

PRODUCTION SHARING CONTRACT SIGNING FOR CONTRACT AREA TL-SO-19-16

ANPM Timor-Leste Media Release



Today, November 8, 2019, the Autoridade Nacional do Petróleo e Minerais (“ANPM”) on behalf of the Ministry of Petroleum and Minerals, representing the State of the Democratic Republic of Timor-Leste, signed a Production Sharing Contract (PSC) TL-SO- 19-16 with SundaGas Banda Unipessoal, Lda. (“SundaGas”) and TIMOR GAP Chuditch Unipessoal, Lda. (“TIMOR GAP”).

This PSC is granted pursuant to Article 13(2) (ii), (b) and (c) of the Petroleum Activities Law No. 1/2019 of 18 January, first amendment to the Law No.13/2005, of 2 September 2005. Minister of Petroleum and Minerals approved the award, **Production Sharing Contract TL-SO-19-16 (PSC TL-SO-19-16)**, through direct negotiation, of the concession containing the Chuditch gas discovery, to the Contractor Group composed of SundaGas, as Operator and a 75% (seventy-five per cent) participative interest; and TIMOR GAP., with a 25% (twenty-five per cent) participative interest.

The **PSC TL-SO-19-16** is situated in the south of the former Joint Petroleum Development Area (JPDA) with total Contract Area approximately 3571.49 square kilometres. SundaGas and TIMOR GAP are committed to carry out Exploration Work Program for a seven-year Exploration Period.

The Minimum Exploration Work Requirements in the initial period (Years 1-3) include the seismic reprocessing (Pre-Stack Depth Migration) of 800 km² of 3D seismic data and 2000 line kilometres of 2D seismic data, and review of hydrocarbon potential of the entire contract area (geological and geophysical studies), and drilling of one (1) appraisal well if the result of the seismic reprocessing supports the presence of a significant structure associated with the Chuditch discovery. The second period (Years 4 and 5) includes Post-Well evaluation study and drilling of one (1) exploration well, and development scenario planning for Chuditch discovery. The third period (Years 6 and 7) includes geological and geophysical studies, development scenario planning, and drilling of two (2) exploration or appraisal wells.

Dr. Andy Butler, SundaGas CEO, commented: “We are delighted to sign the Chuditch PSC today with ANPM and with the help and support of our partner, TIMOR GAP. Our first priorities are to refine our understanding of the significant Chuditch gas resource and identify the optimal location for the first appraisal well. We will do this in parallel with the maturation of additional prospects to put together a drill-ready exploration portfolio. This is a very important milestone for SundaGas, and we look forward to progressing technically and commercially to ensure the timely development of the discovered and undiscovered resources for the benefit of TimorLeste.”

Francisco Monteiro, President & CEO of TIMOR GAP, E.P., commented: “As National Oil Company of Timor-Leste, TIMOR GAP is pleased to sign this PSC with our Joint Venture partner and ANPM, on an area which was part of the JPDA, and now exclusively part of Timor-Leste jurisdiction. We look forward to working closely with our SundaGas partner, ANPM and the Government of Timor-Leste to explore the area, which has important gas discoveries already, such as the Chuditch gas discovery.”

The ANPM President Gualdino da Silva stated that, on behalf of the Ministry of Petroleum and Minerals, is looking forward to working with SundaGas and TIMOR GAP for delivery of the work commitment under the PSC TL-SO-19-16 in a safe and timely manner. ANPM is committed to continuously working with oil and gas companies, and all the relevant stakeholders, to creating more opportunities to the oil and gas investor to conduct petroleum activities in Timor-Leste”.