



MINISTÉRIO DO
PETRÓLEO
E RECURSOS MINERAIS

Gabinete do Ministro

REF: 119 /GMPRM/V/2016

Dili, 27 May 2016

Chair of EITI Board
Ruselokkveien 26
0251 Oslo
Norway

Re: Exemption Request in accordance to 2016 EITI Requirement 8.1

Dear Hon. Fredrik Reinfeldt

It has been identified by Timor – Leste’s multi-stakeholder working group, that full compliance with the 2016 EITI Standard will be difficult for Timor-Leste to achieve for the following reasons,

Considering the size of the extractive industry in the country, Timor Leste’s MSWG has discussed and agreed that the country will need an exemption from implementation of some parts of the 2016 EITI Standard, specifically in Requirements 3.2, 3.3 and 4.7.

- Requirements 3.2 and 3.3 – Due to the fact that the extractive industry in the country is only based on two producing fields (one field from late 2015) with different commodities generated from each field, it magnifies the issue of commercial sensitivity. In the case of Timor Leste, presenting production and export volumes / values by commodity will allow competitors to identify the specific sales values achieved for each commodity sold by each field. This becomes more sensitive when it is a gas commodity produced from one field in the country due to contractual based pricing.

As an alternative approach, the MSWG is proposing to present the production volume as barrels of oil equivalent (BOE) by field and provide links to the information that has been published or available in the National Petroleum and Minerals Authority (ANPM)’s website. Further, no value can be provided.

- Requirement 4.7 – The level of disaggregation of the revenue will impact the sensitivity of the data to be included in the report.

Thus, MSWG requests that Timor Leste is granted the flexibility to create a reporting template with consideration that either the revenue stream is consolidated or the company is consolidated. The MSWG guarantees that a detail discussion will be conducted to determine the best solution, which will continue to respect EITI Principles, as well as safe guard commercially sensitive data.

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It has been demonstrated throughout the years that Timor Leste has placed a great effort in ensuring its compliance with the EITI Standard. Each one of the EITI Reports produced by the country have shown zero discrepancy.

With Timor Leste's history of implementation of EITI, I would like to ensure that it is not in our intention to deviate from the EITI Standards, this request is one of our efforts to ensure a continuous cooperation between all pillars in the MSWG.

Thank you for your kind consideration.

Respectfully,



Alfredo Pires

Minister of Petroleum and Mineral Resources