



China Enlisted for Stranded Gas Venture Ditched by Global Majors

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From [Bloomberg](#)

Timor-Leste, the tiny nation between Australia and Indonesia, has enrolled China's help to push forward a natural gas export project that's been abandoned by global oil majors as too challenging.

The nation has recently signed an engineering and construction agreement with a state-backed Chinese firm and is targeting a final investment decision on the liquefied natural gas export facility, known as TLNG, as soon as late next year, Timor GAP, the government-owned energy company, said in an emailed response to questions Wednesday. It expects first production in late 2025.

The development comes about six months after [Royal Dutch Shell Plc](#) and [ConocoPhillips](#) sold out of the project, originally known as Sunrise LNG, named for the offshore gas field between Australia and Timor-Leste that would feed the venture.

The development has been stalled over the government's insistence on building the liquefaction and export facilities onshore to boost the local economy, rather than in neighboring Australia or aboard a floating platform. Building the project in Timor-Leste requires a pipeline across the undersea Timor Trough, a plan seen by Shell and Conoco, as well as operator [Woodside Petroleum Ltd.](#), as needlessly difficult and expensive.

Split Project

To overcome the pipeline disagreement, the remaining partners are now charting a way forward that would see the upstream gas resources developed separately from the downstream component, which includes the pipeline, as well as onshore marine facilities and the liquefaction plant.

Even with China's help, Timor-Leste's timeline for bringing gas to market appears ambitious. Woodside, which has a 33% stake in the project, lists Greater Sunrise in its "Horizon 3" pipeline, meaning production is not expected before 2027 at the earliest. Japan's [Osaka Gas Co Ltd.](#) holds the remaining 10% interest.

Woodside said in an email Wednesday that a maritime boundary [treaty](#) agreed between Australia and Timor-Leste last year "provides a pathway to development" for the Greater Sunrise field, but progress still depends on the Australian parliament ratifying the treaty. Other arrangements including a production sharing contract and an agreed fiscal regime also need to be finalized before the project can move forward.

Timor GAP last month signed a \$943 million construction [contract](#) with China Civil Engineering Construction Corp., a unit of [China Railway Construction Corp.](#), to build facilities at the port of Beaco to support an LNG plant. The Timorese company is now focused on confirming partners and securing financing for the project, it said Wednesday.