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Your Excellency

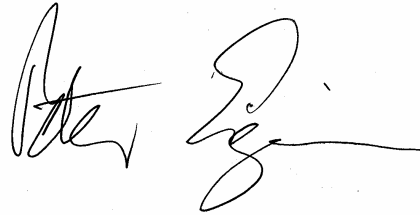
1. I am delighted to write to you to announce that, at its meeting on 22 February 2008, the Board of the Extractive Industries Transparency Initiative (EITI) agreed Timor-Leste as an EITI Candidate Country. Timor-Leste is one of 22 countries to move from signing-up to the initiative to undertaking its full implementation. Your country now has 2 years to become fully compliant with all of the EITI indicators.

2. The steps required to become a fully EITI Compliant Country are set out in the EITI Validation Guide (www.eitransparency.org): appointment of a credible, independent administrator; disclosure and dissemination of information on all the material revenues received by the Government from the oil, gas and mining sectors; and reconciliation of the company payments with the revenue - all with the full engagement of an established Multi-Stakeholder Group. These are only some highlights of the future process; the full list can be found in the EITI Validation Guide which your Government should consult for further details.

3. Once you consider that your country is fully compliant with all the EITI indicators, your Multi-Stakeholder Group will need to appoint an EITI approved Validator. Full guidance on how to do this will shortly be sent to your EITI coordinator. The EITI Board and International Secretariat, as well as other supporters including the World Bank, remain at your disposal to assist the process.

4. I believe that your Government's commitment to work with civil society and companies in frank and open ways has the real potential to change the management of natural resources. The Board believes, as I am sure that you do, that this commitment to transparency can have a major impact on the lives of poor people in your country and elsewhere. I wish you every success in your efforts.

Yours sincerely,



Peter Eigen
Chairman

His Excellency
Kayrala Xanana Gusmao
Prime Minister of the Democratic Republic of Timor-Leste
Dili
Democratic Republic of Timor-Leste

Cc:

His Excellency Fernando Lasama de Araujo,
Acting President of the Democratic Republic of Timor-Leste

His Excellency Alfredo Pires, Secretary of State

Director of the Timor Sea Office in the Office of the Prime Minister,
Mr. Manuel de Lemos