



AUTORIDADE NACIONAL DO PETRÓLEO E MINERAIS TIMOR-LESTE

Timor-Leste Onshore Production Sharing Contracts Signing

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Media Release



On Friday, April 7th 2017, ANPM has awarded the onshore Production Sharing Contracts (PSC) TL-OT-17-08 and TL-OT-17-09 to TIMOR GAP Onshore Block, Unipessoal, Lda (a subsidiary of TIMOR GAP, E.P.) and to TIMOR RESOURCES PTY LTD, through the signing ceremony of the two PSCs held at Novo Turismo Hotel.

Considering the importance of petroleum resources for the National Strategic Development, there is a need to increase oil exploration activities in the Territory of Timor-Leste.

In December 2015, Government approved the Resolution No. 44/2015 of 22nd December, which authorised the participation of TIMOR-GAP, E.P in the Production Sharing Contracts both in onshore and offshore of the Territory of Timor-Leste. This includes the latest Government Resolution No. 39/2016 of 23rd November, on block subdivision for onshore, and Dispatch No. 09 / GMPRM / XI / 2016, on direct award of petroleum contracts by means of direct negotiation, in certain onshore blocks in South-West Timor-Leste.

The Law 13/2005 of 2nd September on Petroleum Activities Law and Decree-Law No. 6/2015 of 11th March confer on the Ministry of Petroleum and Mineral Resources powers to authorize oil and gas companies to undertake studies, explore and develop the existing petroleum resources in the Territory of Timor-Leste, in order to generate maximum benefit to the country and its people.

Acting pursuant to the Petroleum Activities Law, the Ministry herewith awards these petroleum contracts by means of direct negotiation based on public interest to TIMOR GAP, incorporated and organized under the existing laws of the Democratic Republic of Timor-Leste, and TIMOR RESOURCES PTY LTD, a company incorporated in Australia, and both parties are collectively referred to as "Contractor" for the Production Sharing Contracts (PSC's) TL-OT-17-08, which covers Covalima and Bobonaro Municipalities, and TL-OT-17-09, which covers Manufahi and Ainaro Municipalities.

The minimum work commitments for each of the PSCs are outlined in the table below:

Contract Years	Minimum Exploration Work Requirements	
	PSC TL-OT-17-08	PSC TL-OT-17-09
First Period		
1	Technical Studies, Geology and Geophysical studies, Environmental Impact Assessment (EIA), Environmental Management Plan and	Technical Studies, Geology and Geophysical studies, Environmental Impact Assessment (EIA), Environmental Management Plan and
2	Seismic Survey planning Acquisition, Processing and Interpretation of 100 kilometers 2D Seismic Survey	Seismic Survey planning Acquisition, Processing and Interpretation of 100 kilometers 2D Seismic Survey
3	Well commitment to the Minimum depth of 2000 meters and Well sample evaluation studies	Well commitment to the Minimum depth of 2000 meters and Well sample evaluation studies
Second Period		
4	Post Well evaluation; Geology and Geophysical studies	Post Well evaluation; Geology and Geophysical studies
5	Well Sample Evaluation and drill Exploration Well (cumulative to the Minimum depth of 2000 meters)	Well Sample Evaluation and drill Exploration Well (cumulative to the Minimum depth of 2000 meters)
Third Period		
6	Post Well evaluation; Geology and Geophysical studies. Optional to drill Exploration or Appraisal Well or Wells (Cumulative to the Minimum depth of 2000 meters)	Post Well evaluation; Geology and Geophysical studies. Optional to drill Exploration or Appraisal Well or Wells (Cumulative to the Minimum depth of 2000 meters)
7	Post Well technical studies. Drill any one of: recomplete existing well, stimulate existing well OR drill one side track OR drill one exploration Well	Post Well technical studies. Drill any one of: recomplete existing well, stimulate existing well OR drill one side track OR drill one exploration Well

The participation of the TIMOR GAP and its partners will promote capacity building for Timorese nationals and transfer of knowledge and technology on the petroleum industry and enable a greater participation of Timor-Leste nationals in the petroleum industry in the country.