

Offshore Energy Today, 4 October 2019

Timor-Leste launches 2nd oil and gas licensing round

The Government of Timor-Leste has launched an international licensing round for oil and gas exploration in the country, in the wake of a recent maritime border treaty with Australia entering force on August 30.

The licensing round was launched Thursday at the first edition of Timor-Leste Oil & Gas Summit by Prime Minister Taur Matan Ruak.

"We are convinced that, in a few years from now, this day will be remembered as a day of determination and responsibility, on which paths to Timor-Leste have been traced, in order to achieve its well-deserved acknowledgment as an important player of the international oil & gas industry," the Prime Minister said.

This is the second licensing round organized in the country. The first round took place in 2005/2006.

The prime minister said the government had approved the allocation of eighteen new blocks to petroleum activities.

"Seven of those blocks are located onshore and eleven are located offshore, in the exclusive zone of Timor-Leste. Public tendering procedures will soon be launched and conducted by our National Authority for Petroleum and Minerals and IN-VR, as the regulator for the petroleum sector," he said Thursday.

The prime minister said: "This is a long-awaited licensing round, after more than a decade when Timor Leste conducted its first Licensing round, in 2005/2006, so I invite you all to participate and join Timor-Leste in the construction of a brighter future for its people."

Kay Rala Xanana Gusmao, The special representative of the Timorese government for the petroleum sector, and the Chief Negotiator for maritime boundaries said: "This Round will provide excellent opportunities to invest in the oil and gas potential of Timor-Leste and to work together with us to develop our country."

Agreement with Australia

As reported in August, Timor-Leste and Australia have officially resolved their disputes over maritime borders in the Timor Sea, setting the pathway for the development of the Greater Sunrise offshore gas and condensate fields, and for Carnarvon's Buffalo offshore oil field.

The two countries put into force the previously agreed to Maritime Boundary Treaty ending the longstanding maritime border dispute and establishing permanent maritime boundaries between the two nations.

Following the agreement, oil and gas fields previously shared between Australia and Timor-Leste in the Joint Petroleum Development Area transitioned to Timor-Leste's exclusive jurisdiction, the Buffalo field transferred from Australian exclusive jurisdiction to Timor-Leste's exclusive jurisdiction. As for the biggest field – the Greater Sunrise – will be jointly developed by the two countries, and revenue will be shared, based on the development concept.

As previously reported, the border dispute and the Sunrise development concept disagreements have already seen [Shell](#) and [ConocoPhillips](#) leave the giant Greater Sunrise assets through the sale of their respective stakes to the Timor-Leste Government.

The Greater Sunrise fields, comprised of the Sunrise and Troubadour gas and condensate fields, are located some 150 kilometers south-east of Timor-Leste and 450 kilometers north-west of Darwin, Northern Territory. The offshore gas fields were discovered in 1974 and hold gross (100%) contingent resources (2C) of 5.13 Tcf of gas and 225.9 million barrels of condensate. Woodside is the operator of the project.

According to the terms of the treaty signed between the two nations in March 2018, there are two options for the revenue split from the yet to be sanctioned Greater Sunrise fields.

In case the Greater Sunrise fields are developed using a pipeline to an LNG processing plant in Timor-Leste, Australia will get 30 per cent, with 70 per cent to Timor-Leste. In case the fields are developed by means of a pipeline to an LNG processing plant in Australia, the ration for Australia will be of 20 per cent, and 80 per cent to Timor-Leste.