV and CPP facilities are minimized and maintained at ALARP level. HSE provided some recommendations in which the Contractor had

proposed Corrective Action to address the queries raised during inspection. All Corrective Action from the inspection were closed during the reporting period.

- HSE Directorate and Development and Production Directorate also conducted Combined Process and HSE inspection in the Bayu-Undan facility. This has been a continuous effort by ANP to bring process and safety collectively to focus the inspection on process safety. The objective of the inspection was to check the facility's management and its accordance to the JPDA Regulations, Safety Case, Performance Standards, EMP and other applicable Laws and Regulations, and to check the efficiency of production facilities, targeting certain systems by ensuring that process facilities operate to the design
- HSE Directorate also carried out inspection on 3 support vessels in the Bayu-Undan
- Inspection on FPSO Glass Dowl in Kitan field was also carried out on the reporting year and was aimed to check the Kitan Asset and Operating Integrity (A&OI) and its accordance with the Regulations, Safety Case and EMP. This inspection was also aimed to check the implementation of Corrective Action Plan. Some recommendations for continuous improvement.
- HSE Directorate also carried out inspection on Kitan's supply vessel and MHS helicopter based in Dili.

7.3.4. Commercial Audit

7.3.4.1. JPDA and TLEA PSC Expenditures

Exploration

Exploration activities undertaken by operators during the 2012 year in the JPDA was mostly on procurement of services toward the preparation of next year drilling. Major exploration related activities were carried out by Oilex (JPDA 06-103) and Minza (JPDA 06-101A). As can be seen from the pie chart below that Oilex has posted the higher exploration activities amongst others. Detail of the total exploration expenditure is attached at below table.

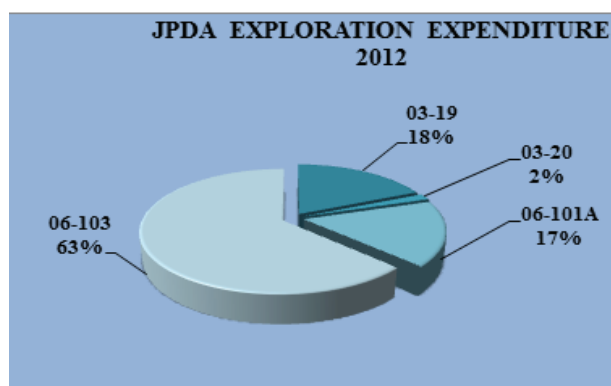


Chart 13: JPDA Exploration Expenditure 2012

Development

Bayu-Undan and Kitan are the two development fields that have been in production for some time now. The operators of the PSCs are ConocoPhillips and Eni. As development project, the expenditure is mostly for the operational of the field, while there could be minor capital investment incurred as a result of maintenance work carried on the facilities. Below pie chart illustrates total expenditure spent from the respective PSCs. Given the size of the project, BU continues to be the major in terms of expenditure and follow by Kitan.

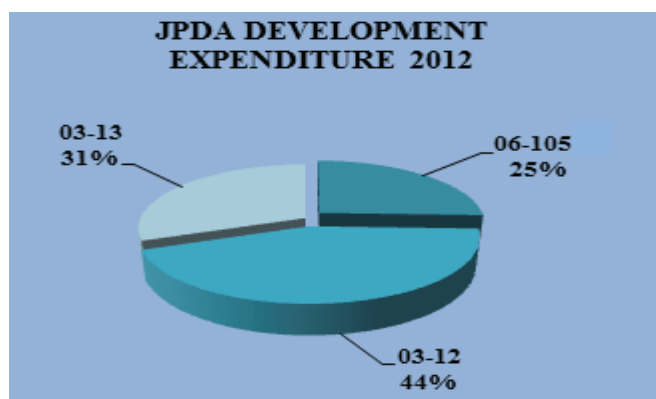


Chart 14: JPDA development Expenditure 2012

Exploration

There has been more exploration post drilling in Block C to further understand the petroleum system in the area. While other PSCs were very minor exploration works carried out during 2012. This can be seen from the pie chart below that 54% of exploration work was carried out in Block compared to others PSCs.

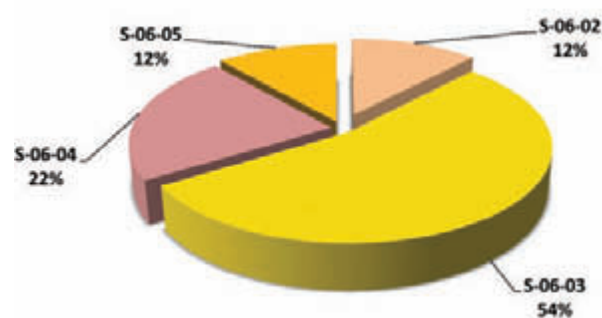


Chart 15: TLEA Exploration Expenditure 2012

7.3.4.2. Operator's Audits and Summary of Audit Findings

ANP Finance and Fiscal Assurance continued involved in Operators' PSC Returns Audit in 2012. Having the Agreed upon Procedure in place, it provides greater flexibility for ANP to demand specific attention when carry out audit works. For 2011 PSC expenditure, ANP personnel

participated the Returns Audit of Bayu-Undan PSCs, Sunrise PSCs and Eni JPDA and TLEAs. During the course of audit, there were issues identified and discussed in order to determine the treatment of the costs and classification of these costs in accordance with PSC and its relevant Annex C –Accounting Procedure.

JPDA PSC Exploration				
	03-19	03-20	06-101A	06-103
Exploration Costs	-	-	1,711	5,464
Non Capital Costs				
Operating & Administration	1,871	13	-	
Other	160	160	80	80
Capital Costs				
Other Costs			-	1,370
Miscellaneous Receipts				
Net Expenditure	2,031	173	1,791	6,914
* Formerly PSC 03-01				
JPDA PSC Development				
	06-105*	03-12	03-13	
Exploration Costs	- 608	-	-	
Non Capital Costs				
Operating & Administration	5,640	302,017	208,475	
Other	160	160	160	
Capital Costs	180,847	46,022	34,993	
Other Costs	16,789			
Miscellaneous Receipts	-	951	- 657	

7.4. Local Content Development

The commitment of the operators regulated under this following legal framework and contractual agreement such as:

1. Timor Sea Treaty Art 11, a. 1 & 2
2. ConocoPhillips as the operator for Bayu-Undan project –Production Sharing Contracts (PSC) JPDA 03-12 and 03-13 article 5.2 (h) and 5.2 (i), JPDA Interim Directions Clause 403(2)
3. ENI as the operator for Kitan Project – PSC 06-105 Articles 5.4(a), (b), (C), and 10.1a and FDP
4. Minza 06-101A –PSC 06-101 A Articles 5.4(a), (b), (C) and 10. 1a
5. OILEX 06-103 – PSC 06-103 Articles 5.4(a), (b), (C) and 10.1a
6. TLEA - Petroleum Act Article 13.3.a. III & IV, ENI as the operator for TLEA - PSC – S-06-02,03,04,05 – Articles 5.4 (a), (b), (c) and 12.

It is also stated in ANP's Strategic Plan, to maximize the employment opportunity for Timor-Leste National and permanent resident and maximize the economic activities of the petroleum sector in Timor-Leste. This report has been prepared to focusing on three major activities as follows:

1. **Training and Employment** - Maximize in creating the employment and training opportunities for Timorese nationals and permanent residents, through the petroleum operation in the JPDA and TLEA
2. **Goods and Services (G&S)** – maximize the participation of Timorese nationals, permanent residents companies within supply chain process; and ensure local content is considered at appropriate contract phases; accountability for local content within contracts; contractors to demonstrate capacity to comply and development of processes for tracking and reporting on the progress of local content.
3. **Corporate Social Responsibility and Local content project** – encourage to contribute to various activities that are reflective directly to necessity of Timor-Leste's needs.

7.4.1. PSC JPDA – COP 03-12 and 03-13 (CoP)

7.4.1.1. Local content Program and Corporate Social Responsibility (CSR)

BU-SERN Fulbright Scholarship Program (Cost Recoverable)

The Fulbright – SERN Scholarship program was initiated in 2010. This program will enable up to 20 Timorese scholars within 2-4 years, to pursue Master or doctorate degrees with area of studies in petroleum and related disciplines in energy sector in the USA. Currently, Fulbright-SERN Scholarship has been successfully delivered two cohorts with the twelve students which consist five student in the first cohort, 3 of them have commenced their academic program in Natural Resource Management, Natural Resource Economics and Geology Engineering and the remaining are taking Intensive English Language Training (IELT) and seven student in second cohort have arrived in the USA and they have commenced their Intensive English Language

Training prior to the their academic program, and the cohort is in the enrollment process. The expenditure up to December 2012 is US\$ 227,088.

BU-Horticulture project (Cost Recoverable)

This project is the continuation on horticulture Value chain program, implemented in partnership with USAID, and the Ministry of Agriculture – RDTL to introduce modern farming techniques and establishing the green house and irrigation system in the communities of Sarin and Liurai in the Aileu District.

The program that entered into its second year in 2012 contributed to the expansion of farming activities to at least 150 farmers in the new five communities, by providing Tunnels, on-site training and technical assistance for the farmers, overseas training and equipment and materials. The on-site training and overseas training will conduct in midyear 2013 until the end of the year. The farmer has been engaged with Kmanek and Minimart super Market in establishing the market chain of the agriculture product. To date the expenditure is US\$ 93,452.

7.4.1.2. Local content Program activities which are currently under discussion

GIP (Graduate Internship Program - Cost Recoverable)

LC team continues leading the discussion on the content and the budget of the program. The discussion has reached agreement on the time frame of the project, content of advertisement and recruitment process including the program modules.

Goods and Services

In reference to Local content report from Conoco Philips, the total value of TL Goods and service spent directly by COP for the Bayu-Undan project in 2012 US\$ 2, 723,464. The goods and services were spent on Bidau Office operation, Dili Heliport and Accommodation and other local costs.

2012 COP Timor-Leste Goods & Services Expenditure (USD)	
Bidau Office	\$433,630
Dili Heliport	\$1,557,673
Accommodation and other local costs	\$732,161
Total	\$2,723,464

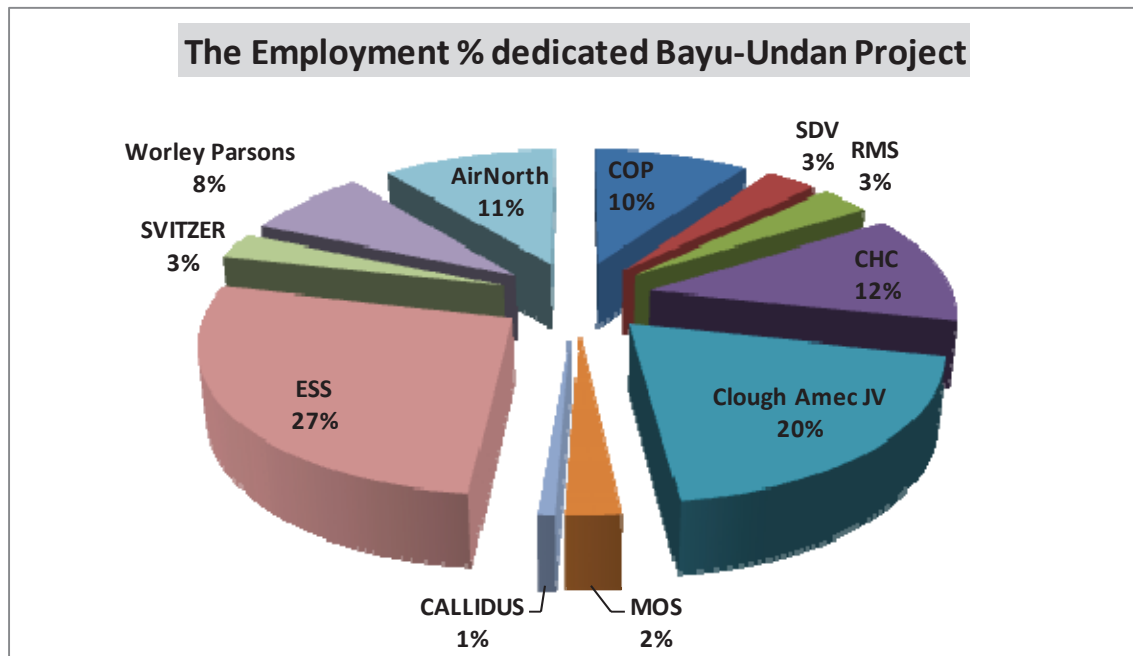
Source: COP Local Content Report 2012

Timor-Leste Employment & training

Employment

As reported by the COP that at the end of December, ConocoPhillips and its subcontractor employed a total of 247 Timor Leste Nationals and permanent residents. The positions of the employees are all dedicated to Bayu-Undan activities including 27 % for ESS on catering and Support services, and followed by the CAVJ 20 %, CHC 12%, Airnorth 11%, COP 10%, WP 8%, RMS 3 %, SDV 3%, Svitzer 3%, MOS 2%, and CALLIDUS 1%

The chart below are displaying in percentage the TL national employment for the BU Project.



Source: COP Local content report 2012

Training

Training delivered directly by the COP

The training developed by the COP and its sub-contractor in all aspect for the skill development and future careers include some formal training, job assignment, networking opportunities, career planning and feedback on performances. The training also designed according to work location, specification and safety requirement

Some of the training delivered in Class room, and on the job workplace assessment to determine competency, through computer based or web based programs. Various trainings have been delivered (COP LC report) provided in the [Table 4](#) of annex II.

7.4.2. PSC JPDA 06-105 (Eni)

7.4.2.1. Local Content Project

National Library

The National Library construction is the KITAN JVs cost recoverable commitment provided in with the approved Kitan development plan. Eni and its JVs had made a commitment to contributing to the establishment of the National Library in Dili, under the direction of the Government of Timor-Leste, the Ministry of Tourism and the Secretary of State for Culture and Arts, whilst the ANP and MPRM acted as the facilitators for the project. In 2011, a library specialist was hired to assist the Ministry of Education to identify and develop the legal and policy framework for the National Library, human resources, acquisition of books, collection and storage plans, as well as specific infrastructure and training needs.

Relevant ministry under the current government had resumed discussions by forming a new working group and the new steering committee representing the Ministry of Tourism, MPRM, ANP and ENI JPDA. More recently, the Internal Working Group has been reactivated after the government firmly approved the allocation of the land for the project. After receiving the documents for the acquisition of the land, the Working Group team immediately completed property measurements and the process continues with fencing handled by the Ministry of Tourism in 2013.

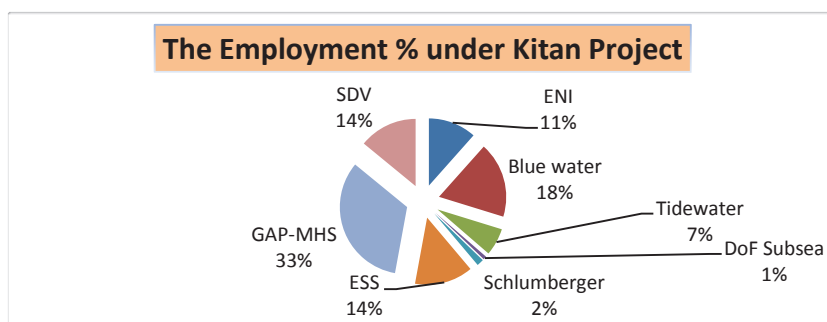
7.4.2.2. Employment and Training

Employment

During 2012 Eni's Kitan local content program gave a priority to the employment of Timorese nationals, providing training to the Timorese and utilized Timorese goods and services. To date the Kitan Project has employed 121 TL nationals a permanent residents by spreading across Eni and its Contractors and sub-contractors.

Eni directly employed 14 Timorese Nationals based at the ENI Timor Leste office, two of them were selected for further career development opportunities in Italy; one transferred to Milan to work as Junior Reservoir Engineering on Eni's Angola Project and the other commenced a master degree at University of Turin Italy. The others are based in ENI Dili office included a Country Representative, Social Initiative officer, local content supervisor, administration and two graduates of geo science and petroleum engineer.

Some 33% were employed by GAP-MHS as ground handler, security and administration assistant, and Bluewater 18% as trainees, fast rescue crew and deck crew. For more details on the TL nationals & permanent resident employed under Eni contractor please see the following diagram:



Source: ENI Kitan Local Content Report, 2012

Training

In 2012, Eni and contractors and its subcontractors continued to offer various training to TL nationals & permanent residents associated with a range of job connected to Kitan Project. The training delivered by led instructors and in house and overseas training are outlined in the [Table 5](#) of annex II.

Goods and Services

Eni JPDA and contractors and its subcontractors spent USD 55,454,173 on the Goods and services, Training and employment and social development as well as Tax and fees. It is significant increase some 195% compared to 2012 contribution with a total of \$28,409,419. The goods and services sourced in TL included Helicopter services, Supply Vessel, fresh food and ENI office services. Please see the following table for further details;

Summary of Expenditure on JPDA 06-105 (Kitan operations) for 2012

Expenditure Type	T-L Expenditure	X-TL Expenditure	Total
Goods and Services, Training and Employment and Petroleum Infrastructure Projects	44,414,517	151,526,653	195,941,170
%	22.68%	77.32%	100%
Taxes and Fees	11,039,657	105,734	11,145,391
GRAND TOTAL	55,454,173	151,632,387	207,086,560
%	26.78%	73.22%	100.00%

Source: Eni Local content Report, 2012

For the future business Eni intends to maximize the participation of local company or with its joint ventures involved in JPDA 06-105 (Kitan Operation). Even though, the opportunity for Local Company is opened however the local company and its joint venture partners should follow all ENI procurement procedures and regulations and the local company and its joint venture partners required to be prequalified before invitation to tender. As updated by the ENI these are companies who have prequalified to do business with ENI.

These are companies prequalified by ENI JPDA shows in [Table 6](#) of annex II.

7.4.3. PSCs TLEA S06-02, S06-03, S06-04, S06-05 (Eni Timor-Leste)

During 2012, as part of Eni's social contribution associated to its TLEA PSCs, the direct expenditure in Timor Leste is \$234,470. This money was spent on goods and services and employment and training as well as social development and petroleum infrastructure.

The total expenditure as follows:

Direct Expenditure	T-L Value	X-TL Value	Total
Goods and Services, Training and Employment and Petroleum Infrastructure Projects	234,470	2,697,079	2,639,104
%	8%	92%	100%
Taxes and Fees	242,625	0	242,625
Total	477,095	2,697,079	3,174,174

Source: ENI TLEA Local content report, 2012

As a part of Social Development and petroleum infrastructure the company supported:

- The successful completion of a National Civic Education Curriculum program and materials for students and teachers developed through Timor Aid and the Ministry of Education, which has been distributed throughout pre-secondary and secondary schools in Timor-Leste
- A Petroleum Prospectively project with the University of Western Australia has been ongoing, which includes two post graduate geological scholarships.
- A rehabilitation of a rural water scheme, implemented by a community-based organization and endorsed by the relevant authorities in Cacaven, Lautem District, was commenced and will be completed in 2012
- A commitment to contribute to the establishment of a seismic data tape and core storage facility, in collaboration with SERN, to be carried out in 2012. Following an MOU between SERN and UNTL, several meetings were facilitated by ANP during 2011 to discuss the planning of this initiative.

7.4.4. PSC JPDA 06-101A (Minza)

During 2012 Minza recruited three new national staff in preparation for the upcoming drilling activities. These are two for geology and the one petroleum engineer and they had undergone relevant trainings in preparation for the in upcoming drilling plan in 2012.

7.5. Downstream Regulatory Framework Development and Initial Data Collections

The Downstream Directorate was established with its goal to regulate all downstream petroleum activities including petroleum products and distribution in Timor Leste. The Downstream Directorate vision is to be a leader in monitoring, controlling, supervising and managing all downstream activities in Timor Leste.

In order to achieve the vision mentioned above, the Downstream Directorate has set the work programs. The programs are not only for directorate vision, thus they contribute to ultimate goal of national development of Timor-Leste. The Directorate realized that there were few programs set for the year 2012 has not been successfully completed hence will be carried forward in 2013. Below, the directorate will describe the activities that have been performed or executed in 2012 as follows.

7.5.1. Downstream Decree Law

On the 15th January 2012, the President of RDTL promulgated the Decree-Law on Downstream Sector and published at *Journal da Republica* with Number: 1/2012, 1 February, this Decree-Law is to regulate downstream activity. Downstream Activity means any activity carried out downstream of exploration and production of Crude Oil and Natural Gas not affecting any reservoir, as well as of feedstock for the production of Biofuels or for any other alternative forms of fuels, including Supply, Processing, Transportation, Storage, Trading and Marketing, which is carried out independently from exploration and production (“upstream”) operations and for commercial purposes. These downstream activities could have a major impact not only on the security of energy supply, but also on public safety and economic growth and prosperity of the country.

By the end of the first quarter of 2012 downstream directorate had concluded Downstream Decree-Law dissemination throughout the country. Six places were selected for conducting the dissemination such as Dili, Maubisse, Covalima, Baucau, Bobonaro and Oe-cusse. The nearest districts were joined to the selected districts.

The objective of dissemination was to inform to all legal or physical persons (Business entities) who currently carry out or intended to carry out downstream activity must be aware of the downstream sector decree-law and its regulations, plan for the implementation of DL, the powers and functions of the ANP in this respect, the duties of licensees, and the rules and procedures applicable to the sanctioning.

The dissemination was participated by over 500 participants which composed from Local Authorities, Government Entities (Included PNTL), and Business Entities (downstream players) that would effected by the implementation of Downstream Decree-Law.

7.5.2. Downstream Regulations

After approval of two regulations by the ANP BoD on 3rd September 2012 and published in the *Journal da Republica* on 24th October 2012, downstream directorate immediately distributed

the copy to all existing downstream activities operators. The two regulations referred to are the Administration Procedures, Requirements and Fees for Granting, Renewal, and Modification of Downstream Activities' Licenses, and Downstream Activities' Inspection Division. The distribution of the two regulations was aimed to inform all company is who currently carrying out downstream activities is and to pay attention to the approved regulations, and its natures as well as requested them to fill out or filed all documents required to the ANP for license.

Additionally to ensure all downstream activities proper regulates, the downstream directorate continue prepare remaining draft regulations in this reporting period. Four regulations have been drafted such as:

- Installation and Operation of Fuel Filling Stations
- Petroleum Products' Specifications
- Importing, Exporting and Trading of Fuel
- Installation and Operation of Storage Facilities for Fuels

Installation and Operation of Fuel Filling Stations, and Petroleum Products' Specifications are now in the process of reviewing and waiting for approval by BOD. The other two is planned to review in the Management Committee level and bring to BOD for final approval.

There will be more regulations to be drafted within the next year program. To create new draft regulations, the ANP is always following the rhythms of implementation of Government Strategic Plan in the oil and Petroleum Sector.

7.5.3. Downstream Activity Initial Data Collection

After obtained approval of Decree-Law (DL) on Downstream Sector and its regulations, downstream directorate started first activities by disseminating copies of DL and regulations in three languages to all parties included those who carried out downstream activities.

A transitional period for existing downstream activities is provided in article 65, of the Decree Law No. 1/2012. During the transitional Provision, the physical and legal persons operating downstream activities shall provide to the ANP with information on their existing activities.

The directorate have sent out letter to all existing retailers and traders to submit the information that required by the said.

In addition to that, followed up letter have been issued to 7 (seven) companies to fulfill the requirements of the Article mentioned above, only 4 (four) of them have completed the documents.

Regulation on Administration Offices

This Regulation builds on Decree Law No 1/2012 of February 2012, on Downstream Activities in Timor-Leste and sets forth the Administrative procedures, requirements and fees for the granting, renewal and modification of licenses authorizing the performance of Downstream Activities. Furthermore, this regulation shall apply to all legal or physical persons, irrespective of

their public or private nature, or nationality, that wish to carry out Downstream Activities in Timor-Leste.

Therefore, under the terms of Articles 10 “Submission of Documents”, in the Regulation No. 1/2012, of 24 October 2012, ANP have sent letters and the Applications form to all existing retailers and traders within the country. The number of letters sent out to all retailers and traders within the country except Oe-cusse was 35.

Once the completed applications lodged to ANP-Downstream Office, than ANP start review and provide response according to the procedures stated in the provision mentioned in administration regulation. Following action will be done in 2013. List of Existing Downstream Operators in Timor-Leste as shows in [Table 7](#) of annex II.

Downstream Activities Data Collections

It is the ANP powers and responsibility to manage and supervise all downstream sectors, ensuring the efficient use and optimization of installed downstream infrastructures also to ensure that all consumers are being offered quality fuel products at the fair measure.

As a result of the above clarification, ANP invited all fuel retailers in DILI to have a better understanding on current situation by updating information gathered from PERTAMINA.

Fuel Sampling and Testing

One of the downstream activities is to perform fuel sampling to downstream facilities ensuring the quality of product imported and sold within the territory of Timor-Leste

The Fuel sampling was performed on 5th November 2012 in two locations only, PERTAMINA Depot and Aitula Fuel Filling Station. Since PERTAMINA is the single Trader of Gasoline products (PERTAMAX) while Aitula Fuel Filling Station is one of PERTAMINA’s distributor in Dili. The objectives of perform fuel sampling are as follows:

- a) To have a comprehensive reading of new marketed product;
- b) To ensure the fuel retailers are selling the right product (PERTAMAX);
- c) To ensure the costumers or public are using fuel (PERTAMAX) with the price that is accountable by retailers.

Fuel testing services, Intertek Australia has provided the analytical result of fuel analysis dated 6th December 2012 from two locations sampled showed that there is no significant differences, this means fuel quality imported to the country is within the range set in fuel quality standard specification.

7.5.4. Capacity Development

Capacity Development is another part of ANP’s program to enhance knowledge and experience of each staff in order for them to be able in performing and delivering any task that required from the Institution. Therefore, Downstream Directorate has sent the staff to attend training Bunker Fuel Blending Technology, in Singapore, Fuel Sampling of Petroleum Product provided

by INTERTEK, Australia, and in the near future staff will implement the outcome of the mentioned training through their day to day work as regulator for downstream sector in the Country.

A part from Staff development program, downstream directorate also has two Graduates Intensive Program (GIP) was posted with 10 month duration.



Picture 11: Fuel Sampling Training along with ANP and INTERTEK Team in Caltex Filling Station, Sydney, Australia

7.5.5. Upstream Legal Framework updated

One of the preparations for the New Acreage Release plan for the offshore area is to ensure that the entire legal framework is well established and up to date. Therefore, the ANP started review the existing regulation and the PSCs model for the Joint Petroleum Development Area and the Timor Leste Exclusive Area.

a. JPDA

The Australian and Timor Leste Governments through the JPDA Joint Commission had provided their comments to the draft JPDA Technical Regulation and the draft PSC Model. Both draft Technical Regulation and the PSC model have now been under the ANP's review and next plan will be presented to the Joint Commission again for the final appreciation before taking to public consultation. The ANP also has submitted to the Joint Commission the Pre-Qualification Guidelines and the Blocks Division Policy for the new acreage release plans.

b. TLEA

The Final review by the third party consultant to the draft TLEA Technical Regulation and the PSC model has been presented to the ANP and it is now under the ANP final review. The ANP plan to present the draft TLEA Regulation and the PSC Model to the ANP Board of Director

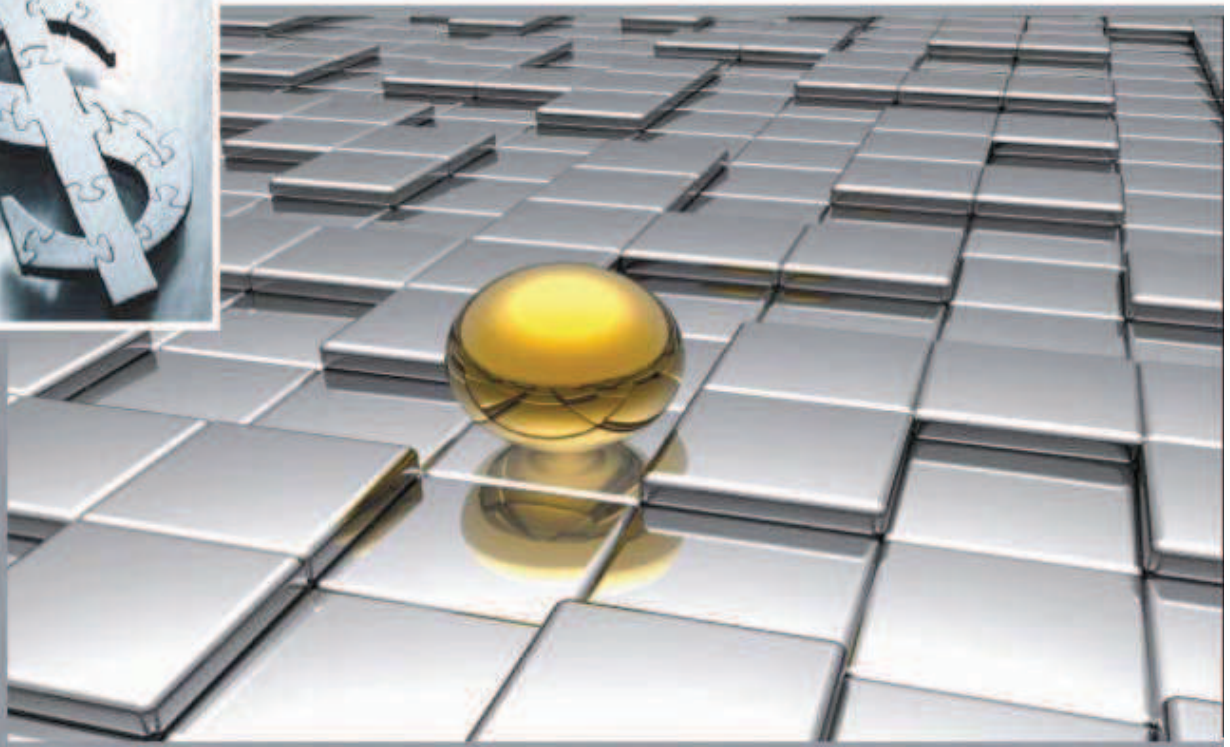
within year 2013 and after the approval of the Board of Director will take for the public consultation.

Annexure I

ANP 2012 Financial Report by: Lochan & Co. Chartered Accountants



**Autoridade Nacional Do Petróleo (ANP)
Timor Leste**



**Financial Statements
Statutory Audit of Autoridade Nacional Do Petróleo (ANP)
Timor Leste
Audit Period: January 2012 to December 2012**

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DIRECTORS' DECLARATION


In accordance with a resolution of the directors of Autoridade Nacional do Petróleo ("the Authority"), in the opinion of the directors:

- (a) the financial statements of the Authority are drawn up so as to present a true and fair view of the financial performance and cash flows of the Authority for the year ended 31 December 2012, and the financial position of the Authority as at 31 December 2012.
- (b) the financial statements have been prepared in accordance with International Financial Reporting Standards.
- (c) as a policy, the financial statement does not include the balances with National Petroleum Authority OTDRROTL, Hongkong Shanghai Banking Corporation bank and Petroleum Fund, Government of Timor Leste. ANP has not accounted for the transaction arising out of above mentioned bank account because ANP is only a custodian of funds on behalf of Petroleum Fund. The transactions have no impact on operations of ANP. The bank balance of US\$ 50,131,905.17 as on 31 December 2012 of ANP HSBC Singapore account would have been represented as an asset whereas same balance with Petroleum fund would have represented as liability.

For and on behalf of Management



Gualdino Da Silva
President



Dionisio Martins
Director - Corporate Services

Dili, Timor Leste
Date: 10 May 2013

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Autoridade Nacional do Petróleo

We have audited the accompanying financial statements of Autoridade Nacional Do Petróleo which comprise the Balance Sheet as at 31 December 2012, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines, is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error

Auditor's Responsibility

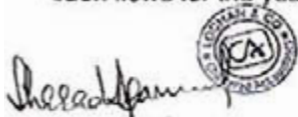
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

We believe that the audit evidence, we have obtained, is sufficient and appropriate to provide a basis for our audit opinion except that the transactions of bank account maintained with Hongkong Shanghai Banking Corporation, Singapore on behalf of Petroleum Fund has not been accounted for in the books of account by the management with the fact that ANP is a custodian of bank account on behalf of Petroleum Fund, Government of Timor Leste.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Autoridade Nacional do Petróleo as of 31 December 2012 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.



Sharan Agarwal, Partner
Membership No. 088861

Lochan & Co.
Chartered Accountants
Firm registration No. 008019N

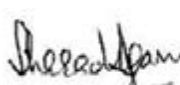
Place: New Delhi, India
Date: 10 May 2013

Statement of Financial Position

As at 31 December 2012

(Expressed In United States Dollars)

Particulars	Note	2012 \$	2011 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		6,059,172	4,754,476
Trade and other receivables		15,651	21,189
Other non financial assets		11,577	27,189
Total Current Assets		6,086,400	4,802,854
NON-CURRENT ASSETS			
Property, plant and equipment		588,726	610,724
Intangibles		353,429	116,497
Total Non-Current Assets		942,155	727,221
TOTAL ASSETS		7,028,555	5,530,075
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade and other payables		180,125	287,005
Provision for annual leave		-	150,243
Prepaid contract service fees		1,478,004	563,987
Total Current Liabilities		1,658,129	1,001,234
TOTAL LIABILITIES		1,658,129	1,001,234
EQUITY			
Initial contribution		2,153,168	2,153,168
Accumulated funds		3,217,258	2,375,672
Total Equity		5,370,426	4,528,840
TOTAL EQUITY AND LIABILITIES		7,028,555	5,530,075


 Sharad Agarwal
 Partner
 Lochan & Co.




 Guadino Da Silva
 President
 Autoridade Nacional do Petróleo



 Dionísio Martins
 Director - Corporate Services
 Autoridade Nacional do Petróleo

Statement of Comprehensive Income
For the year ended 31 December 2012
(Expressed in United States Dollars)

Particulars	Note	2012 \$	2011 \$
INCOME			
Revenue			
Development fees		3,983,200	3,064,000
Contract service fees		960,533	959,520
Subsidy from Timor-Leste Government		1,500,000	1,800,000
Interest		263	3,084
Net gain in foreign exchange		-	4,117
Profit on disposal of assets		28,250	14,100
Other income		20	5,000
TOTAL INCOME		6,472,267	5,849,821
EXPENSES			
Employee benefits		(2,281,873)	(2,454,402)
General and administration		(2,861,991)	(2,679,437)
Depreciation and amortization		(289,387)	(267,206)
Contingency		(196,578)	(138,753)
Net loss in foreign exchange		(852)	-
TOTAL EXPENSES		(5,630,681)	(5,539,799)
Surplus for the year		841,586	310,023
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		841,586	310,023


Sharad Agarwal
Partner
Lochan & Co.




Gualdino Da Silva
President
Autoridade Nacional do Petróleo


Dionísio Martins
Director - Corporate Services
Autoridade Nacional do Petróleo

Statement of Changes in Equity
 For the year ended 31 December 2012
 (Expressed in United States Dollars)

Particulars	Capital Contributions	Accumulated Funds	Total Equity
At 01 January 2011	2,153,168	2,065,650	4,218,818
Capital contributions	-	-	-
Surplus for 2011	-	310,023	310,023
At 31 December 2011	2,153,168	2,375,672	4,528,840
Capital contributions	-	-	-
Surplus for 2012	-	841,586	841,586
At 31 December 2012	2,153,168	3,217,258	5,370,426


Sharad Agarwal
 Partner
 Lochan & Co.




Gualdino Da Silva
 President
 Autoridade Nacional do Petróleo


Dionísio Martins
 Director - Corporate Services
 Autoridade Nacional do Petróleo

Statement of Cash Flows

For the year ended 31 December 2012
(Expressed in United States Dollars)

Particulars	2012 \$	2011 \$
CASH FLOW FROM OPERATING ACTIVITIES		
Fees from operators	5,857,750	4,024,000
Income from Timor-Leste Government	1,500,000	1,800,000
Interest received	263	3,084
Other Income	20	5,000
Net gain on foreign exchange	-	4,117
Less: Net loss on foreign exchange	(852)	-
Less: Personnel costs	(2,397,251)	(2,417,877)
Less: Other operating expenses	(2,979,125)	(2,749,138)
Less: Contingency expenses	(196,578)	(138,753)
Net cash flow from operating activities	1,784,227	530,433
CASH FLOW FROM INVESTMENT ACTIVITIES		
Proceeds on disposal of property, plant & equipment	37,510	14,100
Purchase of intangibles	(284,005)	(137,619)
Purchase of property, plant & equipment	(229,576)	(383,645)
Net cash flow (used in) investment activities	(476,071)	(507,165)
CASH FLOW FROM FINANCE ACTIVITIES		
Net cash flow from finance activities	-	-
Net Increase in cash and cash equivalents	1,308,156	23,268
Add opening balance carried forward	4,754,676	4,731,408
Cash and cash equivalents ending balance	6,062,832	4,754,676
Comprising:		
Cash on hand and at banks	6,062,832	4,754,676


Sharad Agarwal
Partner
Lochan & Co.


Gualdino Da Silva
President
Autoridade Nacional do Petróleo


Dionisio Martins
Director - Corporate Services
Autoridade Nacional do Petróleo

Annexure II

Table 1: Details of trainings, workshops and professional developments

NO	TYPE OF TRAINING	VENUES
1	English Language Training: - Level 9 (Intermediate 3) - Level 11 (Upper Intermediate 2)	Dili, Timor Leste
	- Level 10 (Upper Intermediate 1) - Thesis Writing Editing	
2	Portuguese Language Training : - Basic I Level - Instrumental Level	Dili, Timor-Leste
	- Basic II Level - Advance Level	
3	Lotus here Conference	Orlando Florida, America
4	Micro Pay Software training	Adelaide, Australia
5	Competency Based Human Resource Management	Jakarta, Indonesia
6	Advance ITIL Training	Jakarta, Indonesia
7	Fundamental of IBM Lotus Domino 8.5.1 Application Development	Singapore
8	Assessing in the Workplace	Sydney, Australia
9	Certified Information System Security Professional Exam Boot camp (CISSP)	KL, Malaysia
10	Advance Finance Modeling	Sydney, Australia
11	Lotus Domino Designer 8.5: Classic LN application, Formula Language and script	Jakarta, Indonesia
12	Lotus Domino Designer 8: Formula Language and Lotus Script	Jakarta, Indonesia
13	Public Relations Management	Jakarta, Indonesia
14	Problem Solving and Decision Making	Jakarta, Indonesia
15	The 14th World Human Resources Congress	Melbourne - Australia
16	Budgeting and Cost Control, Report writing Skills, Management leadership skills for supervisor and Manager	Bandun g, Indonesia
17	Budgeting, Rolling Forecasting & Strategic Planning	Singapore
18	Understanding Financial Statement, Profit Planning and Capital Budgeting Training	Jakarta, Indonesia
19	Tourism and Travel Business	Jakarta, Indonesia
20	EC-Council Network Security Administrator & CISSP Exam @ 29 May 2012	Selangor Darul Ehsan, Malaysia
21	Training and HR Secondment	CoP Perth, Australia
22	Professional delivery of IT Support & Multimedia Design	Jakarta, Indonesia
23	Ticketing basic & Marketing	Jakarta, Indonesia
24	Customer Relations Skills for Administrative professional	Singapore
25	Norming Assets Management	Adelaide, Australia
26	Micro Pay Software training	Adelaide, Australia
27	Sage Micropay - Payroll	Adelaide, Australia
28	Norming Assets Management & Micro Pay	Adelaide, Australia
29	International Financial Report Standard (IFRS)	Bandung, Indonesia
30	Negotiation and Effective Communication Skills	Surabaya, Indonesia
31	Travel Business Management	Bandung, Indonesia
32	Negotiating, Drafting and Understanding contract	KL, Malaysia
33	Customer Service / Care	Jakarta, Indonesia
34	Report Writing Skills	Bali, Indonesia
35	Effective Negotiation and Communication skills	Yogyakarta, Indonesia
36	Dealing with difficult people	Jakarta, Indonesia
37	16th Annual Condensate and Naphtha Forum 2012	Langkawi, Malaysia
38	Oil and gas Marketing Secondment	Japan
39	Petroleum Marketing	Japan
40	Carbon Economics for the Resources sector	Perth, Australia
41	Production Sharing Contract (Module I & II)	Singapore
42	IFRS for Oil and Gas Industry	KL, Malaysia
43	T- BOSIET	Jakarta, Indonesia
44	Petroleum Project Economy and Risk Analysis	Bali, Indonesia
45	International Oil & Gas Accounting	KL, Malaysia
46	Gas & LNG Contracts: Structures, Pricing & Negotiation	KL, Malaysia
47	Subsurface Mapping for Exploration and Development	KL, Malaysia
48	Completion of Drilling IPIMS Modules (Secondment)	Perth, Australia
49	Data Management	Norway
50	Classic Exploration & Reservoir Sedimentology	KL, Malaysia
51	HUET Training	Jakarta, Indonesia
52	Young Managers Program	Jakarta, Indonesia

53	Subsurface Reservoir Secondment	Perth, Australia
54	APPE Conference and Exhibition	Adelaide, Australia
55	Metering Workshop	Norway
56	Gas Processing for LNG	Japan
57	Drilling Essential for New Engineers	KL, Malaysia
58	Best Practices in Flow Measurement and Custody Transfer	KL, Malaysia
59	Fundamentals of Natural Gas Processing	Singapore
60	Bunker Fuel Blending and Economics.	Singapore
61	Gasoline and Diesel Blending Technology and economics	Singapore
62	Practical training for Fuel Quality Management System	Korea
63	International Health, Safety Environment Conference 2012 I ADV	KL, Malaysia
64	Petroleum Downstream Inspection Training	Sydney, Australia
65	Certified Tripod Beta Practitioner Master Class	KL, Malaysia
66	SPE/APPEA international conference on HSE in Oil and Gas Exploration and Production	Perth, Australia
67	Advance Course on Gas Explosion Hazards	Bandung, Indonesia
68	Offshore Structures Asia	KL, Malaysia
69	Mercury management	Yogyakarta, Indonesia
70	International Arbitration and Dispute Resolution in the Oil and Gas Industry	Singapore
71	The essential of email writing & etiquette, Writing effective reports & Writing good minutes	Singapore
72	Integrated Field Development Planning Training Workshop	Singapore
73	Essential Business Writing	Singapore
74	Effective Supervisory Management	Jakarta, Indonesia
75	Filling System and Documentation	Bandung, Indonesia
76	Project Management for Oil and Gas Professional	KL, Malaysia
77	Legal Aspect of Oil and Gas Industry	Bandung, Indonesia
78	Effective Procurement Management	Hong Kong
79	Human Resource Management	Japan
80	Gas and LNG Contracts	KL, Malaysia
81	Contract Strategy and Management	KL, Malaysia
82	Asset Management Base on Technology	Yogyakarta, Indonesia
83	Quality Assurance Auditing & Effective Reporting Writing	KL, Malaysia
84	Risk Base Operational Audit and Operational Risk Management	Hong Kong
85	International Oil and Gas Accounting	KL, Malaysia
86	Contract Lifecycle Risk Management	Singapore
87	Data Management Training (Ms. Office 2010 & SQL Database)	Jakarta, Indonesia
88	Minute taking and Email Writing	Brisbane, Australia

Table 2 Details of the internship at the ANP during 2012

NO	TYPE OF INTERNSHIP - ANP DIRECTORATE/DEPARTMENT	NAME OF UNIVERSITY
INTERNSHIP STUDENTS		
1.	Professional exposure to Commercial, PSC and Legal, E and AR	DIT, Dili, Timor Leste
2	Professional exposure to IT	IPDC, Dili, Timor Leste
3	Professional exposure to Corporate Finance	UNDIL, Dili, Timor Leste
4	Professional exposure to Health , Safety and Environment	ITN, Malang – Indonesia
FINAL YEAR PROJECT		
1	Final year of Petroleum Sharing Contract (PSC) TLEA study	DIT, Dili, Timor Leste
2	Final Year of Development and Production study	UP 45, Yogyakarta, Indonesia
3	Final Year of Geology study	UPN Veteran, Yogyakarta, Indonesia
GRADUATE INTERNSHIP PROGRAM		
1	There was one graduate exposure in Commercial	DIT, Dili, Timor-Leste
2	One graduate exposure in HSE	UPN Veteran, Yogyakarta, Indonesia
3	Two graduates exposure in E&AR. (Each recruited to fill a position in ANP)	Universities in Indonesia and Australia.
4	1 graduate exposure in D&P and recruited to fill a position in ANP	UP 45, Yogyakarta, Indonesia
5	6 graduates have been attaching to E&AR since June 2012, 1 attached to HSE & other 1 attached to Commercial directorate. <i>Ongoing</i>	Different universities in Indonesia

Table 3: Details of successful companies

NO	DESCRIPTION	CONTRACT FEE (YEARLY)	SUCCESSFUL COMPANY
AUDIT AND CONSULTANCY			
1	GIS Definition New Acreage and Release within JPDA and TLEA	\$ 12,500.00	Samit Spectrum India
2	ANP Financial Statement for External Audit 2011	\$ 15,345.00	Lochan & Co.
3	Safety Case Consultant	\$ 62,250.00	Noetic Risk Solutions PTY.Ltd

CONSTRUCTION AND SERVICES			
1	Downstream Decree Law Translation	\$ 1,090.00	Global Translation Institute
2	ANP Office Security	\$ 30,000.00	Gardamor Protective Services Lda
3	Office Cleaning Services	\$ 25,884.00	Mukun Timor Diak
4	Office Vehicle Maintenance and services	\$ 3,000.00	Bendix Lda
5	Generator Set Maintenance and Services	\$ 250.00	A1 Service
6	Air Conditioner and Electrical Services	\$ 1,500.00	New town enterprises
7	ANP New 3 Cars	\$ 81,000.00	Tokyo Vehicle Lda
GOODS AND SERVICES			
1	Reallocation for Leon de Jonk door to door services	\$ 6,315.75	JVK International Movers
2	Office Water Drinking Supply	\$ 11,310.00	Indo Dili
3	Office Stationary Supply	\$ 18,000.00	Sylvia Dili
4	Portable Drilling Water well at Downstream Office	\$ 6,000.00	Leha Unipessoal, Lda
5	Rental New Photocopy Machine for Downstream Office (Fuji Xerox 450 I) from Sylvia Dili	\$ 8,400.00	Sylvia Dili
6	Rental New Container for stored all documents removed from Downstream class room	\$ 2,880.00	Life Construction Unipessoal, Lda
7	Rental New Container for stored all documents removed from Downstream class room	\$ 2,880.00	Life Construction Unipessoal, Lda
8	Carpet Installation and Minor civil works at Downstream Office	\$ 5,125.01	Timau Construction Unipessoal, Lda
9	Furniture installation at Downstream Office (Office Improvement)	\$ 6,670.00	Masterlink Unipessoal, Lda
10	Mini Library construction at Palacio Office	\$ 5,700.00	UKA Unipessoal Lda
11	Pathway Construction at Downstream Office	\$ 6,100.00	UKA Unipessoal Lda
12	Petrel Software	\$ 238,647.42	Schlumberger Oil Field Australia Pty.Ltd
13	Hardware for supporting Petrel Software	\$ 14,050.00	ISW Development Pty.Ltd
14	CCTV Installation at ANP Offices (Palacio and Downstream)	\$ 24,705.00	TL Technology
15	PABX Gateway Card	\$ 9,500.00	Loro Sae Computer Services
16	PABX Maintenance at Main Office (Palacio) including the accessories support	\$ 18,400.00	Loro Sae Computer Services
CONSULTANTS			
1	Bayu Undan Second Phase Process Inspection 2012	\$ 161,265.50	Hertel Modern Pty.Ltd
2	Bayu Undan Marketing Review for Condensate and LPG 2011 Sales	\$ 35,000.00	Purvin & Gertz
3	ANP Website Designing for E&AR directorate	\$ 15,000.00	ISW - Mathew Newman
4	Gas Measurement Audit for Darwin LNG	\$ 15,840.00	Dr. David Pack
5	IP satellite services	\$ 33,900.00	WebsatMedia PTE.Ltd, Singapore
6	HSE consultant	\$ 15,000.00	Mr. Jude Andrew
7	Marketing Performance of Kitan Crude Oil Sales for First Six Months (Oct 2011 - Apr 2012)	\$ 25,000.00	Purvin & Gertz
8	Environment Impact Assessment training (in house training)	\$ 34,000.00	Science and Technology Park
9	OIL Spill in House training	\$ 12,500.00	Oil Spill Resource Services Ltd.
10	NEBOSH in house training	\$ 23,655.24	BSSHSE Ltd.
11	In House Training	\$ 14,000.00	Bees Blind Pty.Ltd
12	IP satellite services	\$ 135,600.00	WebsatMedia PTE.Ltd, Singapore
	Total	\$ 1,138,267.92	

Table 4: Various trainings have been delivered (COP LC report)

No	Contractor	Training Delivered	Career path	Type of job	Delivered method
1	Conoco Philips	<ul style="list-style-type: none"> Business professional and performance excellence training for all personnel Communicating with Influence and Professional Presence 		Onshore Based (office based)	Class room, via on the job workplace assessment to determine

	<ul style="list-style-type: none"> • Complying with U.S. ant boycott Laws • Presentation and Meeting Skills • Four Conversations of Performance Excellence 			competency, via computer based or web based programs
	<ul style="list-style-type: none"> • Chemical management • Contractor HSE Management • Crane Operations and Lifting equipment • Environmental awareness • Fatigue Management Guidelines • Hearing Conservation • Heat Stress Management Guidelines • HSE Critical Equipment • HSE Management System • Incident Investigation reporting • Manual Handling • Naturally Occurring Hazardous Process Contaminant • Personal Protective Equipment • Portable Electrical Equipment Hand Tools • Portable Gas Detector Equipment • Risk Management Overview • Safety Cases • Waste management plan • Working at height and scaffolding 		Offshore Based	Computer /web based
	<ul style="list-style-type: none"> • Bayu-Undan HSE Block Refresher • Flange Management Level 1 • Free-fall Life Boat Crew • Permit Issuer • Refresher Breathing Apparatus 			Instructor led

		<ul style="list-style-type: none"> • Senior First Aid • Refresher Advanced Fire Fighting • Refresher Confined Space • Isolation Fundamental • Fast Rescue Craft Handling • Rigging (Basic) • Rigging (Intermediate) • Helicopter Underwater Escape Training • Isolation Fundamental 			
		<ul style="list-style-type: none"> • FSO Utilities 1 & 2 • FSO Power Generation • FSO Refrigeration & Liquefaction • FSO Escape and Safety • FSO Fixed Fire and Fire Water • FSO HLO & Heli fuel • Dangerous Goods by Sea • Taproots Incident Investigation and Root Cause Analysis 			Role / Location Specific
2	Clough and AMEC (CAJV)	safety training, completing modules in Jon Hazard Analysis, Permit to Work, Material Safety Data Sheet, Fatigue Management, Gas Testing Atmospheres, Isolation and Purging, Confined Space and Breathing Apparatus, Safe Workings at Height, Applied First Aid		Core Crew	
		Permit to Work and Confined Space Entry		Blasters/Painters	
		TBOSIET and additional training on Bridge Control.		AIM Campaign Bridge	

				Controllers	
		TBOSIET and CAJV inductions		AIM Campaigns Offshore Administrati on support	
		Darwin Operations Centre (DOC) in-house		Dili based Head of Administrati on	
		DOC in the creation of AIM Piping Repair Assessments.		Dili based Data Entry Clerks	In house training
		DOC in SAP		Dili based Data Analysts	in house training at
		TBOSIET		Dili based support- logistics	
3	ESS	utilizing tools such as Compass College and Toolbox talks, hazard identification; Fatigue Management; Safe Lifting & Carrying; Chemical Safety; Environmental Induction; Emergency Response Training, Cyclone and Spill Drills; Infection Control; Heat Stress, Food Safe; Back care course; Water wise; Manual Food Handling; Food Waste, Safe work procedures; Incident Reporting & Investigation; Waves Training, among others	Cert 1&2	All employs	On the job training
			Cert III	10 best	Note 29 employees has Cert I, 17 progressed to attain Cert II and 38 no Certification

4	WP	technical, safety and English language skills		All	
		<ul style="list-style-type: none"> • Competency status in TAFE MEM30001A CAD system, to produce basic engineering drawings • MEM30012A – Application of mathematical techniques in Engineering • MEM 30002A –Produce Basic Engineering Graphics • Work experience associated with AIM 	PCMs implementations and AIM Work packs in dili office	4 trainee	In house training perth, Darwin and Dili office
		English Session	progressing Drawing Exercises and Fundamentals of Piping Design	2 Trainee Designers	
		English session		2 technical clerk	In house training
4	CHC	competency assessment for stores Skills, passenger and ground handling and English language aero skills	3 employees has Cert IV AME competency	6 employees	In-house training
		English general and technique language		All employees	
		Business and economics	Selected personal	Store personnel	
			OH&S Cert III & IV	Operation personal and Base Manager	
5	Svitzer		Promoted CADETS to	4 Timorese	

			STCW95 certified watch keeping able seaman then to BOSUN		
			Cadets	2 timorese	
6	CALLIDUS	<p>basic valve curriculum, check valve, globe valve, gate valve; pressure safety valves; pressure testing; torque and tensioning; fire prevention and response;</p> <p>Understanding safety at work; workplace environmental awareness; health and hygiene essentials and senior first aid. In addition to this training, the technicians also gained valuable hands on fitting</p>		two technicians as trade's assistants	
7	MOS	competencies as offshore crew	Trainee to Painter within 12 months	Painter 5	On the job training
		Electrical training	Deck hand in 24 months	3	
		Mechanical training	Rigger in 36 months	2	
			Senior Rigger in 54 months.		
		Safety training		HSE trainee	On board with Safety officer
8	AirNorth	SOP training on Jet E170 load compiler and MNL new		ground handling	In house training

	service receipt and dispatch		staff	
	Altea reservations system; Cabin Attendants completed the Full Cabin Attendant ground schools training, emergency procedures training and in-aircraft flight line training		reservations staff	
	Completed Supervisory, SOP and MNL new service training.		sales development staff	

Table 5: The training delivered by led instructors and in house and overseas training

Company	Training/ education offers	Institute/training provide	outcomes	Employee
Eni	Specific Phase of Eni Corporate University (ECU) for Geoscientist	Eni Corporate University	Obtaining knowledge and skills on Operations geology, Seismic Interpretation and Well Testing.	5
Eni	Specific Phase of Eni Corporate University (ECU) for Petroleum Engineers.	Eni Corporate University	Obtaining knowledge and skills on Reservoir Engineering, Drilling and Completion and Petroleum Engineering	5
Eni	Oil and Gas KPI training	International Financial Faculty Energy	Setting up, and measuring KPIs.	1
Eni	Leadership Development	Australian Institute of Management	Leadership, Management and Supervisory skills.	1
Eni	EITI Seminar	Extractive Industries	Local content development	1

		Transparency Initiative		
Eni	Computer training	EIROS Group Limited	Software skills	1
Eni	Project Management	Australian Institute of Management	Project Management skills and Knowledge	1
Eni	Microsoft Office Project training	Lorosae English Language Institute	Improved English	1
Eni	Professional Receptionist	Australian Institute of Management	skills and knowledge on Receptionist management.	1
Eni	Professional Office Manager	Australian Institute of Management	Office management skills and Knowledge	1
Eni	Masters of Science in Petroleum Engineering	University of Turino	A degree in Petroleum Engineering (on going until 2014)	1
First tier Contractor				
Bluewater	Asbestos Awareness Training	Bluewater Energy Services	Certification	1
Bluewater	Authorized gas detection control substances Hazardous to Health (COSHH)	Bluewater Energy services	Certification	1
Bluewater	Awareness Control of Substance hazardous to health (COSHH)	Sypol Limited	Certification	12
Bluewater	Assessor Control of Substances	Sypol Limited	Certification as a COSHH assessor	1

	Hazardous to Health (COSHH) Appreciation and Assessor			
Bluewater	Training	Sypol Ltd	Certification	7
Bluewater	Crude separation	Bluewater Energy services dangerous Goods managements	Certification	1
Bluewater	Dangerous goods by air	Bluewater Energy services	Certification	1
Bluewater	Environmental Awareness	Bluewater Energy services		1
Bluewater	Helicopter Refueling	GAP MHS		16
Bluewater	Lab training	Bluewater Energy services		3
Bluewater	Manual handling	Bluewater Energy services		1
Bluewater	Mechanical Isolating Authority	Bluewater Energy services		1
Bluewater	NORM/LSA radiation awareness	Bluewater Energy services		5
Bluewater	Permit to work	Bluewater Energy services		1
Bluewater	Petroleum gas compression	Bluewater Energy services		2
Bluewater	Produced water treatment	Bluewater Energy services		1
Bluewater	Safety representative training	Petrofac Training and Capita		1
Bluewater	Small bore tubing and fitting	Swagelok Western Australia		3

Bluewater	Task Risk Assessment	Bluewater Energy Services		10
Bluewater	FROG appreciation			6
Schlumberger	Internship at Schlumberger office in Perth	in-house education organized by Schlumberger	Both interns successfully completed the program	2
Schlumberger	On the job training	in-house education organized by Schlumberger at their training facility near Perth airport	The trainees received an understanding of drilling activities at the drilling Workshop.	2
Schlumberger	Oil field service training	Schlumberger in-house oilfield services school in Kuala Lumpur, Malaysia	This is the first course that all Schlumberger graduate recruits must complete, before proceeding with their training	1
Schlumberger	Engineering training	Schlumberger training school in Abu Dhabi	An intensive introduction to field engineering in the petroleum Sector. A pre-requisite for the rest of the Schlumberger Graduate program.	1
DOF	Short engineering course	Navitas Workforce Solutions	Participants of this program will complete a 6 week work readiness program followed by a 12 week internship placement	1

			<p>in</p> <p>Their engineering field. It provides graduates with a good understanding of the engineering job market in Australia and how to prepare for the next step in their International career.</p>	
Tidewater	Pre-vocational offshore orientation course	Choice Solution, Dili	Prepares graduates for a Seafaring career. Also included Intensive English training.	16
Tidewater	One day Induction Workshop	Tidewater, Hotel Timor	Meet and greet Tidewater staff, overview of the company, overview of the offshore industry, assessment of suitable candidates for the ALAM training	17
Tidewater	Able Seaman Deck Course	Alam School, Malaysia	All graduates of the course will obtain the able seamen deck qualification and will commence working fulltime in with the Tidewater fleet based out of Singapore. Able Seaman Deck course meets the standards of competence specified in section	8

			<p>A-II/4 of the STCW95 Code and fulfils the partial requirements for the certification of ratings forming part of a navigational watch as contained in Regulation II/4.</p> <p>Upon further experienced gained selected candidates will be given the opportunity to become Deck Officers/ IRs, Engineering Officers, Chief Engineer or Ships Master.</p>	
Second tier Contract				
Champion	<p>Hands-on training in: oil in water</p> <p>analysis, basic oilfield maths and</p> <p>production sampling)</p>			
ESS	<p>Environmental Incident Reporting</p> <p>Equal Employment Opportunities</p> <p>Safety Sam - Hazard Identification</p> <p>Fatigue Management</p> <p>Allergens Training</p> <p>Chemical Training</p> <p>Cleaning and Sanitation</p>		<p>In-depth knowledge of international service, hygiene and food standards</p>	16

	Cooling of Cooked Foods			
	Dishwasher Monitoring			
	Environmental Training			
	Food 2 hour 4 hour rule			
	Food contamination			
	Essentials of Food Hygiene			
	Food Safety Program			
	Incoming Goods			
	Pest Control			
	Temperature			
	Onshore Safety training - HSE			
MHS	Pilot training			6
	Safety Management			14
	Engineering hand			6
	English			15
SDV	Pre-vocational offshore orientation	Alam School, Malaysia		12
	English Seamen Training			1
	Engineering officer training			1
	Deck officer Training			1

Table 6: companies had been prequalified by ENI JPDA

- Caltech	- Timor Post
- Ensul	- Timor Telecom
- Everise Warehousing And Transportation, Lda	- Eiros Entrepreneur Institute
- Lorosae Computer Services	- Timor Power Supply
- SVSC (Tiger Fuel)	- Timor Aid
- SDV Logistics Timor-Leste	- Vila Verde Bali Home Style
- Pertamina	- Paladin
- Maubere Security	- Hotel Timor
- Gardamor Security	- LoroSae Computer Services
- High Risk Security Group	- Specialised Vehicle Service Center Dili
- National Insurance Timor-Leste, S.A.	- Island Dreams
- Enarco I Unipessoal Lda	- Anteater Employment
- Valsa Producoes	- E Silva Motors
- Nedi'ak Production, Lda	- Hotel Timor
- CRA Timor-Leste	- Khayla Restaurante and other Dili restaurants
- Konnekto Unipessoal Lda	- Universidade Nacional Timor Lorosae T/A
- Roustabout	- Officemax
- ETDA Training Centre	- Eni Australia Limited
- Lorosae English Language Institute	- Discovery Inn
- Rocky Construction Pty Ltd	- Worley Parsons Timor-Leste
- Dynamic Recruitment, Unipessoal Lda	- Associação Comunidade Para o Desenvolvementu
- Toll	- MHS Aviation Berhard
- Hotel Esplanade	- Liberdade
- Super Xerox	- Elite Computers
- Landmark	- Various local Market stalls
- Terra Santa Marine	- Terra Santa Residence
- Castaway bar	- APAC Security
- Suara Timor Lorosae	-

Table 7: List of Existing Downstream Operators in Timor-Leste

LIST OF EXISTING DOWNSTREAM OPERATORS IN TIMOR-LESTE				
No.	District	Activities	Volume	Description
1	Dili	Marketing	26	Fuel Filling Station
		Storage	2	Fuel Storage and LPG Tanks
		Jetty	2	Pantai kelapa and Tibar
		Trading	5	Pertamina, ETO, Mega Fuel, Arjumar, and TOLL
		LPG	2	Pertamina and Timor Gas
2	Ermera	Marketing	2	Fuel Filling Station
3	Liquica	Marketing	2	Fuel Filling Station
4	Bobonaro	Marketing	0	Fuel Filling Station
5	Aileu	Marketing	2	Fuel Filling Station
6	Ainaro	Marketing	5	Fuel Filling Station
7	Covalima	Marketing	1	Fuel Filling Station
8	Manufahi	Marketing	1	Fuel Filling Station
9	Manatuto	Marketing	2	Fuel Filling Station
10	Baucau	Marketing	6	Fuel Filling Station
11	Viqueque	Marketing	2	Fuel Filling Station
12	Lautem	Marketing	8	Fuel Filling Station
13	Oe-cusse	N/A		

