

Tetum and Portuguese versions on following pages.
Energy Voice article on page 7-8.



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NEWS UPDATE ON GREATER SUNRISE

2 December 2022

The Greater Sunrise gas field is 150 kilometres south of Timor-Leste and was discovered by Woodside in 1974.

Greater Sunrise is the largest known deposit of hydrocarbons in the Timor Sea and 70% of this important resource lies within Timor-Leste's territorial waters.

With nearly 50 years now having passed, the people of Timor-Leste have waited too long for this crucial asset to be developed.

Timor-Leste's future prosperity, energy security, and economic independence is intrinsically tied to development of Greater Sunrise and bringing the gas to Timor-Leste's southern coast. It is a technically and commercially viable option - supported by independent technical studies produced by world-class engineering firms and paid by TIMOR GAP because the Operator wasn't conducting these studies.

Very recently, with pressure from TIMOR GAP to accept the results of these world-class studies, Woodside proposed that new studies be conducted. However, as the Operator, Woodside has had more than enough time and opportunity to update old studies, undertake new studies, propose options, seek agreement from stakeholders, and prepare detailed plans for this project.

TIMOR GAP realises that Woodside has many other competing projects, but Greater Sunrise is Timor-Leste's only potential income producing project ready to develop. Timor-Leste cannot afford any further unnecessary delays or be constrained by the actions or inactions of the Operator and minority shareholder.

For the gas, after cost-recovery and before taxes, Woodside's share is 16.7%, Osaka Gas is 5%, Australia is 15% and Timor-Leste/TIMOR GAP is 63.3%. We believe that it is unreasonable for a small shareholder to hold the major shareholder hostage to the small shareholder's priorities and operational preferences. For Woodside, this is just another project. For the people of Timor-Leste, Greater Sunrise is an economic imperative that is desperately needed to provide revenue, education, jobs, infrastructure development, and energy security. Therefore, bringing Greater Sunrise gas to Timor-Leste's southern coast remains the only acceptable option for TIMOR GAP and the Timor-Leste government.

On **Wednesday, November 23, 2022**, TIMOR GAP's management team initiated a vote of the Greater Sunrise Joint Venture ("SJV") partners on its proposal to include a special provision in the new (under the Maritime Boundary Treaty) Production Sharing Contract ("PSC"). This provision commits the SJV, Australia and Timor-Leste to agreeing that the gas from the Greater Sunrise fields will be piped to, and processed onshore, Timor-Leste.



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Woodside and Osaka Gas voted NO. They claim they want more studies. TIMOR GAP believes this is a classic example of a corporate bully holding a poor, developing country to ransom just to engorge their balance sheet.

Woodside should respect Timor-Leste's sovereignty. The time for inaction, more new studies, and excuses has ended. The technology and skills are readily available to safely build a much-needed, world-class, carbon-neutral, natural gas project in the Timor Sea and onshore Timor-Leste. In a Woodside Press Conference, on **Thursday, December 1, 2022**, the CEO acknowledged that TIMOR GAP's studies confirmed the technical viability. She worried that the commerciality of a Timor-Leste-based project had been Woodside's primary concern but the use of modular LNG plants might improve that assessment. TIMOR GAP has already been considering these modular designs. Furthermore, the States of Timor-Leste and Australia share 50% of the net production after cost recovery, with 70% of that production share going to Timor-Leste. When the value to the host nation is included, the commerciality model is compelling.

TIMOR GAP will continue to push for immediate action, cooperating with the States (Timor-Leste and Australia) joint efforts to complete the legal and fiscal regimes so that the new Production Sharing Contract can be signed in early 2023.

Read relevant article on: <https://www.reuters.com/article/idUSL4N32R1DA>



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ATUALIZASAUN NOTISIA RELASIONA HO GREATER SUNRISE

2 Dezembru 2022

Kampu gás Greater Sunrise ne'e dook kilómetru 150 iha parte súl Timor-Leste no Woodside deskobre iha 1974.

Greater Sunrise mak depóritu hidrokarbonu ne'ebé boot liu iha Tasi Timor no 70% husi rekursu importante ne'e lokaliza iha tasi teritoriu Timor-Leste nian.

Kuaze tinan 50 liu tiha ona, povu Timor-Leste hein kleur ona atu dezenvolve rikusoin importante ne'e.

Timor-Leste nia prosperidade, seguransa enerjética no independénsia ekonómika iha futuru liga metin ba dezenvolvimentu Greater Sunrise no lori gás ba kosta súl Timor-Leste nian. Opsaun ida ne'ebé maka tékniku no komersialmente viavel – ne'ebé iha suporta husi estudu tékniku independente sira ne'ebé prodús husi empreza enjeñaria klase mundiál sira no selu husi TIMOR GAP tanba Operador la halo estudu hirak nee.

Foin lalais nee, ho presoun husi TIMOR GAP atu simu rezultadu husi estudu klase mundiál sira ne'e, Woodside propoin katak sei halo estudu foun sira. Maibe, nu'udar Operador, Woodside iha ona tempu no oportunidade barak liu atu atualiza estudu sira ne'ebé tuan, halo estudu foun, propoin opsaun sira, buka akordu husi parte interesada sira, no prepara planu detalladu ba projetu ne'e.

TIMOR GAP rekoñese katak Woodside iha projetu kompetitivu sira seluk, maibé Greater Sunrise mak Timor-Leste nia projetu úniku ho potenciál atu produz reseita ne'ebé pruntu atu dezenvolve. Timor-Leste labele atu iha tan adiamentu la nesesariu ruma ka hetan limitasaun husi asaun ka laiha-asaun husi Operador no asionista/asaun na'in minoria.

Ba gás, hafoin rekuperasaun kustu no molok impostu, Woodside nia partisipasaun mak 16.7%, Osaka Gas mak 5%, Australia mak 15% no Timor-Leste/TIMOR GAP mak 63.3%. Ami fiar katak la razoavel ba aksaun-na'in ki'ik ida atu kaer metin fali aksaun-na'in boot ida ba prioridade no preferénsia operasionál husi aksaun-na'in ki'ik sira nian. Ba Woodside, ida ne'e hanesan projetu seluk ida tan deit. Ba povu Timor-Leste, Greater Sunrise nu'udar imperativu ekonómiku ida ne'ebé nesesáriu tebes atu fornese reseita, edukasaun, empregu, dezenvolvimentu infraestrutur, no seguransa enerjética. Tanba ne'e, lori gás Greater Sunrise ba kosta súl Timor-Leste nian sei sai nafatin opsaun úniku ne'ebé aseitavel ba TIMOR GAP no Governu Timor-Leste.

Iha **Kuarta-feira, 23 Novembru 2022**, ekipa jestaun TIMOR GAP nian inisia ona votasaun husi parseiru Greater Sunrise Joint Venture ("SJV") kona-ba ninia proposta atu inklui provizaun espesiál ida iha Kontratu Fahe Produsaun ("PSC") ne'ebé foun (iha Tratadu Fronteira Maritima). Provizaun ida ne'e kompromete ba SJV, Australia no Timor-Leste atu konkorda katak gás husi kampu Greater Sunrise sei lori ba, no prosesa iha rai maran, Timor-Leste.



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Woodside no Osaka Gas vota LAE (NO). Sira deklara katak sira hakarak estudu tan. TIMOR GAP fiar katak ida ne'e hanesan ezemplu klasiku ida kona-ba *corporate bully* ida ne'ebé kaer nasaun kiak no dezenvolvimentu ida hodi halo ransom atu aumenta sira nia karta balansu (Sigla ingles: balance sheet).

Woodside tenke respeita soberania Timor-Leste nian. Tempu ba laiha-asaun, estudu foun barak liu tan, no razoens sira, remata ona. Iha teknolojia no abilidade sira atu harii ho seguru projetu gás natural, ne'ebé maka persiza tebes, klase mundiál no karbon-neutral, iha Tasi Timor no Timor-Leste rai maran. Iha Woodside nia Konferensia Imprensa, iha **Kinta-feira, 1 Dezembru 2022**, ninia CEO rekoñese katak estudu TIMOR GAP nian konfirma viabilidade téknika. Nia preokupa katak komersializasaun ba projetu ida ne'ebé bazeia iha Timor-Leste ne'e sai hanesan Woodside nia preokupasaun prinsipál maibé uza planta GNL modular bele hadi'a avaliaun nee. TIMOR GAP konsidera tiha ona dezeñu modulár sira ne'e. Liutan nee, Estadu Timor-Leste no Australia partisipa 50% husi produsaun net depois rekuperasaun kustu, ho 70% husi produsaun ne'e ba Timor-Leste. Bainhira valór ba nasaun uma-na'in ne'e inklui ona, modelu komersializasaun ne'e forte liu.

TIMOR GAP sei kontinua dudu ba asaun imediata, koopera ho Estadu sira (Timor-Leste no Australia) esforsu konjuntu hodi kompleta rejime legál no fiskál sira, atu nune'e Kontratu Fahe Produsaun foun bele asina iha inísiu 2023.

Leé artigu relevante iha: <https://www.reuters.com/article/idUSL4N32R1DA>



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ATUALIZAÇÃO SOBRE O GREATER SUNRISE

2 de Dezembro de 2022

O campo de gás do Greater Sunrise localiza-se a aproximadamente 150 km a sul de Timor-Leste, tendo sido descoberto pela Woodside em 1974.

O Greater Sunrise é o maior depósito conhecido de hidrocarbonetos no Mar de Timor e 70% deste importante recurso encontra-se nas águas territoriais de Timor-Leste.

Volvidos quase 50 anos, o povo de Timor-Leste já aguardou demasiado tempo pelo desenvolvimento deste ativo crucial.

A futura prosperidade, segurança energética e independência económica de Timor-Leste está intrinsecamente vinculada ao desenvolvimento do Greater Sunrise e em trazer o gás para a costa sul do país. É uma opção técnica e comercialmente viável – apoiada por estudos técnicos independentes elaborados por empresas de engenharia de renome internacional e custeados pela TIMOR GAP, uma vez que a Operadora não procedeu à realização destes estudos.

Recentemente, pressionados pela TIMOR GAP para aceitar os resultados destes estudos de nível internacional, a Woodside propôs a realização de novos estudos. Contudo, na qualidade de Operadora, a Woodside dispôs de tempo e oportunidades suficientes para atualizar os estudos antigos, executar novos estudos, propor opções, obter o acordo dos *stakeholders* e preparar planos detalhados para este projeto.

A TIMOR GAP entende que a Woodside detém vários outros projetos similares, mas o Greater Sunrise é o único projeto de Timor-Leste com potencial gerador de rendimentos, pronto a ser desenvolvido. Timor-Leste não pode permitir mais atrasos desnecessários ou ser condicionado pelas ações ou passividade da Operadora e do acionista minoritário.

No que respeita ao gás, após a recuperação de custos e antes de impostos, o interesse participativo da Woodside é de 16.7%, a Osaka Gas detém um interesse participativo de 5%, a Austrália de 15% e Timor-Leste/TIMOR GAP de 63.3%. Acreditamos que é inaceitável que o acionista com uma participação minoritária mantenha o acionista maioritário refém das suas prioridades e preferências operacionais. Para a Woodside, este é apenas mais um projeto. Para o povo de Timor-Leste, o Greater Sunrise é um imperativo económico desesperadamente necessário à obtenção de receitas, educação, emprego, desenvolvimento de infraestruturas e segurança energética. Portanto, trazer o gás do Greater Sunrise para a costa sul de Timor-Leste continua a ser a única opção aceitável para a TIMOR GAP e o Governo de Timor-Leste.

Na **quarta-feira, dia 23 de novembro de 2022**, a equipa da administração da TIMOR GAP deu início à votação dos parceiros do *Greater Sunrise Joint Venture* sobre a proposta para incluir uma disposição especial no novo (sob o Tratado das Fronteiras Marítimas) Contrato de Partilha de Produção. Esta



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disposição determina que os parceiros do *Greater Sunrise Joint Venture*, a Austrália e Timor-Leste acordem que o gás proveniente dos campos do Greater Sunrise seja transportado e processado no *onshore* de Timor-Leste.

A Woodside e a Osaka Gas votaram NÃO. Alegam que é necessário realizar mais estudos. A TIMOR GAP acredita que este é um clássico exemplo de intimidação empresarial sobre um país pobre e em desenvolvimento ao mantê-lo refém, apenas para aumentar o balanço das suas empresas.

A Woodside deveria respeitar a soberania de Timor-Leste. O tempo de inação, mais estudos e desculpas terminou. A tecnologia e as competências estão prontamente disponíveis para construir em segurança no Mar de Timor e no *onshore* de Timor-Leste, o tão necessário projeto de gás natural em conformidade com os padrões internacionais e neutro em termos de emissões de carbono. Na Conferência de Imprensa da Woodside, decorrida na **quinta-feira, 1 de dezembro de 2022**, a CEO reconheceu que os estudos da TIMOR GAP confirmam a viabilidade técnica do projeto. Receia que o carácter comercial de um projeto baseado em Timor-Leste tivesse sido a principal preocupação da Woodside, mas o uso de instalações modulares de Gás Natural Liquefeito poderá contribuir para melhorar essa avaliação. A TIMOR GAP já considerou estes *designs* modulares. Ademais, os Estados de Timor-Leste e a Austrália partilham 50% da produção líquida após a recuperação dos custos, sendo 70% dessa quota de produção destinada a Timor-Leste. Quando o valor para a nação anfitriã é incluído, o modelo comercial é convincente.

A TIMOR GAP irá continuar a exigir progressos imediatos, cooperando com os Estados (Timor-Leste e Austrália) num esforço conjunto para completar os regimes fiscais e jurídicos que permitirão a celebração do novo Contrato de Partilha de Produção em inícios de 2023.

Ler artigo relevante em: <https://www.reuters.com/article/idUSL4N32R1DA>

East Timor's NOC calls Woodside 'corporate bully' in latest Sunrise LNG spat

By *Damon Evans in Energy Voice* 4 December 2022

East Timor's national oil company (NOC) Timor GAP has branded Woodside Energy (ASX:[WDS](#)) a "corporate bully" after the Australian LNG developer refused to agree to a production-sharing contract (PSC) that would commit gas from Greater Sunrise to be processed onshore East Timor.

On 23 November, Timor GAP's management team initiated a vote of the Greater Sunrise Joint Venture (SJV) partners on its proposal to include a special provision in the new PSC, which needs to be signed before any development of Greater Sunrise can progress.

"This provision commits the SJV, Australia and Timor Leste to agreeing that the gas from the Greater Sunrise fields will be piped to, and processed onshore, Timor Leste. Woodside and Osaka Gas voted NO. They claim they want more studies. Timor GAP believes this is a classic example of a corporate bully holding a poor, developing country to ransom just to engage their balance sheet," Timor GAP said in a statement, on 2 December, posted on LinkedIn.

Timor GAP, which holds a 56.56% share in Greater Sunrise, added that "it is unreasonable for a small shareholder to hold the major shareholder hostage to the small shareholder's priorities and operational preferences."

Woodside has a 33.44% stake in Greater Sunrise and Japan's Osaka Gas holds the balance of 10%. About 70% of Greater Sunrise – consisting of the Sunrise and Troubadour fields – lies in East Timor's seabed following a 2018 maritime boundary deal with Australia.

"Timor GAP realises that Woodside has many other competing projects, but Greater Sunrise is Timor Leste's only potential income producing project ready to develop. East Timor, also known as Timor Leste, "cannot afford any further unnecessary delays or be constrained by the actions or inactions of the operator and minority shareholder," added Timor GAP.

"For the gas, after cost-recovery and before taxes, Woodside's share is 16.7%, Osaka Gas is 5%, Australia is 15% and Timor-Leste/Timor GAP is 63.3%," noted the NOC.

"For Woodside, this is just another project. For the people of Timor Leste, Greater Sunrise is an economic imperative that is desperately needed to provide revenue, education, jobs, infrastructure development, and energy security. Therefore, bringing Greater Sunrise gas to Timor Leste's southern coast remains the only acceptable option for Timor GAP and the Timor Leste government," added Timor GAP.

"Timor Leste's future prosperity, energy security, and economic independence is intrinsically tied to development of Greater Sunrise and bringing the gas to Timor Leste's southern coast. It is a technically and commercially viable option – supported by independent technical studies produced by world-class engineering firms and paid by Timor GAP because the operator wasn't conducting these studies," said the NOC.

"Very recently, with pressure from Timor GAP to accept the results of these world-class studies, Woodside proposed that new studies be conducted. However, as the operator, Woodside has had more than enough time and opportunity to update old studies, undertake new studies, propose options, seek agreement from stakeholders, and prepare detailed plans for this project," continued the NOC.

"Woodside should respect Timor Leste's sovereignty. The time for inaction, more new studies, and excuses has ended. The technology and skills are readily available to safely build a much-needed, world-class, carbon-neutral, natural gas project in the Timor Sea and onshore Timor Leste. In a Woodside Press Conference, on Thursday, December 1, 2022, the CEO acknowledged that Timor GAP's studies confirmed the technical viability," claimed Timor GAP.

"She (Meg O'Neill, CEO of Woodside) worried that the commerciality of a Timor Leste-based project had been Woodside's primary concern, but the use of modular LNG plants might improve that assessment. Timor GAP has already been considering these modular designs. Furthermore, the States of Timor Leste and Australia share 50% of the net production after cost recovery, with 70% of that production share going to Timor Leste. When the value to the host nation is included, the commerciality model is compelling. Timor GAP will continue to push for immediate action, cooperating with the States (Timor Leste and Australia) joint efforts to complete the legal and fiscal regimes so that the new Production Sharing Contract (PSC) can be signed in early 2023," said Timor GAP.

Woodside had previously insisted that only onshore processing of Sunrise gas in Darwin, northern Australia, would be acceptable, highlighting commercial reasons and technical risks associated with a brand new development in East Timor.

However, at an investor briefing on 1 December, Meg O'Neill, who was appointed permanent CEO of Woodside in August 2021, [made a significant about-turn on the company's position towards Sunrise development](#).

She said Woodside now recognised the importance of an onshore development in East Timor for that country and therefore Woodside had reopened talks around potential development concepts for Sunrise in East Timor.



Woodside chief executive Meg O'Neill

At the investor briefing, Andy Drummond, head of exploration and development at Woodside, said that “the field has a couple of development options including sending the gas to Australia to leverage existing LNG plants or a greenfield LNG train in Timor Leste. Both have the opportunity to aid the communities in Timor Leste. The current focus is on agreeing the terms of the production sharing contract between the two countries and the joint venture and selecting the development concept.”

Laying pipelines from Sunrise to East Timor, across a deep-sea trough, also referred to as a trench, has always been a huge technical challenge to any development in the Southeast Asian nation.

But O'Neill said that “over the years we've looked at Sunrise many, many different times. We have done technical pipeline studies to understand the feasibility of going across the trench. Those studies have always indicated that with the right will, the right engineering, the right execution plan, that you can execute that scope of work.”

“The challenge has always been the economics. If you look at Darwin – so there are two LNG plants in Darwin. They both have port infrastructure. There's space at both of those locations to build additional trains. So the cost of LNG processing capabilities – you have a longer pipeline but you just have to build a train, not all of the associated greenfield equipment which would have to be built in Timor.”

“That said, there has been a lot of work in the industry over the past few years and you can look at some of the things that have been done in the Gulf of Mexico. For example, looking at modular construction, looking at different approaches. The Commonwealth LNG project that we've signed offtake agreements with, is one that's using a modular construction and very different designs,” she added.

“So the Timorese are very keen to have that development in country and we recognise it is an important national project for them, so we feel like it's appropriate to reopen the concept evaluation, understand the technologies, understand the technical challenges. Look, Timor-Leste has a lot of international friends. International friends may want to help with some of that infrastructure that doesn't exist today in Timor that would exist if we went to Darwin,” she said.

Indeed, O'Neill's predecessor Peter Coleman, previously said Woodside may invest in the project's upstream section only, leaving East Timor to finance the onshore export plant on its soil and pipelines. Woodside had indicated that it could first develop the field's large liquids resources, leaving the gas to be produced through an onshore LNG export facility at a later date.

Perhaps, O'Neill's talk of East Timor's “international friends” – which the country's leadership regular boasts about – could be a nod for these friends to finance the onshore infrastructure. On a visit to Australia in September, East Timor's President Jose Ramos-Horta urged Canberra to back the pipeline to East Timor and flagged that Indonesia, South Korea, Japan, and China could become potential investors in Greater Sunrise.

Canberra has stated it has no preference where the gas is processed – in Australia or East Timor. The gas and condensate field is relatively insignificant for resource-rich Australia.

Perhaps, now is the time for Timor GAP and President Horta to engage their “international friends” support for their proposed development of Sunrise.

Moreover, as several analysts have noted previously, Woodside would probably be more than happy to sell its share of Sunrise to Timor GAP. This would give almost total control of the field's development pathway to East Timor's NOC.