



EITI Timor-Leste 2022 Reconciliation Report





Message from Timor-Leste Multi Stakeholders Working Group

The Multi-Stakeholder Working Group (MSWG) is thrilled to announce the approval and publication of the 15th Timor-Leste EITI Reconciliation Report, covering the Fiscal Year 2022. This report marks a significant milestone as the first to be prepared under the new 2023 EITI Standard, introduced at the 9th Global Conference in Senegal in June 2023.

This report, produced by the Independent Administrator, Ernst & Young Audit & Associados - SROC, SA, adheres to the new 2023 EITI Standard. It also focuses on the validation report of Timor-Leste's implementation of the 2019 Standard as of April 2023 and incorporates its recommendations.

Key highlights of the 15th report include:

- **Detailed Data Disclosure:** Information is presented with greater granularity, disaggregated by reporting entities, revenue types, and project levels.
- **Broadened Reporting Scope:** The report incorporates data on mining licenses, anti-corruption efforts, environmental impacts, climate change, and energy transition assessments for the extractive industries.
- **Beneficial Ownership Transparency:** Details of contractors' beneficial ownership for 2021 and 2022 are included.
- **Strengthened Stakeholder Participation:** The MSWG welcomed new members, including representatives from Autoridade Nacional dos Minerais, civil society organizations (CSOs), and female representatives, enhancing diversity and inclusivity.

This year's report includes contributions from 31 operators (including subsidiaries) and 16 subcontractors, as well as relevant government entities. The mining sector has also been highlighted with additional information, reflecting its growing importance.

The MSWG has worked diligently to address challenges identified in past reporting cycles and to meet EITI requirements comprehensively. This report represents a significant step forward in improving transparency, accountability, and sustainability in Timor-Leste's extractive industries.

With this milestone, the MSWG reaffirms its commitment to maintaining high standards of implementation and embraces the opportunities presented by the new 2023 EITI Standard.

Sincerely,

Industries

Government

Civil Society

TIMOR GAP E.P.



List of abbreviations

APT	Additional Profit Tax	LNG	Liquefied Natural Gas
ASM	Artisanal Small-Scale Mining	MoF	Ministry of Finance
ANM	Autoridade Nacional dos Minerais	MOU	Memorandum of Understanding
ANP	Autoridade Nacional do Petróleo ¹	MPMR	Ministry of Petroleum and Mineral Resources
ANPM	Autoridade Nacional do Petróleo e Minerais	MSWG	Multi-Stakeholder Working Group
BOE	Barrel of Oil Equivalent	MBT	Maritime Boundary Treaty
BCTL	Banco Central de Timor-Leste	O&G	Oil & Gas
CCS	Carbon capture and storage	PF	Petroleum Fund
CMATS	Certain Maritime Arrangement In The Timor Sea	PMC	Petroleum Mining Code
DNRPM	Direção Nacional de Receitas Petrolíferas e Minerais	PSC	Production Sharing Contract
EITI	Extractive Industries Transparency Initiative	RDTL	Democratic Republic of Timor-Leste
ESI	Estimated Sustainable Income	SOE	State-Owned Enterprise
ETRS	East Timor Revenue Services	SPT	Supplemental Petroleum Tax
FTP	First Tranche Petroleum	TDA	Taxes and Duties Act
GDP	Gross Domestic Product	TL	Timor-Leste
GDS	General Directorate of Statistics	TLEA	Timor-Leste Exclusive Area
Govt	Government	TOR	Terms of Reference
IPMC	Interim Petroleum Mining Code	TSDA	Timor Sea Designated Authority
IUA	International Unitisation Agreement	TST	Timor Sea Treaty
JC	Joint Commission	UNTAET	United Nation Transition Administration in East Timor
JPDA	Joint Petroleum Development Area	USD	United State Dollars
		VAT	Value Added Tax
		WHT	Withholding Tax

¹ Note: In the report, we refer to ANP and ANM collectively as ANPM, because in 2022, they were still a unified entity. For further clarification and details regarding the abbreviation ANP and ANM (previously identified as ANPM), please refer to the specific section 4.5 within the report.



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Executive Summary

1

The Extractive Industries Transparency Initiative (EITI), launched in 2003, promotes and supports improved governance and transparency in resource-rich countries through the full publication and audit of company payments and government revenues from oil, gas, and mining. As a voluntary commitment of stakeholders with shared goals, the global EITI structure comprises resource-rich countries, international and national extractive companies, civil society, investors, and supporting countries. Each participating country must issue a reconciliation report covering revenues for the most recent fiscal years prepared by an independent auditor in accordance with the EITI Standard.

This is Timor-Leste fifteenth EITI report, covering the period from 1 January to 31 December 2022. In accordance with the EITI Standard, the reporting process has been overseen by a Multi-stakeholder Working Group (MSWG), and has been compiled by an Independent Administrator, EY in accordance with the service contract dated 8th November 2023.

The payments and revenues, disclosed in this report, include taxes and non-taxes payments, and other payments envisaged by the legislation of Timor-Leste.

Through participation in EITI, Timor-Leste is seeking to improve the transparency and accountability about how the country's natural resources are governed, promote public debate and understanding of the extractive sector and improve the attractiveness of Timor-Leste as a destination for foreign investment.



1. Executive Summary

1.1 Revenue generated from the extractive sector

In 2022, the Timor-Leste Petroleum Fund reported oil & gas cash entries of USD 1,106 million. Although, after considering additional cutoff adjustments from ANPM (cash transfers that were reported in a different period) amounting to USD 295 million (reductions of USD 13.7 million and additions of USD 308.3 million), the MSGW reached an amount of USD 1,401 million of oil and gas revenues received by Timor-Leste during the year that has been used for the purpose of the reconciliation. See Section 3.5 “Revenue generated from extractive sector” to observe the reconciliation between revenues reported by the Petroleum Fund and the Govt entities on the EITI templates.

Since the ratification of the MBT, which increased Timor share of production and taxes from 90% to 100%, all the revenues collected are allocated to Timor-Leste.

The oil and gas revenues have been increasing since 2016. However, the global economic landscape, including petroleum-related activities in the Timor Sea, was significantly disrupted by the COVID-19 pandemic in 2020. Timor-Leste is recovering from its recent economic challenges, which were caused by the COVID-19 pandemic and severe floods from Cyclone Seroja.

In 2022, global oil prices rose sharply due to political events and the world's recovery from the pandemic, reaching record levels and contributing to Timor-Leste's economic improvement.

As the Bayu Undan field neared the end of its productive life, facing declining output and uncertainty, the ANPM withheld cash from profit oil and gas instead of transferring it to Petroleum Fund's BCTL account.

This precautionary measure was to cover potential overpayment settlements expected in 2023 and to adhere to the PSCs' provisions. On April 4, 2023, the withheld amount of USD 308,297,276 from December was eventually deposited into the Petroleum Fund.

Total petroleum government revenues collected during 2022 increased from USD 729 million to USD 1,401 million. This revenue is comprised of USD 490.2 million from petroleum taxes, USD 906 million from royalties and oil and gas profits (which includes USD 372 million from 2021 received in 2022), and USD 4.8 million from other payables, including other fees collected from contract services and development fees.

The average oil price in 2022 was USD 100.8/b, nearly USD 30/b higher than the previous year's average. Meanwhile, oil and gas production slightly decreased from 37.2 million BOE in 2021 to 17.3 million BOE in 2022. The total production from 2004 to 2022 was 947 million BOE. For more details, please, refer to the Section 1.2 “Production”.

For 2022, petroleum taxes revenue soared more than 23% over the previous year, rising from USD 400 million in 2021 to USD 490 million. This significant increase was propelled by substantial growth in Corporate Income Tax and Annual APT receipts.



The figure 1 shows historical data on revenues from the past twelve years, based on previous EITI reports. It illustrates the severe decline of revenues since 2012, the slight increase since 2016, and the moderate recovery since 2020 following the impacts of COVID-19 and natural disasters. In the figure 2, it is displayed the structure of the cash flows received from Petroleum activities in 2022.

Figure 1: Oil & Gas Revenues 2010-2022 (USD million)

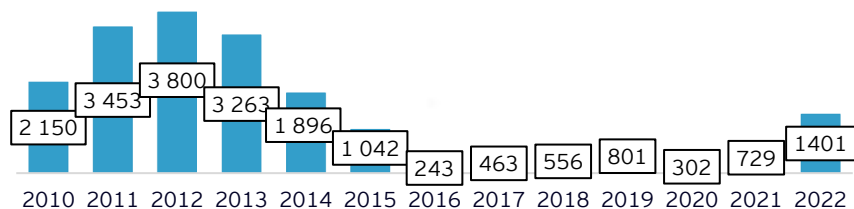
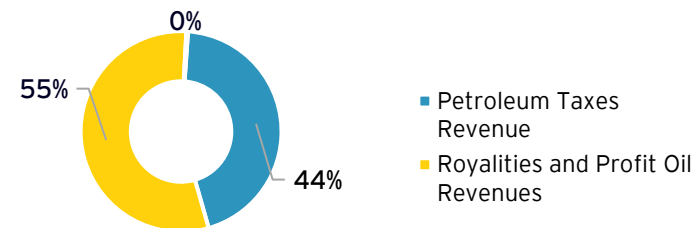


Figure 2: Structure of O&G revenues received



Executive Summary

1.2 Production

In 2022, all of Timor-Leste's oil and gas was sourced from the Bayu-Undan field, found in the offshore area formerly known as JPDA. Three types of petroleum products, namely Condensate, Liquefied Petroleum Gas, and Natural Gas, are produced in Bayu-Undan. The field has been the sole source of production since the Kitan field ceased operations in December 2015.

Table 1: Production in thousands of USD ('000) by commodity²

Commodity	2022	2021	Variation	Variation (%)
Crude oil	0	0	0	0%
Condensate	231 577	306 368	-74 791	-24%
Natural Gas	1 423 138	1 830 686	-407 548	-22%
LPG	86 783	112 981	-26 198	-23%
Total	1 741 498	2 250 035	-508 537	-23%

Figure 3: Percentage of production by commodity (in monetary amount - USD)

Crude No production	Condensate 13% total production
LPG 5% total production	Natural Gas 82% total production

Indeed, the increased prices, caused by several factors, have contributed to the amount of revenues received by the government.

Firstly, in 2022, global oil prices reached historic highs, driven by the economic rebound following the COVID-19 pandemic and further intensified by Russia's invasion of Ukraine. The conflict in Ukraine has not only escalated crude oil prices but has also led to higher prices for both LPG and LNG. Secondly, in the Asia Pacific region, LPG spot prices have surged as an indirect result of the Ukrainian conflict, compounded by competitive demand from Asian buyers³.

However, according to clarification obtained from ANPM, the royalties and oil and gas profits amounting to USD 906 million include the cutoff amount of USD 371.6 million reported as revenue in 2022, which is related to the last quarter petroleum product sales of 2021. From this perspective, to improve the understanding of the variance, if we deduct the 2021 non-tax payment performed in 2022, government revenue collected from oil profits would have actually decreased as we would have an amount of USD 534.4 million in 2022.

Therefore, despite the higher prices, the total royalties and oil and gas profits generated during 2022 actually decreased on an accrual basis, consistent with the significant decrease in oil and gas production values exported during 2022 (see the table above - Production in thousands of USD ('000) by commodity).

Please note that the reconciliation report is performed on a cash basis (for more details, please refer to Section 3.5).

² Source: Template provided by ANPM with 2022 data & Extractive companies' template.

³ Source: [Annual-Report-2022-ENGLISH-002.pdf](#)

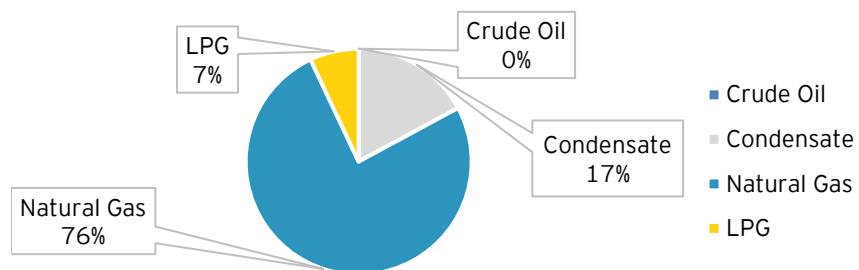


Table 2: Production in volume⁴ ('000) by company and commodity

Extractive Company	Commodity			Total
	Condensate	Natural gas	LPG	
Santos	1 256 202	5 567 654	514 203	7 338 059
SK (BU 12 & BU 13)	722 987	3 204 375	295 941	4 223 303
Inpex	329 049	1 458 391	134 690	1 922 130
ENI	317 709	1 408 127	130 048	1 855 884
TTSR	266 001	1 178 954	108 883	1 553 838
Total	2 891 948	12 817 501	1 183 765	16 893 214

Gas exports to Darwin LNG ceased in November 2023 because production reached the technical limit for the minimum gas feed required for safe operations. As an alternative, Bayu Undan now exports the produced gas directly to the Power Water Corporation in Northern Territory. However, the government, in collaboration with contractors of the exploration PSC, is actively engaged in the exploration phase for other oil fields in Timor-Leste. Notably, the Kuda Tasi and Jahal fields are estimated to contain a combined total of 22 million barrels of 2C contingent oil resources, as detailed in Section 4.1.

Figure 4: Percentage of production in volume by commodity



⁴ There is a discrepancy in LNG volume between the ANPM's template and the data on the ANPM website due to the usage of different conversion factors. For reconciliation with extractive entities, we used the ANPM data submitted in the template. For more detail, please refer to the Section 3.4.1.

Executive Summary

1.3 Reconciliation Process

EY was engaged to carry out a scoping study in order to set out the EITI reconciliation scope which was used for the 15th report and to produce the draft of the data collection report. This assignment was the first step to start the reconciliation process.

The procedures conducted were as follows:

Perform entities selection based on the MSWG approved threshold (payments and revenue streams above USD 100,000);

Obtain from extractive companies and government authorities the 2022 information on taxes, non-taxes and other payments;

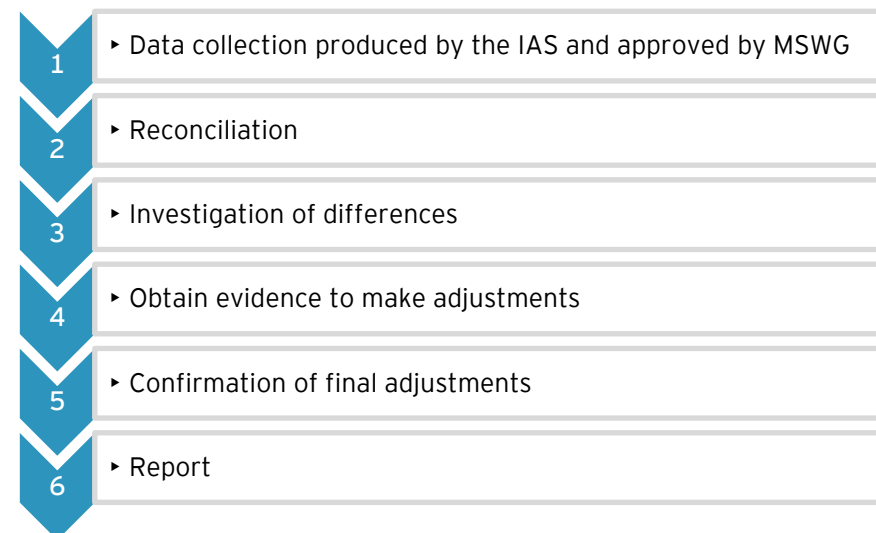
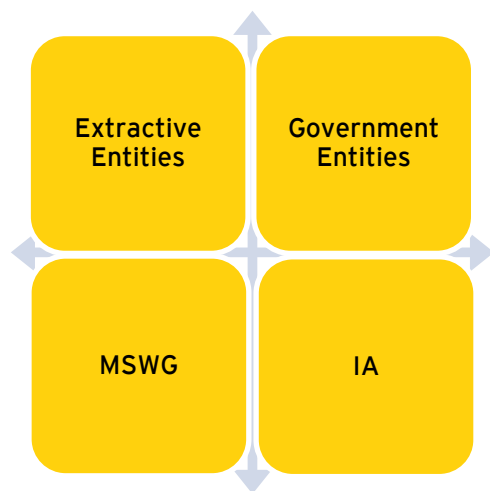
Ministry of Petroleum and Mineral (MPM) representative issued instructions requesting the extractive entities and governmental agencies to report according to the EITI requirements. The reporting templates were made electronically available by email and the entities were required to report directly to the administrator, EY.

After data collection EY started the reconciliation process. Entities not responsive were reported to TL EITI secretariat and new efforts for contact were made to obtain information.

In case of discrepancies, direct contacts between IA and the reporting entities were made and adequate support was requested (if applicable) to support the adjustment.

If the explanations received were not conclusive, new address queries were made to the respective government authority to obtain detailed information of the payment.

If based on the explanations received from the companies and government authorities, discrepancies remain unexplained, then they were considered, on the EITI report, as an unreconciled difference.



Executive Summary

1.4 Scope (Revenue and Entities)

The Government entities involved in Timor oil and gas operations are listed in table 3.

Table 3: Government entities involved in Timor's O&G operations

GOVERNMENT ENTITIES
DIREÇÃO NACIONAL DE RECEITAS PETROLÍFERAS E MINERAIS (DNRPM)
AUTORIDADE NACIONAL DO PETRÓLEO E MINERAIS (ANPM)
BANCO CENTRAL DE TIMOR-LESTE (BCTL)
TIMOR GAP E.P. (SOE)
PETROLEUM FUND (PF)

Based on the information received by these entities and the threshold approved by MSGW, the entities in scope were selected as in the Annex A for Companies in the Oil & Gas Sector.

The revenue streams for the contractors in scope are listed in tables 4 and 5:

Table 4: O&G Revenues Streams in scope for contractors- Tax Revenue

OIL & GAS REVENUES STREAMS IN SCOPE
TAX REVENUE
TIMOR-LESTE WIT RESIDENT EMPLOYEES AND TIMOR-LESTE WIT NON-RESIDENT EMPLOYEES
TIMOR-LESTE RESIDENT OR PE WHT TAX AND TIMOR-LESTE NON-RESIDENT OR NON-PE WHT TAX
VAT
CORPORATE INCOME TAX
ANNUAL INCOME TAX
ANNUAL APT

Table 5: O&G Revenues Streams in scope for contractors - Non-Tax Revenue

OIL & GAS REVENUES STREAMS IN SCOPE
NON-TAX REVENUE
FTP
ROYALTIES
PROFIT OIL & GAS PAYMENTS
CONTRACT SERVICES FEE
DEVELOPMENT FEE
SEISMIC DATA FEE
SURFACE RENTAL FEE

The table 6 represents 31 contractors that made payments above the threshold to the government regarding oil & gas activities (including tax and non-tax payments), despite the fact that MSGW agreed selecting all contractors all were above the threshold.

Table 6: O&G Contractors in scope

OIL & GAS ENTITIES IN SCOPE CONTRACTORS	
BU-12 Australia Pty Ltd	TIMOR GAP Onshore Block, Unipessoal, Lda
BU-13 Australia Pty Ltd	TIMOR GAP GREATER SUNRISE 03-19, Unip Lda
Carnarvon Petroleum Timor Unip Lda	TIMOR GAP Greater Sunrise RL, Unip Lda
Santos NA Emet Pty Ltd	TIMOR GAP Greater Sunrise RL2, Unip Lda
Santos NA (19-12) Pty Ltd	TIMOR GAP Greater Sunrise 03-20, Unip Lda
Santos NA (19-13) Pty Ltd	TIMOR GAP Offshore Block, Unip Lda
Santos NA Timor Sea Pty Ltd	TIMOR GAP PSC 11-106 Unip Lda
Santos NA Bayu-Undan Pty Ltd	TIMOR GAP Onshore Block B Unip Lda
Santos (JPDA 91-12) Pty Ltd	TIMOR GAP Onshore Block C Unip Lda



OIL & GAS ENTITIES IN SCOPE CONTRACTORS	
Eni JPDA 03-13 Ltd	TIMOR GAP Onshore Pualaka Block Unip Lda
Eni JPDA 06-105 Pty Ltd	TIMOR GAP Chudith Unip Lda
Eni JPDA 11-106 B.V.	TIMOR GAP Drilling & Services Unip Lda
Eni Timor Leste SpA	Timor Resources Pty Ltd
Inpex Sahul Ltd	Tokyo Timor sea Resources Pty Ltd
Inpex Timor Sea Ltd	Woodside Energy Pty Ltd
SundaGas Banda Unipessoal, Lda	

As in past years, the MSWG has chosen to incorporate the tax payments made by Oil & Gas Subcontractors into the reconciliation process. This is to accurately record their contribution to the sector's revenue in 2022. The same criteria used previously were applied to selecting the extractive entities in scope - those making payments to significant revenue streams above USD 100,000. The following 16 subcontractors were selected:

Table 7: O&G Subcontractors in scope

OIL & GAS ENTITIES IN SCOPE SUB-CONTRACTORS	
Atlas Programmed Marine P/L	Labrador Petro Management Pty Ltd
Babcock offshore Service	Laloran Marine Services Lda
Caltech Unipessoal Lda	MMA Offshore Vessel Operation Pty
Cape Australia Onshore Pty Ltd	Rigforce Pty Ltd
Clough Amec Pty Ltd	Santos NA Timor Leste Pty Ltd
Compass Group (Australia) Pty Ltd	Schlumberger Australia Pty Ltd
Konnekto Unipessoal Lda	SGS AUSTRALIA PTY LTD
Kotug Maritime Services (Bayu Undan)	Weatherford Australia Pty limited

The revenue streams for the subcontractors in scope are as follows:

Table 8: O&G Revenues Streams in scope for subcontractors- Tax Revenue

OIL & GAS REVENUES STREAMS IN SCOPE
TAX REVENUE
TIMOR-LESTE WIT RESIDENT EMPLOYEES AND TIMOR-LESTE WIT NON-RESIDENT EMPLOYEES
TIMOR-LESTE RESIDENT OR PE WHT TAX AND TIMOR-LESTE NON-RESIDENT OR NON-PE WHT TAX
VAT
CORPORATE INCOME TAX
ANNUAL INCOME TAX

Based on the selection made we have concluded that the 2022 EITI Report covers 99% of the total revenue, from the total number of selected entities the equivalent to 1% of the total revenue in scope was not answered during the entity's circularization process.

The total amount in scope is as follow:

Table 9: Revenues generated in 2022 in scope

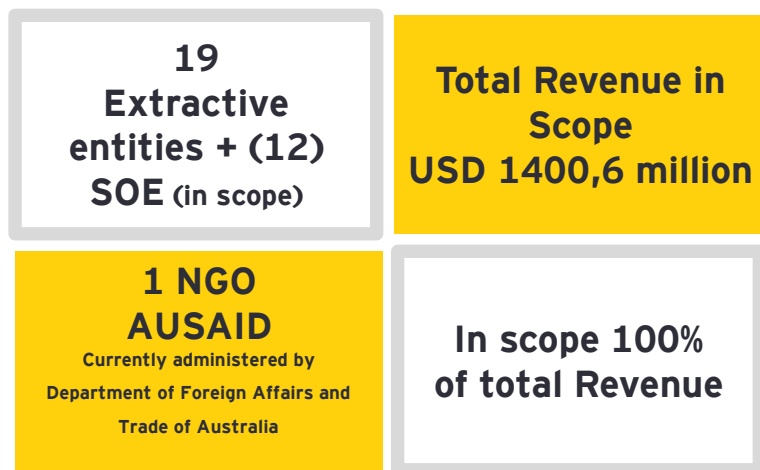
Revenues generated in 2022	Total	Amount (Millions USD)	
		Scope	%Scope
Total Tax Revenue Reported by MoF	490,2	489,8	99,9%
Total Non-Tax Revenue reported by ANPM - Royalties and O&G profits	906,0	906,0	100,0%
Total Non-Tax Revenue reported by ANPM - Fees	4,8	4,8	100,0%
Total revenue reported by GoV entities	1401,0	1400,6	100,0%
Total Revenue Contractors	1390,0	1390,5	100,0%
Total Revenue Subcontractors	10,5	10,1	96,5%

For a detailed look into the revenue reconciliation between the PF and government entities as reported on the EITI templates, refer to Sections 3.5 and Section 8. For reconciliation purposes, amounts in the tables have been rounded to the nearest million.

Executive Summary

1.5 Summary of reconciliation reports

Contractors



Subcontractors



Table 10: Revenues generated by Contractors

Revenues generated in 2022	Total	Amount (Millions USD)	
		Scope	%Scope
Total Tax Revenue Reported by MoF	490,2	489,8	99,9%
Total Non-Tax Revenue reported by ANPM - Royalties and O&G profits	906,0*	906,0	100,0%
Total Non-Tax Revenue reported by ANPM - Fees	4,8	4,8	100,0%
Total Revenue Contractors	1401,0	1400,6	100,0%

Table 11: Revenues generated by Subcontractors

Revenues generated in 2022	Total	Amount (Millions USD)	
		Scope	%Scope
Total Tax Revenue Reported by MoF	10,5	10,2	96,5%
Total Revenue Subcontractors	10,5	10,2	96,5%

Note: * The total revenue generated in 2022 amounted to USD 906 million and includes a cutoff amount of USD 371.6 million from Q4 2021. The revenue received solely in 2022 was USD 534.4 million.

Please see Section 3.5 to observe the reconciliation between revenues reported by the PF and the Govt entities on the EITI templates. For reconciliation purposes, amounts in the tables have been rounded to the nearest million.



Extractive Industries Transparency Initiative in Timor-Leste

2

The Extractive Industries Transparency Initiative (EITI) is a framework that encourages countries' transparency in the disclosure of revenues generated from the extraction of natural resources.

Timor-Leste adhered to EITI to provide clear and accountable report of the revenues and payments to the Government from oil, gas and mining companies, both from tax and non-tax payments derived from the production and sale of the extracted resources. A financial reconciliation, by external parties, is undertaken to verify the figures and the result reconciliation is published in an annual EITI report. The country's citizens and civil society organizations are also expected to play a role in monitoring the EITI process.

The TL-EITI Secretariat Office was created in July 2008, under the Ministry of Petroleum and Minerals Resources and the Multi-Stakeholder Working Group (MSWG). The MSWG includes representatives from government, extractive industry company associations and civil society organizations (CSOs).



2. Extractive industries transparency initiative in Timor-Leste

2.1 EITI and Timor-Leste

EITI context

The Extractive Industries Transparency Initiative is a global standard aiming to improve transparency and to promote good governance of oil, gas and mineral resources.

Created in September 2002, EITI has now more than 50 implementing countries that are required to fulfil the latest 2023 EITI Standard, the fourth edition of the global standard for transparency and good governance of the oil, gas and mining sector. The EITI Standard postulates that the implementing countries must disclose the financial and non-financial data of its extractive industry, fighting the corruption and promoting the country's transparency.

On June 12th, 2023, EITI International launched the 2023 EITI's Standard, replacing the 2019 EITI Standard. The amended EITI Standard includes several new and refined provisions that mandate countries to respond to the most pressing challenges that concern natural resource governance. It strengthens EITI disclosures and governance requirements to improve understanding of the impact of the energy transition, address corruption risks, promote gender equity and strengthen revenue collection.

The current report is the first Timor-Leste report prepared under the new standard, as EITI implementing countries will be assessed against the 2023 EITI Standard from January 1st, 2025.

EITI progress in Timor-Leste

Timor-Leste joined EITI in 2008 and had the first validation commenced on 1 July 2016. The Board agreed that Timor-Leste

has made meaningful progress overall in implementing the 2016 EITI Standard. In taking this decision the EITI Board noted the strong commitment by the Government of Timor-Leste to EITI implementation and the effective oversight provided by the Timor-Leste Multi-Stakeholder Working Group.

Timor-Leste's second Validation commenced on 11 January 2018. The EITI Board agreed that Timor-Leste has fully addressed the corrective actions from the country's first Validation. Consequently, Timor-Leste has made satisfactory progress overall in implementing the 2016 EITI Standard.

In February 2023, the EITI International Secretariat issued its Report on the validation of Timor-Leste it had conducted in 2022, finding that Timor-Leste has fully met 11 EITI Requirements, mostly met nine and partly met six. The total score achieved in implementing the 2019 EITI Standard was assessed as "fairly low" at 58 points, reflecting average of the three component scores on Stakeholder engagement, Transparency, and Outcomes and impact.

In eight areas, the International EITI Board identified some regressions when compared to the previous validation. The Board granted Timor-Leste until April 2025 to correct the deficiencies⁵.

Additionally in May 2023, the Board decision⁶ on transitional arrangements to the 2023 EITI Standard states that all EITI Reports produced after the 2023 Standard was approved should be

⁵ Source: [Timor-Leste 2022 Validation Report](#)

⁶ Source: [The EITI Board agreed transitional arrangements to the 2023 EITI Standard | EITI](#)



published according to the 2023 EITI Standard, but that EITI countries will only be Validated against the 2023 Standard from 1 January 2025 onwards. To follow the transitional arrangements to new EITI Standard, Timor-Leste was encouraged to prepare their EITI work plans in line with amended Requirement 1.5 to address the underlying objectives of the requirements and accelerate systematic disclosure and adopt cost effective quality assurance mechanisms for EITI data. Some EITI Requirements now explicitly state in their objectives the need to place more focus on ensuring that EITI implementation strengthens anti-corruption efforts and addresses other nationally relevant governance issues, including gender equity; energy transition; revenue collection, as well as consultations with key stakeholders.

Despite this, the Timor-Leste EITI Multi-Stakeholder Group (MSG TL-EITI) Work Plan for 2024, as published on the national website, primarily focuses on executing the recommendations from the previous Validation to bolster the EITI principles within Timor-Leste. Furthermore, the previous report (the 14th for the year 2021) was prepared already with the goal of addressing some recommendations from that Validation.

Consequently, the report for the year 2022 presented new challenges as we had to implement the new requirements set forth by the 2023 Standard and correct gaps identified in the 2022 EITI TL Validation Assessment report.


Implementing and managing EITI's objectives in Timor-Leste

In Timor-Leste, the EITI involvement aims to provide clear and concise report of revenues and payments to the Government of Timor-Leste from oil, gas, and mining companies, in terms of tax and non-tax payments and receipts derived from the production and sale of these resources. A financial reconciliation of these figures by external parties is undertaken to verify these figures, and the resulting reconciliation is published in an annual EITI report.

In 2010, Timor-Leste became the first country in South-East Asia declared EITI compliant.

Nonetheless, Timor-Leste has not yet made an EITI Law official. Although several amendments in the Timor-Leste legislation for extractive industries were implemented to comply with the EITI reporting requirements.

Figure 5: Legislation of Timor-Leste implemented to comply with the EITI requirements




Decreto-Lei N.º 32/ 2016 de 17 de Agosto
Operações Petrolíferas Offshore em Timor-Leste
 Artigo 97
 Relatórios de pagamentos
 O contratante deve cumprir com as obrigações de relatorias à Iniciativa de Transparência na Indústria Extrativa (EITI) de Timor-Leste, na redação em vigor, de acordo com a lei aplicável em Timor-Leste.

Decreto-Lei N.º 18 /2020 de 13 de Maio
Operações Petrolíferas Onshore
 Artigo 98
 Relatórios ITIE
 O Ministério e o contratante devem cumprir as obrigações de reporte relacionadas com a Iniciativa de Transparência da Indústria Extrativa de Timor-Leste (ITIE), conforme possa ser aplicável nos termos da legislação aplicável.

DECRETO-LEI N.º 43/2022
de 8 de Junho
COMPANHIA MINEIRA DE TIMOR-LESTE, S.A
 Artigo 9.º
 Auditoria e transparência
 3. No exercício das suas atividades, a CMTL, S.A., os membros dos seus órgãos sociais e os seus trabalhadores devem observar os princípios, linhas de orientação, padrões e regras da Iniciativa de Transparência nas Indústrias Extrativas.

LEI N.º 12 /2021
de 30 de Junho
CÓDIGO MINEIRO
 Artigo 54.º
 Divulgação de dados e informações
 iv) Para efeitos de cumprimento das normas da Iniciativa de Transparência nas Indústrias Extrativas (ITIE).
 Artigo 150.º
 Divulgação de receitas
 O membro do Governo responsável pelo setor dos Recursos Minerais, com a colaboração da Autoridade Reguladora, deve preparar e publicar, com uma periodicidade mínima anual, relatórios relativos às receitas do Estado e outros benefícios económicos diretos e indiretos recebidos pelo Estado em resultado das Atividades Mineiras, de acordo com as melhores práticas internacionais baseadas na iniciativa de transparência das indústrias extrativas.



Multi-stakeholder group of the EITI of Timor-Leste

Regarding the responsible for the management of the EITI, the TL-EITI Secretariat office was established in 2008 with the aim of supporting the Multi Stakeholders Working Group (MSWG) by managing the contact with the entities in scope and making the final report available. In addition, the Secretariat is responsible for promoting the EITI in the public and private sectors, arrange meetings and organize workshops and seminars to raise awareness on the importance of the EITI for Timor-Leste. Citizens and civil society organizations are also playing a role in monitoring the EITI process.

The involvement of Independent Administration

EITI's framework requires an independent administrator (IA) to reconcile financial data between payments of companies and the actual revenue that the Government has received.

EY was appointed to establish the scope of the 15th EITI Report for year 2022, being that this IA has been producing the EITI reports for TL since the EITI 2014 Report.

Table 11: EITI Reports in TL

Years	Publication Date	Oil Revenues (USD million)	Independent Auditor
2008	October 2009	2 510	Deloitte
2009	February 2011	1 764	
2010	November 2012	2 150	Moore Stephens LLP
2011	December 2012	3 453	
2012	February 2015	3 800	
2013	December 2015	3 263	
2014	June 2017	1 896	

Years	Publication Date	Oil Revenues (USD million)	Independent Auditor
2015	December 2017	1 042	EY
2016	June 2019	243	
2017	December 2019	463	
2018	December 2020	556	
2019	March 2022	801	
2020	December 2022	302	
2021	March 2024	729	

The IA obtained the necessary assurances from the reporting entities around the comprehensiveness and reliability of the data.

The IA's work was independent and performed in a manner that is consistent with the TOR.

The following phases were pursued by the IA:

1. Preliminary analysis, including the scoping and inception report;
2. Data collection through appropriate and approved templates;
3. Initial reconciliation of the data submitted by the entities and by the government;
4. Investigation of the discrepancies and final reconciliation;
5. Final Report, with the minimum amount of differences.



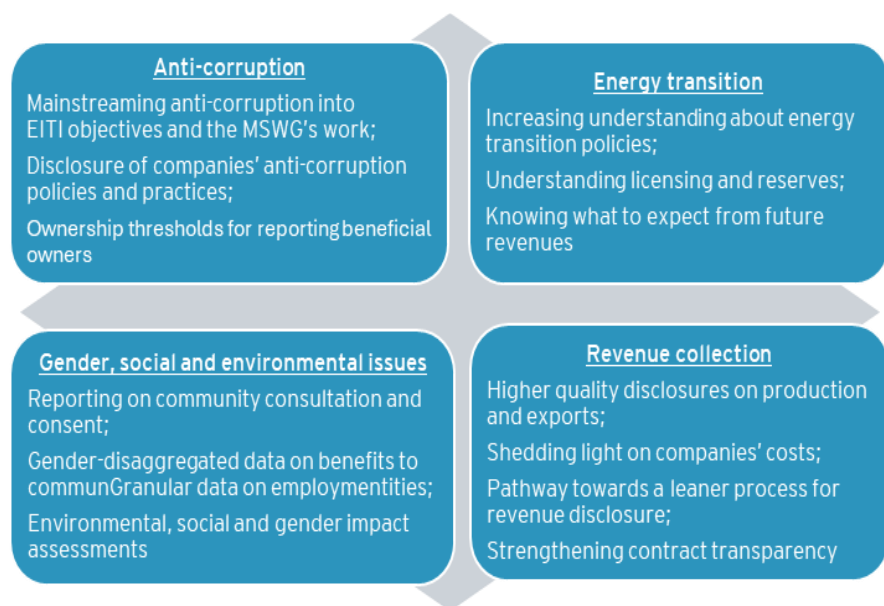
2.2 Changes introduced by EITI Standard 2023

The EITI Standard has evolved to respond to stakeholder needs and a changing global context. Now in its fourth edition, the 2023 EITI Standard includes several new and refined provisions that enable countries to respond to the most pressing challenges that concern natural resource governance today.

These broadly cover four thematic areas: anti-corruption, energy transition, gender, social and environmental issues, and revenue collection.

The new version of the EITI Standard also places greater emphasis on the important role that national multi-stakeholder groups can play in addressing and supporting public debate on key governance issues that are aligned with national priorities.

Figure 6: New areas covered by the 2023 EITI Standard



3

Overview of Timor-Leste extractive industries in 2022 – Oil & Gas

Oil and gas revenues continues to play an important source of income to Timor-Leste. Petroleum Wealth Fund and its investment returns have been used to finance the national budget for construction of infrastructures. Despite Timor-Leste's obvious ongoing economic improvements, it remains a heavily oil-dependent country. For the last years, Timor-Leste has experienced a period of strong economic growth, based mostly on public expenditure and private sector activity driven by oil & gas revenue.

3. Overview of Timor-Leste extractive industries in 2022 - Oil & Gas

3.1 Overview of Government Revenue

Petroleum Fund has a central role in managing revenue

In terms of expected production, as noted in previous reports, the Bayu-Undan field, currently in operation, has already reached maturity and its productivity has gradually declined since its peak in 2012. During the past few years, Timor-Leste has been able to stabilize the production and extend the life of the field, so the variations in revenue were in material terms the result of the high prices. At this stage, the economic relevance of drilling other production wells and developing new areas is important.

The Petroleum Fund remains the principal source of financing for the state budget each year. In 2022 the petroleum revenues contributed around USD 1,106 million to the Fund, while the investment return was USD -2,050 million over the year. A total of USD 1,404 million was withdrawn to finance the Government's expenditure. The Section 4.6 provides more details on these flows. These are amount presented below in table 12 as reported by PF in Annual Report for 2022. Please see section 3.5 for a reconciliation between revenue reported by the entities on the templates and PF.

Table 12: PF Revenue

Million USD	2020	2021	2022
PF Revenue	326	720	1 106
PF Investment return	1 773	1 144	-2 050
Total PF revenue	2 099	1 864	-944

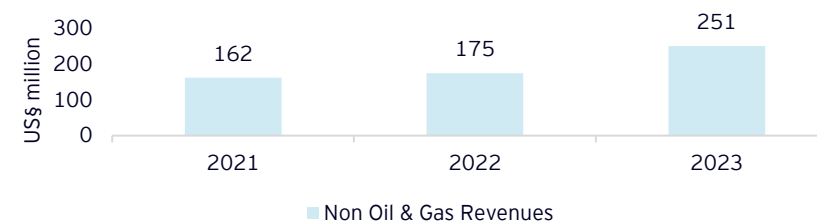
⁷ Source: <https://www.laohamutuk.org/econ/OGE25/Prop/RelatorioEn.pdf>

Tax revenues consistently comprise the largest source of domestic revenues in Timor-Leste

Regarding domestic revenues (Non-Oil & Gas revenues), increased in 2023 to USD 251 million from USD 175 million in 2022⁷. Domestic revenues mainly increased due to a combination of an increase in sales tax and import duties. The increase in sales tax collections was as a result of an increase to imports. The import duties increased from 2.5% to 5% during the first 8 months of the year. In 2023, new excise taxes were implemented, including graduated tax rates of 10%, 20%, and 30% on passenger cars valued over \$10,000, \$25,000, and \$50,000, respectively. Additionally, there was a doubling of the excise duty on tobacco and tobacco products from \$50 to \$100 per kilogram, the introduction of a \$1 per kilogram tax on sugar, and a new \$3 per liter excise duty on sugary drinks.

Over time, non-oil domestic revenues are expected to experience positive year-on-year growth. The increase in tax revenues, which make up the largest source of domestic revenues in Timor-Leste, is the key driver for this rise. Furthermore, tax revenues are expected to be boosted by reforms in the tax collection systems, which aims to increase the Tax Authority's capacity to enforce greater tax compliance.

Figure 7: Domestic Revenue





Overview of Timor-Leste extractive industries in 2022 - Oil & Gas

3.2 Gross Domestic Product (GDP) - Timor-Leste

Changes in Oil Compilation

Timor-Leste compiles and disseminates statistical data through the Timor-Leste's National Accounts. The publication represents a comprehensive and consistent set of macroeconomic accounts that are useful for economic analysis to support the development and monitoring of policy making. The National Institute of Statistics of the Ministry of Finance is responsible for producing these accounts, ensuring they are comprehensive and consistent across all economic activities and their impact on various agents within the economy.

In September 2019, there was a change in oil compilation data. Prior to this, JPDA was considered a non-resident entity, which implied that Oil GDP would not be reported, and the Non-Oil GDP represented the total GDP, including royalties. Oil revenues were only considered in the GNI (Gross National Income). However, with the ratification of the new Maritime Boundary Treaty in August 2019, the JPDA and its associated projects have been reclassified as resident entities. Consequently, from September 2019 forward, the oil sector has been integrated into the GDP data compilation.

To ensure clarity and continuity in the data, especially for comparative analysis of figures from 2019 and earlier, the accounts maintain a clear distinction between the oil and non-oil components. This segregation is instrumental in facilitating a focused analysis of the oil sector's substantial contribution to

Timor-Leste's national economy, reaffirming its emphasizing as a central pillar of the country's economic structure.

As an introductory note is important to mention that this section's content, based on the latest data from Timor-Leste's National Accounts for 2004-2023 (TL-NA 2004-2023). Regarding the revision policy of the Timor-Leste National Accounts, TL-NA 2004-2023 includes updated primary sources. This may cause discrepancies between the current report's comparative data in the 2021 EITI report as revisions were made to address anomalies identified in the compilation of previous year's publications. Such differences can stem from updates to estimates and assumptions based on new indicators. In addition, compilation methods have been modified over time. When new methods are introduced, TL-National Accounts applies them throughout all the years to maintain consistency in comparative data across different years.

Lastly, the amounts presented below are in current prices, which means that the value of the price is estimated on a period basis to which the observation relates⁸.

GDP⁹

The Gross Domestic Product (GDP) in 2022, at current prices, was USD 3,209 million, constituted by USD 1,676 million for non-oil industry and USD 1,533 million for oil industry. The GDP was decreased in 2022 by 11% mainly due to oil sector.

⁸ Source: [TIMOR-LESTE NATIONAL ACCOUNTS 2004-2023 - INETL, I.P](#)

⁹ This section's content, based on the latest data from TL-National Accounts, may cause discrepancies between the current report's comparative data in the 2021 EITI report. Such differences can stem from updates to estimates and assumptions based on new indicators. In addition, compilation methods have been modified over time. When new methods are introduced, TL-National Accounts applies them throughout all the years to maintain consistency in comparative data across different years.

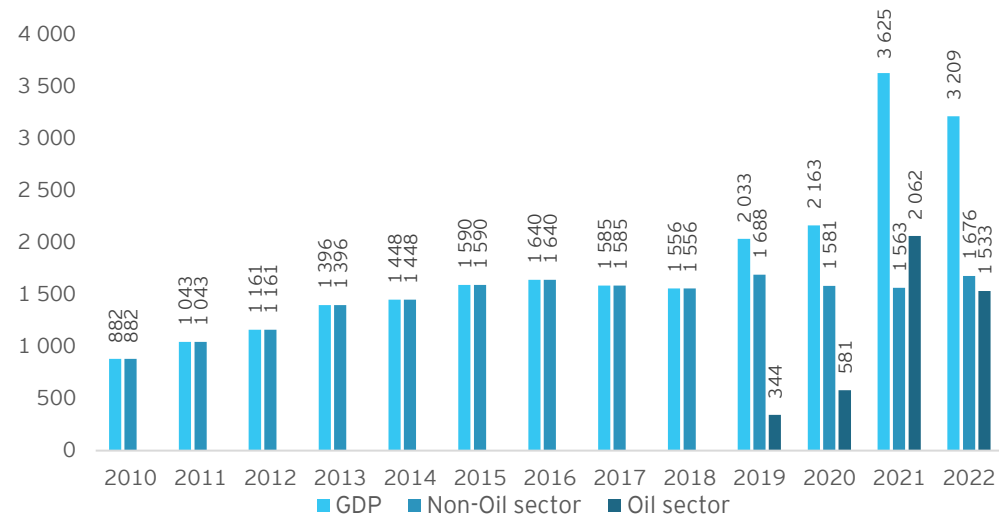


The Oil GDP for 2022, at current prices, amounted to USD 1,533 million, marking a significant decline of 26% compared to the Oil GDP in 2021. This decline can be attributed to a 53% reduction in annual production in 2022 as compared to 2021. Annual production significantly decreased from 37.2 million barrels of oil equivalent (BOE) in 2021 to 17.3 million BOE in 2022.

At the same time, petroleum prices were much higher in 2022. Prices received from Timor’s petroleum products sold under short or long-term contracts were linked to global oil benchmark prices. Brent crude averaged \$100.80/b in 2022, \$30/b higher than the previous year’s average.

In comparison to 2021, non-oil industries experienced an increase of 7.2%, rising from USD 1,563 million in 2021 to USD 1,676 million in 2022. The expansion of the non-oil economy was driven by several key components. Final consumption witnessed a substantial increase of 14.8% (USD 313.6M) in 2022 as compared to 2021. The Gross Fixed Capital Formation (GFCF), which had experienced contraction for five consecutive years, exhibited a significant turnaround in 2022 with a growth rate of 33.8% (USD 73.1M), rebounding from a decline of 5% in the previous year, 2021. The increase in GFCF was mainly due to the increase in the capital formation of fixed assets, such as building and structures. The growth of exports of goods and services by 22.7% (USD 10.3M) was driven by a remarkable surge in the exports of services by 83.1%. The increase in exports of services was due to the rise in travel services. The change in inventories increased 104.2% (USD 21.0M) in 2022 compared to 2021, after experiencing a substantial drop of 61.5% in 2021. However, the growth was adjusted down by the increase in imports of goods and services by 36.4% (USD 304.7M).

Figure 8: GDP Evolution, million USD



Overview of Timor-Leste extractive industries in 2022 - Oil & Gas

3.2 Gross Domestic Product (GDP) - Timor-Leste

GNI

In 2022, Timor-Leste's Gross National Income (GNI) amounted to 3,057 million, marking a decline from the previous year's figure of USD 3,464 million in 2021. The GNI experienced a negative growth rate of 11.7% in 2022. Breaking down the components, Non-Oil Gross National Income at current prices increased from USD 1,552.7 million in 2021 to USD 1,651.7 million in 2022. Similarly, Oil Gross National Income at current prices also decreased from USD 1,910.9 million in 2021 to USD 1,405.1 million in 2022. This reduction in GNI growth during 2022 can be attributed to a decrease in the income receivable from non-resident units.¹⁰

Table 13: TL's Gross National Income

GNI	2022	2021	Var	Var (%)
Oil sector	1 405,1	1 910,9	-505,8	-26,5%
Non-oil sector	1 651,7	1 552,7	99,0	6,4%
Total	3 056,8	3 463,6	-406,8	-11,7%

Exports and Imports

In 2022 Timor-Leste was the number 170 economy in the world in terms of total exports and the number 182 in total imports¹¹.

That same year, Timor-Leste reported exports totaling USD 1,784.4 million against imports of USD 1,347.9 million, leading to a positive trade balance.

However, it is critical to recognize that these figures are significantly influenced by the exports from the oil sector, which includes petroleum oil and gases. The oil industry constituted the majority of exports (96.9%) in 2022 and also represented a substantial portion of imports (15.2% in 2022). When the contribution of the oil sector is extracted from the equation, the trade dynamics of Timor-Leste exhibit a contrasting scenario. According to the TL National Accounts 2004-2023, the trade balance of the non-oil sector was consistently negative from 2000-2022 when considering the influence of the Oil Compilation. Thus, while the overall trade balance might seem positive, the true state of trade in Timor-Leste, when the oil sector is removed from the equation, is in fact negative. The trade balance, excluding the oil sector, has been negative for the last nine years, highlighting the outsized impact of the oil sector on the country's trade figures¹².

¹⁰ Source: [TIMOR-LESTE NATIONAL ACCOUNTS 2004-2023 - INETL, I.P](#)

¹¹ Source: [The Observatory of Economic Complexity \(OEC\) - Timor-Leste](#)

¹² Source: [TIMOR-LESTE NATIONAL ACCOUNTS 2004-2023 - INETL, I.P](#)

Overview of Timor-Leste extractive industries in 2022 - Oil & Gas

3.3 Extractive Industry

Exports

Compared to 2021, the oil sector's exports experienced a decrease in value from USD 2,256.9 million to USD 1,728.6 million in 2022. This represents a significant reduction of USD 528.3 million (23.4%) in exporting goods, specifically gas. In contrast, the non-oil sector showed growth and resilience, with exports increasing by 22.7%, from USD 45.5 million in 2021 to USD 55.8 million in 2022. The main driver behind this positive growth was an 83.1% rise in the services category, particularly in travel services.

Table 14: TL's Extractive Industry Exports

EXPORT	2022	2021	Var	Var (%)
Oil sector	1 728,6	2 256,9	-528,3	-23,4%
Goods	1 728,6	2 256,9	-528,3	-23,4%
Services	-	-	-	-
Non-oil sector	55,8	45,5	10,3	22,7%
Goods	30,2	31,5	-1,3	-4,1%
Services	25,6	14,0	11,6	83,1%
Total Exports G&S	1 784,4	2 302,4	-518	-22,5%

Imports

In 2022, Timor-Leste's import dynamics revealed a significant contrast between the oil and non-oil sectors. The oil sector saw a reduction in imports, with a 57.2% decrease from USD 479.7 million in 2021 to USD 205.2 million in 2022. This significant drop was reflected across both goods and services within the sector,

with goods decreasing by 53.3% and services by an even more pronounced 59.6%.

Conversely, the non-oil sector exhibited substantial growth, with overall imports rising by 36.4% from USD 838.0 million in 2021 to USD 1,142.7 million in 2022. The surge in goods imports was particularly noteworthy, at 41.9%, primarily driven by a 69.7% increase in mineral products and a 59.0% rise in machinery, electrical goods, and vehicles & transport equipment. The services category also expanded by 26.4%, aligning with significant increases in travel and construction services¹³.

Table 15: TL's Extractive Industry Imports

IMPORT	2022	2021	Var	Var (%)
Oil sector	205,2	479,7	-274,5	-57,2%
Goods	84,4	180,8	-96,4	-53,3%
Services	120,8	298,9	-178,1	-59,6%
Non-oil sector	1 142,7	838,0	304,7	36,4%
Goods	764,2	538,4	225,7	41,9%
Services	378,6	299,6	79,0	26,4%
Total Imports G&S	1 347,9	1 317,7	30,2	-20,9%

¹³ Source: [TIMOR-LESTE NATIONAL ACCOUNTS 2004-2023 - INETL, I.P](#)



3.4 Production

Fields

In 2022, as well as in 2021 and 2020, all of Timor-Leste's gas was produced in Bayu-Undan gas field, located in the Former offshore Joint Petroleum Development Area (JPDA). Government revenues are received in cash rather than in kind, with a 100 percent share going to Timor-Leste since the Maritime Boundary Treaty on 29th August 2019.

During 2022 there were thirteen (13) active PSCs within the Timor-Leste Onshore and Offshore Territory and in the Sunrise Special Regime Area. These thirteen (13) PSCs comprised of the Bayu Undan production field with two (2) unitized PSCs, the Kitan PSC where production is temporarily suspended is located within the Timor-Leste Offshore territory, the relinquishment of contract area of PSC TL- SO-T 19-14, the Greater Sunrise PSC which is still under the development concept studies which is located within the Special Regime, whereas the rest of the PSCs are under exploration stage. In Annex E it is possible to find more detailed information about the PSCs.

Bayu-Undan

The Bayu-Undan gas field is located in the Timor Sea, about 250km south of Timor-Leste and about 500km offshore from Darwin, Australia. The field is within contract areas PSC TL-SO-T 19-12 and PSC TL-SO-T 19-13. Santos became the Operator of the field through the acquisition of ConocoPhillips' assets in May 2020.

Bayu-Undan has generated the largest revenue of any Timor-Leste field and has been the only field in production since 2015. The initial discovery was in early 1995, when the Bayu-1 well intersected a 177m gas condensate column, at a reservoir depth of

3,923m. In July 1995, Undan was discovered 10km north-west of Bayu, where a 141m gross hydrocarbon column. The Bayu-Undan field at the reservoir level has an area around 160Km², with water depths around 80m. The total recoverable field of reserves ranges between 350 and 400 million barrels of hydrocarbon liquids and 3.4tcf of gas.


In 2015, phase three development drilling added one subsea production well to maintain liquids and gas production.

The Bayu-Undan project includes two operating facilities. The field facilities include a Central Production and Processing Complex (DPP and CUQ), FSO, WP1, subsea in-field pipelines and gas export pipeline to Darwin. The Bayu-Undan field is maturing and productivity from existing wells is decreasing with increasing water production due to water influx. All injector wells have been converted to production since 2021 where D15 was the last injector well to be converted. As production cessation approaching, there was no intent to reinject the produced lean gas except technical requirements i.e. DLNG trip or DLNG plant maintenance.

For the 2022 reporting period¹⁴:

- The total of wet gas production was 102.84 BCF (227.78 BCF in 2021) with average production rate of 8,570 MMscf per month which is lower than previous years due to field depletion;
- The cumulative gas export to DLNG was 76.91 BCF (179.64 BCF in 2021) with monthly export rate of 6,409 MMscfd;
- The combined liquid production (Condensate and LPG) was 4.08 MMbbls (6.21 MMbbls in 2021) with mean production

¹⁴ Source: [ANPM ANNUAL REPORT 2022](#)



rate of 339,671 barrel per month.

Also, in 2022 the cumulative lean gas injection throughout was 1.58 BCF with monthly average injection rate of 132 MMscfd. The lean gas injection was mainly due to the planned DLNG low rate, planned critical turbine maintenance in DLNG and PSD (plant shutdown) event.

As the Bayu-Undan field matures and nears the end of its productive life, optimizing production—encompassing both subsurface and surface facilities—has been critical to sustaining gas delivery to the Darwin LNG (DLNG) for commercial purposes.

In response to this imperative, well testing has been conducted with increased frequency to evaluate production performance, identify opportunities for optimization, and monitor the decline in field capacity. Surveillance activities have concentrated on acquiring the necessary information to optimize production and maximize field recovery as the end of field life approaches.

Key highlights of the Bayu-Undan reservoir management in 2022 include:

- Well interventions campaigns: In June 2022, there was a DPP well intervention where focused on key wells D04, D09 and D15. As a result, the performance of the key wells was maintained longevity in its production during year 2022 except D09 was unsuccessful due to technical integrity issue.
- End of Field life Planning: ANPM actively collaborated with the operator in conducting well test program for the

purpose of well monitoring. Thus, the field decline capacity was determined through Decline curve analysis updated on Monthly basis

- Production Optimization activities: Various production activities were implemented to maintain the well performance and deliver gas to DLNG for the commercial sale. Cyclical wells were frequently attempted for the production and as a result, cyclical wells contributed significant both liquid and gas to the total field production.

Kitan

The Kitan Field was shut down on 16th of December 2015 due to the oil price drop along with higher FPSO (Floating Production Storage and Offloading) operating cost. This field is located in permit PSC TL-SO 19-10 of JPDA, 170 km offshore the Timor-Leste coast.

ANPM was in continuous discussion with Eni JPDA 06-105 Pty Ltd (Contract Operator) on the method of Kitan wells P&A and time for the final subsea system abandonment from the field whilst assessing the field redevelopment options for the purpose of maximizing recovery from the field.¹⁵

¹⁵ Source: [ANPM ANNUAL REPORT 2022](#)



Overview of Timor-Leste extractive industries in 2022 - Oil & Gas

3.4 Production

Figure 9: Map of the Greater Sunrise Fields



Source: Maritime Boundary Office

3.4.1 Production in BOE

Bayu-Undan produces three petroleum products, namely Condensate, Liquefied Petroleum Gas and Natural Gas, with the depletion of liquids production since its peak in 2012. Oil and gas production has decreased from 36.1 million barrels of oil equivalent in 2021 to 16.9 million barrels of oil equivalent in 2022 (see figure 10).

Figure 10: Production Data

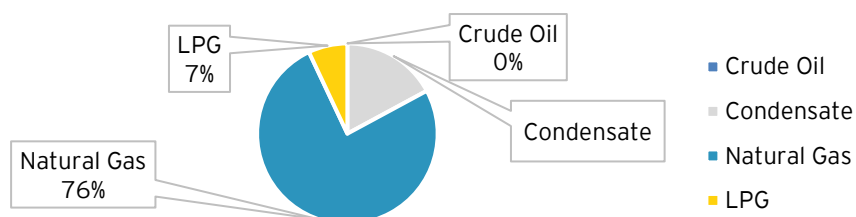


Table 16: Production and Exports in 2022

Commodity (BOE Thousands)	Production	Exports
Crude	-	-
Condensate	2 892	2 892
Natural Gas (LNG)*	12 818	12 818
LPG	1 184	1 184
Total	16 893	16 893

*Note: The discrepancy in LNG volume between ANPM's Annual Report and the website data stems from the use of differing conversion factors. The Annual Report utilizes a 1/600 BOE factor, while the website calculations use a 1/5800 BOE factor. This led to a production submission in the EITI template of 16.9 BOE equivalent, differing from the 17.3 BOE presented on the website.

¹⁶ Sources: [ANPM website - JPDA Production, Barrels of Oil Equivalent \(BOE\)](#) & Template provided by ANPM with 2022 data

For reconciliation with extractive entities, we used the ANPM data submitted in the template.

Production of petroleum products in Timor-Leste has decreased since 2012. On top of the shutdown of the Kitan field in 2015, the decrease was mainly due to the natural depletion of Bayu-Undan field.

The information related to total production is available at ANPM website (Lafaek Database) that contains information in relation to Bayu-Undan and Kitan field production, contracts, etc. This information is generally publicly accessible¹⁶.

Figure 11: Total Production BOE

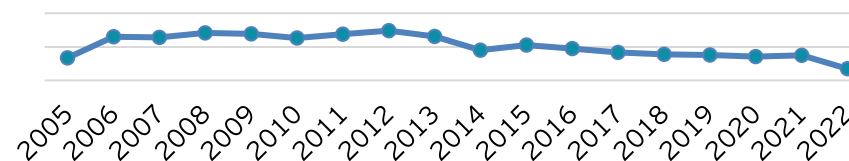


Table 17: Variation of Production between 2021 and 2022 in BOE ('000)

Commodity (BOE Thousands)	2022	2021	Variation	Variation (%)
Crude	-	-	-	-
Condensate	2 892	4 165	-1 273	-30,6%
Natural Gas	12 818	29 939	-17 122	-57,2%
LPG	1 184	2 042	-858	-42,0%
Total	16 893	36 147	-19 254	-53,3%

Overview of Timor-Leste extractive industries in 2022 - Oil & Gas

3.4.2 Production in USD

The information below presents production values by commodity.

The production and exports in thousands of USD ('000) in 2022 were as follows:

Table 18: Production and Exports in USD ('000) in 2022

Commodity	Production	Exports*
Crude oil	-	-
Condensate	231 577	231 577
Natural Gas	1 423 138	1 423 138
LPG	86 783	86 783
Total	1 741 498	1 741 498

*Note: The discrepancy between the export figures reported in Timor-Leste's national accounts and the information provided by ANPM is attributed to differences in the cutoff dates used by the respective sources.

The variation of production values was as follows¹⁷:

Table 19: Variation of Production Values between 2021 and 2022 in USD ('000)

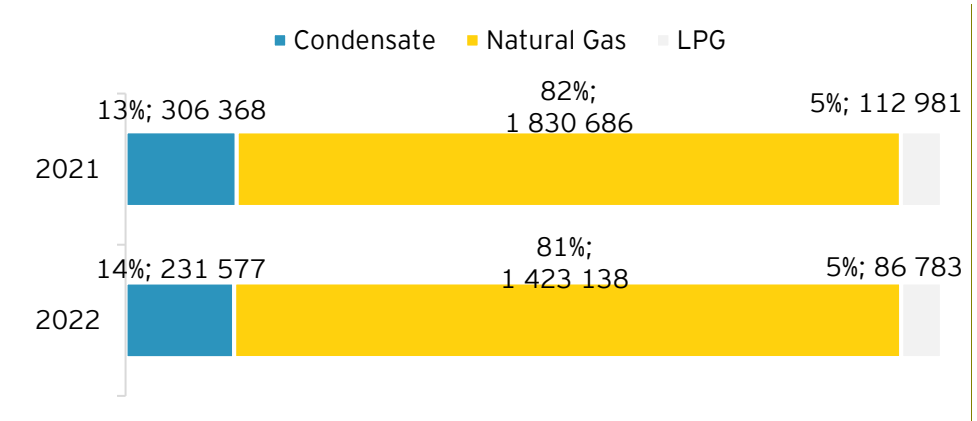
Commodity	2022	2021	Variation	Variation (%)
Crude oil	-	-	-	0,0%
Condensate	231 577	306 368	-74 791	-24%
Natural Gas	1 423 138	1 830 686	-407 548	-22%
LPG	86 783	112 981	-26 198	-23%

¹⁷ Sources: Template provided by ANPM with 2022 data

Total	1 741 498	2 250 035	-508 537	-23%
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The figure 11 illustrates the breakdown of commodity production in USD terms. In 2022, the proportion of commodities produced remained consistent. Natural Gas (LNG) is the most significant commodity.

Figure 12: Production by commodity by USD, million



Overview of Timor-Leste extractive industries in 2022 - Oil & Gas

3.5 Revenue generated from extractive sector

In 2022 the government revenue significantly rose compared to 2021, suppressing their pre-COVID-19 levels. The revenues generated from the Oil & Gas Sector, including the amount received from subcontractors, amounted to USD 1,401 million in 2022. This value represents an increase of USD 672 million, or 92%, compared to 2021.

However, it is important to note that the revenue from Oil profit and FTP reported in the ANP's annual report for 2022 includes the actual money received from the Contractor. Based on the ANPM's clarification received this encompasses the PO and FTP for petroleum product sales from Q4 2021, which were received in January and February 2022. Therefore, the cutoff amount of USD 371.6 million reported as revenue in 2022 is related to the last quarter sales of 2021.

Thus, while the Royalties and Oil profit revenue appear to have increased during 2022, the true state of revenue in Timor-Leste, when considering the cutoff amount in the period it accrued, is actually decreasing. From this perspective, revenue decreased by 23% to USD 534.4 million (USD 906 million - USD 371.6 million) compared to USD 690.6 million (USD 319 million + USD 371.6 million) in 2021. This trend aligns with the significant decrease in oil and gas production, which dropped from 36.1 million barrels of oil equivalent (BOE) in 2021 to 16.9 million BOE in 2022. Nevertheless, for the purpose of reconciliation, we are using the cash basis, and the amount of revenue generated from the Oil & Gas Sector will be considered as presented in the table below.

Additionally, tax revenue increased by 23% (USD 90 million) due to substantial growth in Corporate Income Tax and Annual APT receipts.

Table 20: Revenue from Extractive Sector

Revenue	2022	%	2021	%	Variation	%
Tax revenue	490	35%	400	55%	90	23%
Royalties and Oil profit	906	65%	319	44%	587	184%
Other fees	5	0%	11	1%	-6	-54%
Total	1401	100%	729	100%	672	92%

The operator's royalties and profit shares are collected by ANPM, as the regulatory authority for the petroleum activities in Timor-Leste. The Petroleum-related taxes are paid directly by the contractor into the MoF, that is responsible for maintaining the books of account for the Petroleum Fund.

The table 21 presents the petroleum-related receipts reported by the government's designated authorities in the EITI templates during 2022. A reconciliation between the data from the Petroleum Fund Annual Report and the government's templates is provided further along in the report.



Table 21: Revenues generated by Government's Authorities in 2022

Extractive sector revenues (USD million)	2022	2021	Variation	%
Revenues generated from Oil & Gas extractive activities (Operators):	1 391	721	670	93%
Direção Nacional de Receitas Petrolíferas (DNRP) receipts	480	391	88	23%
Autoridade Nacional do Petróleo e Minerais (ANPM) receipts	906	319	587	184%
Autoridade Nacional do Petróleo e Minerais (ANPM) receipts - Fees	5	11	-6	-54%
Revenues generated from Oil & Gas related activities (Subcontractors):	11	8	3	30%
Direção Nacional de Receitas Petrolíferas (DNRP) receipts	11	8	3	30%
Total revenues generated from Oil & Gas Sector	1 401	729	672	92%
Total revenues generated from Mining Sector	3	2	1	27%
Revenues generated from Extractive Sector	1 404	731	6 723	92%

Thus, the aggregated result of revenue collected by government's entities as a follow in table 22:

Table 22: Revenue collected by Government's Entities in 2022

Revenues generated in 2022	Total
Total Tax Revenue Reported by MoF	490,2
Total Non-Tax Revenue reported by ANPM	906,0
Total Non-Tax Revenue reported by ANPM - Fees	4,8*
Total revenue reported by GoV entities	1 401,0
Adjustments for reconciliation purpose with PF report related to the ANPM's fees and interests	-0,1**
Total revenue reported by GoV entities	1 400,9
Revenues generated from Mining Sector	2,5
Revenues generated from Extractive Sector	1 403,4

***Notes:** *In the EITI template submitted by ANPM, fees totaling USD 4.8 million were reported as collected from extractive entities. However, the Petroleum Fund partially recorded these fees as tax revenue under Article 6.1(a), amounting to USD 1.52 million, and as other receipts under Article 6.1(e), amounting to USD 2.95 million. For further reconciliation, these amounts are presented considering the reclassification into Non-Tax Revenue as reported by ANPM.

**Additionally, for reconciliation purposes with the Petroleum Fund, we have included an adjustment regarding ANPM other payments. This adjustment corresponds to adding USD 0.2 million in interest received by ANPM from term deposits, which was subsequently distributed to the Petroleum Fund, and excluding USD 0.3 million in service fee payments recognized in ANPM's revenue but not transferred to the Petroleum Fund account in accordance with the Greater Sunrise Special Regime of the Maritime Boundary Treaty. Note that for reconciliation purposes with PF, amounts in the tables presented have been rounded to the nearest million.

Reconciliation between 2022 Petroleum Fund Annual report and data submitted by Gov's entities in EITI template

The Petroleum Fund Annual Report stated that the total revenue collected from petroleum in 2022 was USD 1,106.4 million. The revenues included USD 491.8 million in petroleum taxes and USD 611.7 million in royalties and profit from oil and gas, and USD 2.9 million of other payments. These collections were in accordance with Articles 6.1 (a), (b), and (e) of the Petroleum Fund Law, respectively.

Although, when we considered in additional cutoff adjustments from ANPM (cash transfers that were reported in a different period), we observed that the actual total amount received during the year was USD 1,401 million. The reconciliation is presented below:

Table 23: Petroleum Fund revenue reconciliation in 2022

Revenues generated in 2022	Total
Article 6.1 (a) receipts	491,8
Article 6.1 (b) receipts	611,7
Article 6.1 (e) receipts	2,9
Amount reported by Petroleum Fund	1 106,4
Cash ANPM 01-01-2022	-13,8*
Cash ANPM 31-12-2022	308,3**
Revenues generated from Mining Sector	2,5
Revenues generated from Extractive Sector Reconciled	1 403,4

Notes: *The opening balance was distributed to Petroleum Fund in February 2022. **Due to the uncertainty and sharp decline in Bayu-Undan field production, ANPM withheld cash from profit oil and gas, rather than distributing it to the Petroleum Fund of the Central Bank of Timor-Leste, to allow for potential refunds in case of overpayment. In addition, this approach is presented, to ensure that ANPM, as parties to the PSCs comply with the provision under the PSCs. However, on April 4, 2023, as the final adjustment for 2022 is made, the withheld amount of USD 308,297,276 was

subsequently distributed to the Petroleum Fund.

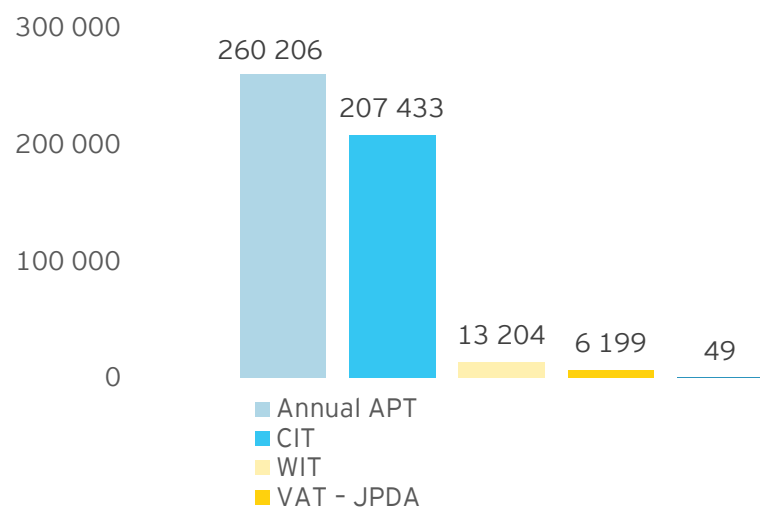


3.5.1 Tax Revenue and Non-Tax Revenue

Figures 12 and 13 below describe the tax and non-tax revenue.

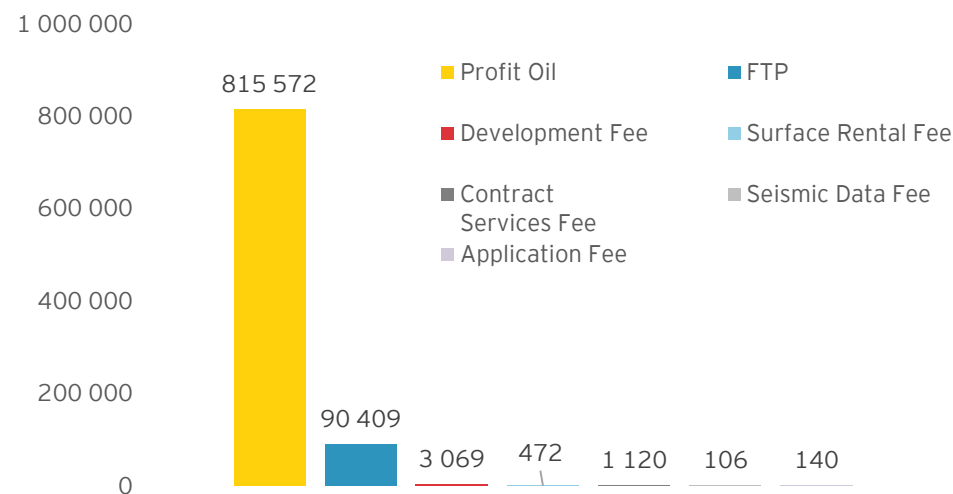
The most significant Tax Revenue in 2022 is Annual APT, followed by the income tax.¹⁸ The composition of tax revenue has remained the same compared to 2021, except for Additional Tax of Petroleum Tax.

Figure 13: 2022 TAX Revenue (USD'000)



Non-tax revenue as Profit oil and gas has been the main source of revenue stream contributor to the Petroleum Fund. FTP (First Tranche Petroleum) and fees collected from contract services and development fees are another source of revenue to the petroleum fund as outline in the figure 14 below¹⁹.

Figure 14: 2022 Non-Tax Revenue (USD'000)



¹⁸ Source: Template provided by MoF with 2022 data

¹⁹ Source: Template provided by ANPM with 2022 data

Overview of Timor-Leste extractive industries in 2022 - Oil & Gas

3.5.2 Mining

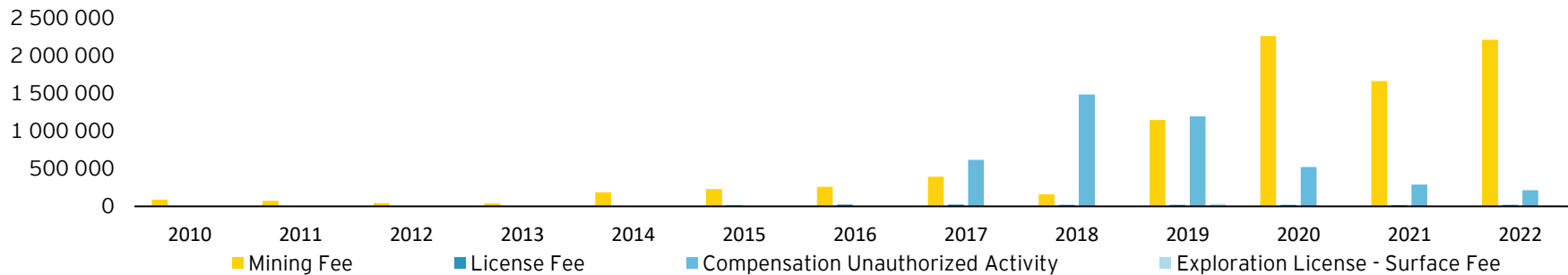
In 2022 the mining revenue increase from USD 1,973,877.26 to USD 2,462,209.97 (Annex C and Annex D present all mineral payments during 2022 and 2021, respectively). That was due to the increase in Mining Fees in 2022. The variation of mining revenue between 2022 and 2021 was as follows:

Table 24: Variation of mining revenue in 2021-2022

	Mining Fees (US\$)	License Fees (US\$)	Mineral Royalty Fees	Compensation (US\$)	Annual Surface Fee (US\$)	Administration Fees (US\$)	Minerals Permits	Total
2022	2 203 041	13 500	17 280	215 845	10 944	1 600	-	2 462 210
2021	1 669 916	14 500	-	289 461	-	-	-	1 973 877
Var, USD	533 125	- 1 000	17 280	- 73 616	10 944	1 600	-	488 333
Var, %	32%	-7%	0%	-25%	0%	0%	0%	25%

For the reconciliation of the mining sector, we have contacted ANPM for the detailed payments by fee and by entity (see Annex B). According to the Ministerial Diploma No. 64/2016 of 16 November, these activities are regulated as mining, which is the reason why ANPM is reporting them in the mining sector. See section 8.6 for more details of the mining sector.²⁰ In the report, we refer to ANP and ANM collectively as ANPM, because in 2022, they were still a unified entity. Thus, in terms of responsibility and representation regarding mining revenue, ANPM was still the holder of data. For more details, please refer to Section 4.5.

Figure 15: Mining revenue 2010-2022



²⁰ Source: <http://www.anpm.tl/mineral/fees-collected-from-mineral-operator/>

Regulatory Framework Extractive industries in 2022

4

Timor-Leste officially recovered its sovereignty on May 20th, 2002. Following a referendum held in 1999, the administration of Timor-Leste had been delegated to the United Nations (UN) through the United Nations Transition Administration in Timor-Leste (UNTAET). During the transition period, UNTAET represented Timor-Leste's government in the renegotiation of the sharing of petroleum resources of the Joint Petroleum Development Area (JPDA).

Up until 2019, Timor-Leste and Australia had not defined the final maritime boundary in the Timor Sea. Previously, the two governments put in place a complex set of interim arrangements for the sharing of petroleum extracted from an overlapping joint development zones in the Timor Sea namely the Joint Petroleum Development Area (JPDA). Under the Timor Sea Treaty (TST) the area is governed under Production Sharing Contracts (PSCs) signed between the extractive companies and the ANPM. For Timor-Leste Exclusive Area (TLEA) the legal framework is in accordance with the Petroleum Activities Law (Law Nº13/2005) and the area is governed under Production Sharing Contracts (PSCs) signed between the extractive companies and the Government.

In 2003, Timor-Leste and Australia established the Timor Sea Treaty (TST) that provided the framework for all petroleum exploration and development in JPDA. TST (article 4) provided that all petroleum produced in JPDA was split between Timor-Leste and Australia on a 90/10 basis.

In 2019, the Resolution No. 15/2019 of 27th August was created to perform a Ratification of the Maritime Boundaries Treaty between Australia and Democratic Republic of Timor-Leste, defining the sea borders between Australia and Timor-Leste. Currently, the (1) Great Sunrise is governed by this Resolution and regulated by ANPM. The (2) Former JPDA falls under Timor-Leste exclusive jurisdiction and regulated also by ANPM.



4. Regulatory Framework Extractive Industries in 2022

4.1 News in regulatory framework of Timor-Leste extractive industry

New PSC signed post-2022

In December 2023, Autoridade Nacional do Petróleo signed the Petroleum Sharing Contract of PSC TL-SO-22-23 (block P) with the Eni Timor 22-23 B.V to undertake exploration activities in contract area block P.

In March 2024, ANP entered PSC TL-OT-22-22 with HTS Exploration Ltd (HTS) to undertake exploration activities in contract area block F. HTS is an oil and gas exploration, and production company based in Kazakhstan. The PSC foresees the participation of Timor-Leste in the Petroleum Operations through the national oil company TIMOR GAP E.P., either through the exploration phase or development phases.

We did not add them to the list of PSCs (see Annex E) because they were not within the scope of the 2022 EITI Report. Nonetheless, we believe it is crucial to note the recently signed PSCs, as they emphasize the current operational activities in the country.

Transformational acquisition of discovered oil fields in Timor-Leste post-2022

In August 2024, FINDER Energy Holdings Limited (Finder) announced the acquisition of a 76% working interest, becoming the operator, in the PSC TL-SO-T 19-11, located offshore Timor-Leste. The remaining 24% working interest is held by TIMOR GAP²¹, the national oil company of Timor-Leste. The terms of the acquisition

include an upfront payment of USD 2 million, with additional payments of up to USD 6.5 million contingent upon the FID. Additionally, a 5% royalty on future production is stipulated in the terms. This acquisition positions Finder as the operator of four discovered undeveloped oil fields: Kuda Tasi, Jahal, Krill, and Squilla, which together have a combined 45 million barrels of contingent resources.

Terms and Development Strategy

The PSC 19-11 encompasses oil-rich blocks situated approximately 160 kilometers southeast of Suai in Timor-Leste. Initially signed on August 28, 2019, as a substitute PSC of the PSC JPDA 11-106 after the entry into effect of the Maritime Boundary Treaty between Timor-Leste and Australia, the contract was set to expire in August 2024. Finder successfully negotiated a three-year extension, now set to expire in 2027, to conduct exploration, appraisal, and accelerating the development of the field. The strategic objective focuses on the rapid development of the fully appraised Kuda Tasi and Jahal fields, with development plans centering on a subsea tieback to a Floating FPSO unit.

Finder's timeline for the project includes achieving FID by 2025 and commencing first oil production in 2027. They plan to invest in reprocessing the Ikan 3D seismic data and conducting further exploration to de-risk the Krill and Squilla prospects.

²¹ Source: [JOINT PRESS RELEASE PSC 19-11 \(ANP, FINDER Energy, TIMOR GAP\) - TIMOR GAP E.P.](#)

Source: [Finder Energy makes big splash with 34 million barrels of net discovered oil in Timor-Leste | The Australian](#)



Estimated Production and Field Reserves

The Kuda Tasi and Jahal fields together hold a combined 22 million barrels of 2C contingent oil resources, while the Krill and Squilla fields contain an additional 23 million barrels. Significant near-field exploration potential exists, with an estimated 116 million barrels of prospective resources identified across the area. Timor-Leste is recognized as a proven oil province, characterized by a high exploration success rate of 71% and excellent reservoir conditions featuring high API gravity oil.

Contribution to Timor-Leste's Economy

The development of PSC 19-11 is anticipated to significantly benefit Timor-Leste's economy. The nation's economic prospects are closely linked to the exploitation of its oil and gas resources. Successful development of these fields is expected to generate substantial revenues through taxes, royalties, and the creation of local employment opportunities. The Timor-Leste government has shown strong support for Finder's development strategy.



Regulatory Framework Extractive Industries in 2022

4.2 The Territory of Timor-Leste

The Territory of Timor-Leste consist of its territorial sea, together with its exclusive economic zone and continental shelf where, under international law, Timor-Leste has sovereign rights for the purposes of exploring for and exploiting its natural resources as defined by Law No.6/2019 of 4th December Second Amendment of Law no. 13/2005, of 2nd September, on Petroleum Activities.

The relevant legal framework for petroleum operations that fall under the Autoridade Nacional do Petróleo (ANP), mandate and the existing petroleum contracts is as follows:

- Petroleum Activities Law (No.6/2019 of 4th December 2nd amendment of Law no. 13/2005, of 2nd September);
- Autoridade Nacional do Petróleo (ANP) (Decree-Law No. 62/2023 of 6th September 3rd amendment of Decree-Law No. 20/2008 of 19th June);
- Public Tendering in Respect of Petroleum Contracts Award (Decree Law No.7/2005);
- Decree-Law on Offshore Petroleum Operations in Timor-Leste (Decree Law No. 32/2016);
- Decree-Law on Onshore Petroleum Operations in Timor-Leste (Decree Law No. 18/2020);
- Decree-law no. 24/2019 of 27th august on transition of petroleum titles and regulation of petroleum activities in the Bayu Undan field;

- Decree-Law No.25/2019 of 27th August on Transition of Petroleum Titles and Regulation of Petroleum Activities from the Joint Petroleum Development Area;
- Decree-Law No. 26/2017 of 27th August on Transition of Petroleum Titles and Regulation of Petroleum Activities in the Buffalo Field;
- Downstream Activities Decree-Law 1/2012.

Production Sharing Contracts

- PSC TL-SO-T 15-01;
- PSC S-06-04 (Contract Area E);
- PSC TL-OT-17-08 (Block A) and its amendment;
- PSC TL-OT-17-09 (Block C) and its amendment;
- PSC TL-T-19-14;
- PSC TL-SO-19-16;
- PSC TL-OT-21-17;
- PSC TL-OT-22-18;
- PSC TL-SO-T 19-10 (previously JPDA PSC 06-105);
- PSC TL-SO-T 19-11 (previously JPDA PSC 11-106);
- PSC TL-SO-T 19-12 (previously JPDA PSC 03-12);
- PSC TL-SO-T 19-13 (previously JPDA PSC 03-13).

Petroleum Activities Law

The United Nations Convention on the Law of the Sea (UNCLOS)



gives Timor-Leste as coastal states sovereign rights to explore, exploit, conserve, and manage natural resources in their exclusive economic zone (EEZ), which is an area extending 200 nautical miles from the baseline of a coastal state, and the continental shelf.

The UNCLOS also contemplates Timor-Leste as a coastal State exercising sovereign rights over the continental shelf for the purpose of exploring it and exploiting its natural resources. Law No.6/2019 of 4th December Second Amendment of Law no. 13/2005, of 2nd September, on Petroleum Activities Foreseen Timor-Leste, as Resource Owner, is entitled to all Petroleum resources existing in the subsoil of its territory, both onshore and offshore. The Petroleum Activities Law aims to provide maximum benefits to Timor-Leste and its people by establishing a regulatory regime allowing petroleum companies to develop such resources.

The Petroleum Activities Law empowers the Ministry to authorize petroleum companies to explore and exploit Petroleum resources. Other petroleum regimes have been considered to establish a regime that is internationally competitive and helps attract investments in the development of petroleum activities.

The Petroleum resources owned by Timor-Leste are a strategic component of its economy, have high potential value, and are expected to generate significant revenues for the country.

In addition to aiming to maximize Timor-Leste's oil revenues, the Law also envisages assisting in achieving the country's broad development goals. Oil revenues and the development of this resource will allow Timor-Leste to more effectively deal with developmental needs and priorities, further strengthen its human resources, consolidate the advancements made thus far, speed up and sustain economic growth, reduce poverty, and improve the

well-being of the Timorese people.

Another objective of the Law is to ensure stability and transparency in regulating the development of Petroleum resources. In this respect, the Law complements transparency requirements already being applied in Timor-Leste, or yet to be established, including those relating to the publication of information and the saving of oil revenues.

The amendment to the Law (No. 6/2019) continues to preserve the right of the participation of the State, of legal persons and any other legal persons wholly owned or controlled by them, to a maximum participation of 20%, in any authorization award under the terms of the law. Further, the participation may be higher than 20% based on the commercial transaction between parties under the awarded authorization. This law was immediately effective and started in the last reporting year 2019.

Article 13 of Petroleum Activities Law: Invitations to Apply

(a) The Ministry shall invite, by public notice, applications for Authorizations.

(b) Notwithstanding paragraph 13.1(a) above, the Ministry may choose to award Authorizations through direct negotiation without issuing such invitations:

(i) in the case of Access Authorizations; or

(ii) in the case of all other types of Authorization where it is in the public interest to do so;

(c) If the Ministry awards an Authorization without inviting applications as set forth in paragraph 13.1(b) above, it shall provide substantiated reasons for so doing.



Regulatory Framework Extractive Industries in 2022

4.2 The Territory of Timor-Leste

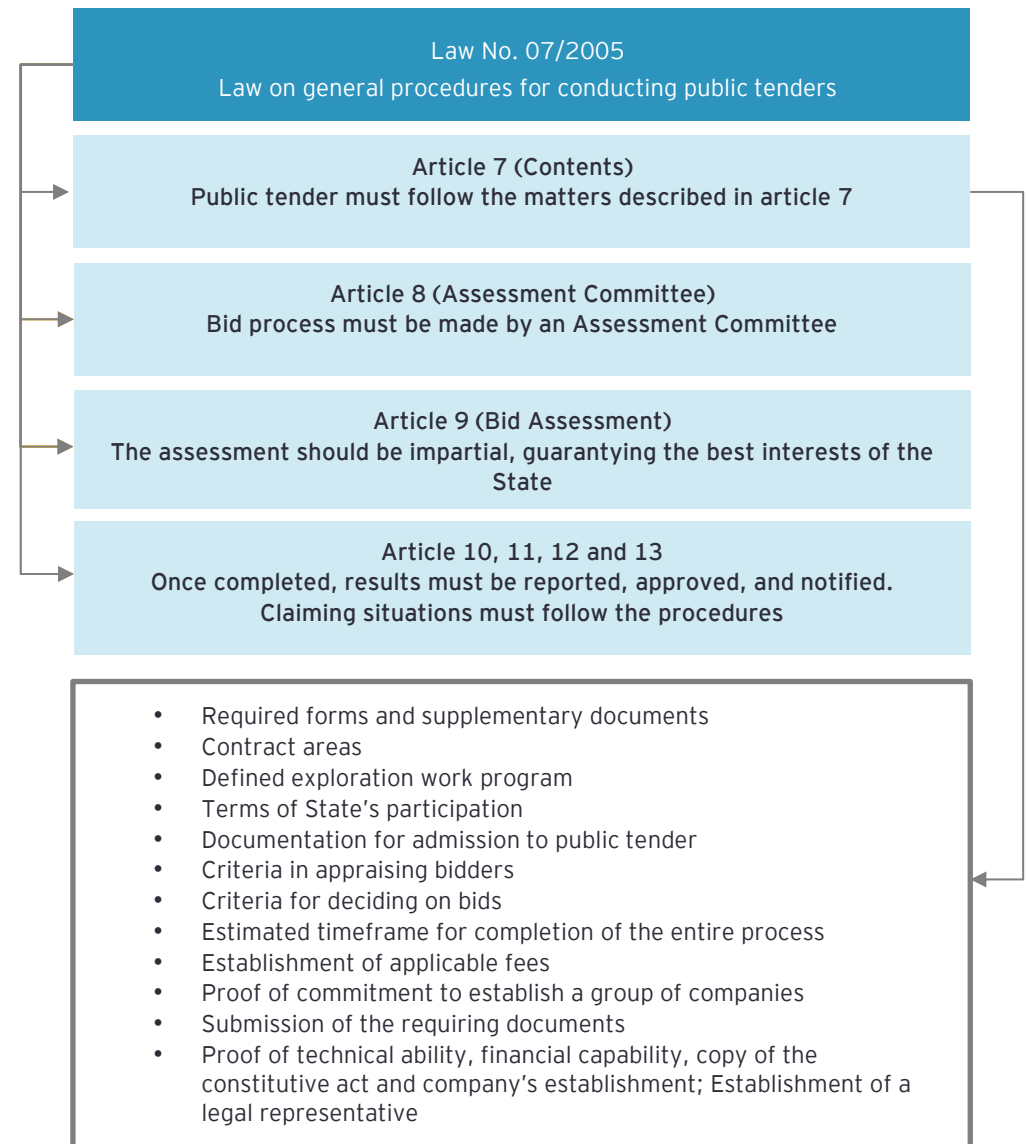
Public Tendering in respect of Petroleum Contracts Award (Decree Law No.7/2005)

The Law No. 6/2019, of 4th December (Law on Petroleum Activities) stipulates that the granting of authorizations, including the award of petroleum contracts, be preceded by a public tender. This Law has established principles aiming to benefit to Timor-Leste and its population as much possible by establishing a regulatory regime for petroleum companies.

The Decree-Law No. 7/2005 establishes the conditions on how the Ministry will proceed on authorizing petroleum activities. It states the State's participation in petroleum activities and also how they are developed. Transparency and Public information are equally addressed, where misleading information will be penalised as declared.

The companies and/or groups of companies shall be selected based on submitted bids, and the public notice issued by the Minister of Petroleum and Mineral Resources, Minerals and Energy Policy regarding the relevant public tender. The referred Minister will be in charge of the entire bidding process and also be the one responsible for granting prospecting authorizations.

Figure 16: Law No. 07/2005 - summary





Regulatory Framework Extractive Industries in 2022

4.2 The Territory of Timor-Leste

Decree-Law No. 62/2023

Decree-Law No. 62/2023 of 6th September 2023, 3rd amendment of Decree-Law No. 20/2008 of 19th June, on the establishment of Autoridade Nacional do Petróleo, entrusted the same entity with, amongst other things, the responsibility for regulating and supervising the sectors/industries pertaining to petroleum and natural gas and their derivatives in the country, thus acting as the Country's regulatory authority.

By Decree-Law No.62/2023 of 6th September, the 3rd amendment of Decree-Law No. 20/2008 of 19th June 2008 (the Amended Decree-Law), ANP is responsible for managing and regulating upstream and downstream petroleum activities in the Timor-Leste area, and in the area governed under the Greater Sunrise Special Regime provided in the Maritime Boundary Treaty between Timor-Leste and Australia. These include the supervision and regulation of, among others: (a) Carbon Capture, Utilization and Storage (CCUS) (b) Production, storage, transport and marketing of hydrogen and other related activities, (c) Production, storage, transport and marketing of synthetic fuels and other related activities in accordance with the amended Decree-Law, the Timor-Leste Petroleum Activities Law, Maritime Boundary Treaty

Offshore Petroleum Operations in Timor-Leste (Decree Law No. 32/2016)

The Offshore Decree-Law regulates the petroleum operations of the offshore petroleum resources in Timor-Leste Territory, aiming to achieve efficient exploration and exploitation practices and

preventing waste and pollution.

Onshore Petroleum Operations in Timor-Leste (Decree Law No. 18/2020)²²

The Onshore Decree-Law regulates Onshore petroleum operations in Timor-Leste.

This Decree-Law aims to:

- i. To ensure maximum recovery of Petroleum Resources of Timor-Leste
- ii. To prevent waste and pollution;
- iii. To enforce the use of safe and effective exploration and exploitation practices and exploration practices;
- iv. Enable the effective monitoring, supervision and inspection of petroleum operations monitoring, supervision and inspection of petroleum operations;
- v. Prevent the unlawful violation of the rights of affected persons;
- vi. Contribute to achieving the general objectives and development priorities of Timor-Leste.

Downstream Activities in Timor-Leste (Decree-Law No.1/2012)

One of the powers and responsibilities vested to the ANP, in accordance with the Decree-Law No.62/2023 of 6th September, is to promote the efficient and optimal use of installed capacity in

²² Source: [Decree-Law No. 18/2020, of 13 May](#)



petroleum infrastructures in the Downstream sector. The Decree-Law No.1/2012 defines Downstream activities as any activity carried out downstream of exploration and production of Crude Oil and Natural Gas not affecting any reservoir, as well as of feedstocks for the production of Biofuels or for any other alternative forms of fuels, including Supply, Processing, Transportation, Storage, Trading and Marketing, which is carried out independently from exploration and production (“upstream”) operations and for commercial purposes.



Regulatory Framework Extractive Industries in 2022

4.3 Former Joint Petroleum Development Area Legal Framework (JPDA)

Although the JPDA no longer exists, this section aimed to provide a historical transformation of the regulatory framework under the Former Joint Petroleum Development Area.

The Timor Sea Treaty, signed in 2002, established the Joint Petroleum Development Area (JPDA) in the Timor Sea. It enables the exploration and exploitation of the petroleum resources in the JPDA for the benefit of the people of Timor-Leste and Australia.

The following are the regulatory framework and Production sharing contract applicable to the former JPDA²³:

- Timor Sea Treaty (TST)
- Interim Petroleum Mining Code
- Petroleum Mining Code
- Interim Regulations issued under Article 37 of the Interim Petroleum Mining Code
- Interim Directions issued under Article 37 of the Interim Petroleum Mining Code
- Interim Administrative Guidelines for the Joint Petroleum Development Area

- Certain Maritime Arrangements in the Timor Sea
- Greater Sunrise - Memorandum of Understanding
- Greater Sunrise - International Unitization Agreement (IUA)

Production Sharing Contracts (PSC)

The petroleum contracts include:

- PSC TL-SO-T 19-12 (previously JPDA PSC 03-12)
- PSC TL-SO-T 19-13 (previously JPDA PSC 03-13)
- JPDA PSC 03-19
- JPDA PSC 03-20
- PSC TL-SO-T 19-10 (previously JPDA PSC 06-105)
- PSC TL-SO-T 19-11 (previously JPDA PSC 11-106)

More information about PSCs can be found in Annex E, specifically regarding undersea oil and gas resources.

²³ Sources: [ANPM website - JPDA Production, Barrels of Oil Equivalent \(BOE\)](#)
Source: [Annual-Report-2022-ENGLISH-002.pdf](#)



Regulatory Framework Extractive Industries in 2022

4.4 Specific agreements with Australia regarding Oil & Gas Exploration

As in the previous section, the information below aims to provide a historical overview of the regulatory framework between Australia and the Democratic Republic of Timor-Leste, covering developments from the past up to the latest updates in 2019.

In 2006, Timor-Leste and Australia had agreed to sign on International Treaties regarding the maritime arrangement in the Timor Sea:

- The previously mentioned Timor Sea Treaty
- The Treaty on Certain Maritime Arrangements in the Timor Sea (CMATS) (this agreement was no longer applicable from 2016)
- The International Unitization Agreement for Greater Sunrise (IUA)

Additionally, the Greater Sunrise Memorandum of Understanding (MOU) specifies additional arrangements on this field.

Timor Sea Treaty (TST)

Formally known as the Timor Sea Treaty signed between the Government of Timor-Leste and the Government of Australia in Dili,

on May 20th, 2002, the day Timor-Leste attained its independence from United Nations leadership, to join forces on petroleum exploration in Timor Sea by both countries.

The treaty entered into force on April 2nd, 2003, following an exchange of diplomatic notes. The treaty was to run for 30 years from the day it came into force or when a seabed boundary could be established, whichever came earlier.

The Timor Sea Treaty provides for the sharing of the proceeds of identified petroleum resource(s) in an agreed seabed area known as the Joint Petroleum Development Area and does not determine the sovereignty and maritime boundary between the two countries. The treaty expressly states that the right of either country to claim the overlapping portion of the seabed is maintained.

In 2019, the Resolution No. 15/2019 of 27th August on Ratification of the Maritime Boundaries Treaty between Australia and Democratic Republic of Timor-Leste was published to rectify the Timor Sea Treaty (see the new blocks in Annex K). Timor-Leste and Australia concluded a definitive delimitation of maritime borders between the two States through the Treaty and that delimitation had implications on ownership, jurisdiction and management of oil resources in the Timor Sea.



Regulatory Framework Extractive Industries in 2022

4.4 Specific agreements with Australia regarding Oil & Gas Exploration

Greater Sunrise - International Unitization Agreement (IUA)

The Sunrise and Troubadour gas and condensate fields, collectively known as the Greater Sunrise fields, are located approximately 150 kilometers south-east of Timor-Leste and 450 kilometers north-west of Darwin, Northern Territory.

In April 2019, the government of Timor-Leste, through TIMOR GAP, purchased 56.56% of the Greater Sunrise gas and condensate, held by ConocoPhillips (30%) and Shell (26.56%). Woodside still holds 33.44% (Operator) and Osaka Gas with a 10%.

The Greater Sunrise IUA, along with the other legal framework, regulates petroleum activities in the Unit Area and Unit Reservoirs.

In 2019, the Resolution No.15/2019 of 27th August was published to present a Ratification of the Maritime Boundaries Treaty between Australia and Democratic Republic of Timor-Leste. This Resolution rectifies the Timor Sea Treaty and the International Unitization Agreement by the definition of a new provisory geodesic line in the Greater Sunrise Area. The final geodesic line will only enter into force once Timor and Indonesia define boundaries on the continental platform and the depletion of the Greater Sunrise Field.

Greater Sunrise - Memorandum of Understanding (MOU)

The Greater Sunrise MOU sets the fees value relating to the Unitization of the Greater Sunrise which the Government of Australia will transfer to the Government of Timor-Leste.

Petroleum Mining Code (PMC)

In accordance with Article 7(a) of the Timor Sea Treaty, and subject to the terms of that Treaty, the following Petroleum Mining Code is adopted to regulate the exploration, development, and exploitation of Petroleum within the JPDA, as well as the export of Petroleum from this same area.

Interim Petroleum Mining Code (Interim PMC)

The Interim PMC regulates petroleum activities within JPDA. Despite the fact that the PMC was established, the Interim PMC continues to regulate the following PSCs:

- PSC TL-SO-T 19-12 (previously JPDA PSC 03-12)
- PSC TL-SO-T 19-13 (previously JPDA PSC 03-13)
- JPDA PSC 03-19
- JPDA PSC 03-20



Regulatory Framework Extractive Industries in 2022

4.4 Specific agreements with Australia regarding Oil & Gas Exploration - new laws since 08/19

Greater Sunrise

The Resolution No. 15/2019 of 27th August, as mentioned before relates to the Rectification of the Maritime Boundaries Treaty, between Australia and Democratic Republic of Timor-Leste. Regarding the Special Regime of the Greater Sunrise, Australia and Democratic Republic of Timor-Leste have the tittle to all petroleum oil produced by sharing the upstream revenues (specifically the first tranche petroleum, profit oil and taxation), derived from the upstream exploitation of Petroleum produced in the Greater Sunrise Fields²⁴:

- In the ratio of 70 per cent to Timor-Leste and 30 per cent to Australia in the event that the Greater Sunrise Fields are developed by means of a Pipeline to Timor-Leste; or
- In the ratio of 80 per cent to Timor-Leste and 20 per cent to Australia in the event that the Greater Sunrise Fields are developed by means of a Pipeline to Australia.

Under Former JPDA Area

According to the Resolution No. 15/2019 of 27th August, the JPDA Area became 100% Timor-Leste Exclusive Jurisdiction and regulated by ANP. Furthermore, it is required to have a “cooperation between the ANP, DIIS and NOPSEMA in relation to the safe and efficient regulation of the Bayu-Undan Gas Field, including the Bayu-Undan Facilities and the Bayu-Undan Pipeline, the latter of which traverses both Timor-Leste’s and Australia’s continental shelf and over which Australia exercises exclusive jurisdiction over the Pipeline”. As such:

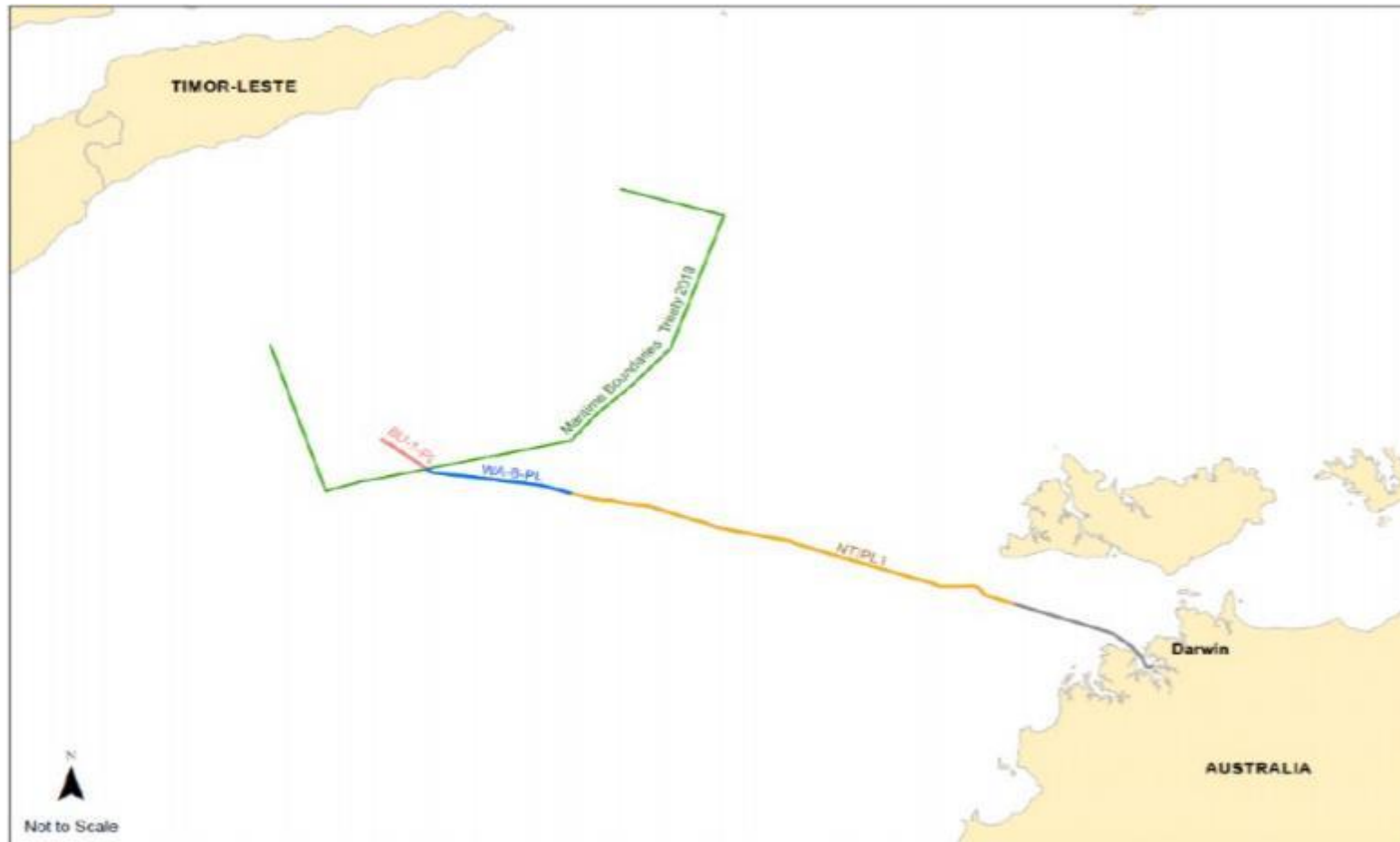
1. ANP will be solely responsible for regulating the Bayu-Undan Facilities, that is, the upstream offshore infrastructure installed in the Bayu-Undan Gas Field which extracts and processes gas and liquids and stores liquids produced from the Bayu-Undan Gas Field but does not include the Bayu-Undan Pipeline.
2. The Department of Industry, Innovation and Science of Commonwealth of Australia (DIIS) will be the responsible for the regime governing oil rights and activities in the watershed area Coastal (beyond 3 nautical miles after territorial sea) to the outer limit of the Australian Exclusive Economic Zone.
3. Australian National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) will exclusively regulate the Bayu-Undan Pipeline, covered by the licenses BU-1-PL, WA-8-PL and NT/PL1.

²⁴ Source: <http://www.anpm.tl/wp-content/uploads/2019/09/Resolu%C3%A7%C3%A3o-do-Parlamento-Nacional-No-15-2019-de-27-de-Agosto.pdf>



Regulatory Framework Extractive Industries in 2022

Figure 17: Specific agreements with Australia: Maritime Boundaries - Parliament Resolution 15/2019²⁵

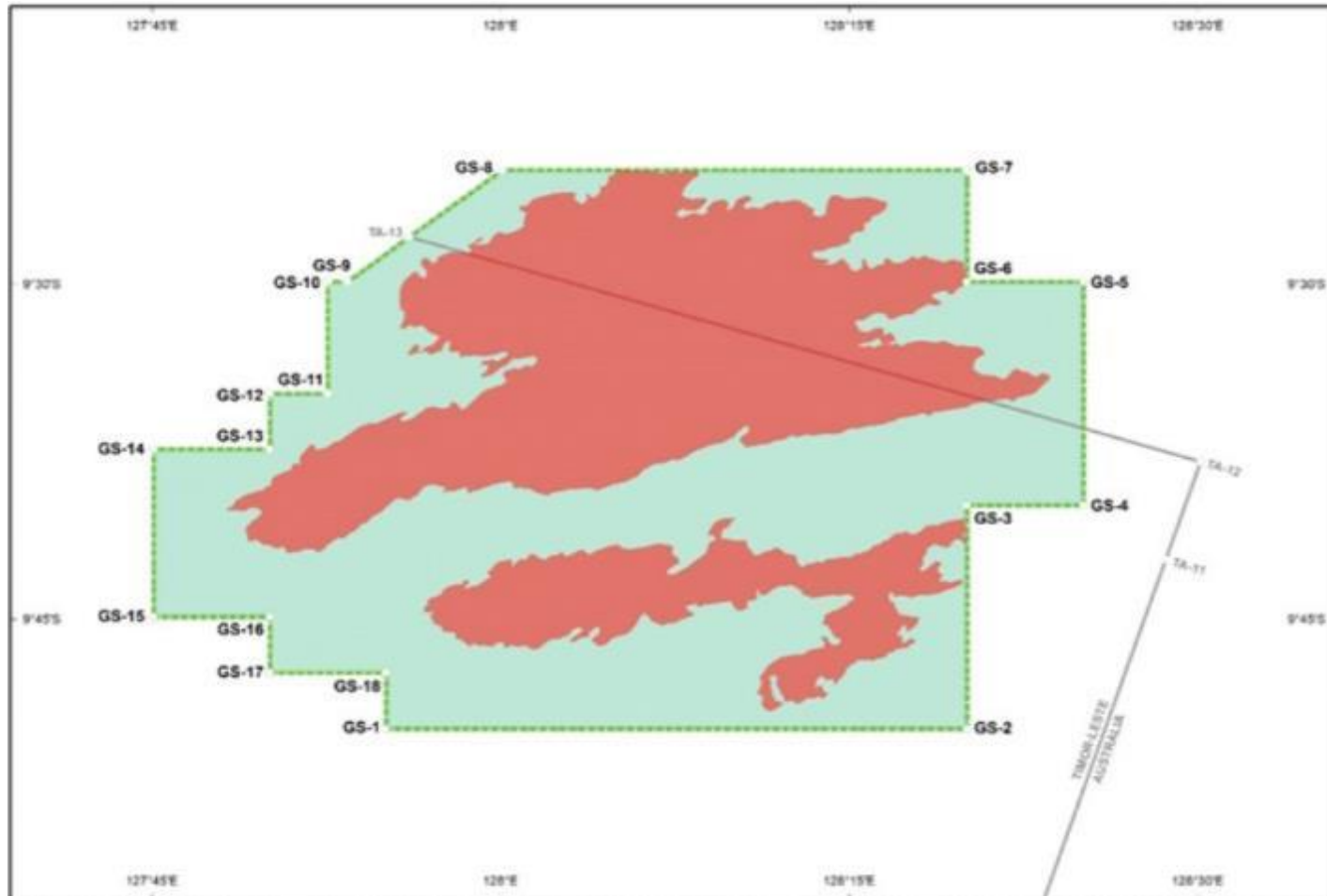


²⁵ Source: <http://www.anpm.tl/wp-content/uploads/2019/09/Resolucao-do-Governo-No-22-2019-de-27-de-Agosto.pdf>



Regulatory Framework Extractive Industries in 2022

Figure 18: Specific agreements with Australia: Maritime Boundaries - Parliament Resolution 15/2019²⁶



²⁶ Source: <http://www.anpm.tl/wp-content/uploads/2019/09/Resolução-do-Parlamento-Nacional-No-15-2019-de-27-de-Agosto.pdf>



Regulatory Framework Extractive Industries in 2022

4.5 ANPM

4.5.1 Autoridade Nacional do Petróleo e Minerais (ANPM) - Prior to the entry into force of the Decree-Law No. 62/2023 of 6th of September

The Autoridade Nacional do Petróleo e Minerais (ANPM) of Timor-Leste is a public institution established by Decree-Law No. 1/2016 on February 9th, which serves as the first amendment to Decree-Law No. 20/2008 of June 19th.

After the first amendment by Decree-Law No. 1/2016 of February 9th, the ANPM was recognized as the body responsible for the administration and regulation of petroleum and mining activities in Timor-Leste's territorial waters, both offshore and onshore, as well as in the Joint Petroleum Development Area (JPDA), in alignment with the Decree-Law of the ANPM, the Timor-Leste Petroleum Activities Law, the Timor Sea Treaty, and the Mining Code.

The Second amendment of the ANPM Decree-Law (Decree-Law No. 27/2019) was associated with the definitive maritime border delimitation between Timor-Leste and Australia as established by the Treaty (Resolution No. 15/2019). This amendment also affected the delineation of ownership, jurisdiction, and management of oil resources in the Timor Sea.

Upon the enactment of Resolution No. 15/2019, the ANPM's role expanded to include the designated authority for the Greater Sunrise Special Regime Area and the former JPDA, which transitioned to the exclusive jurisdiction of Timor-Leste.

Consequently, the ANPM is tasked with managing and regulating petroleum and mining activities within Timor-Leste's Exclusive

Jurisdiction, encompassing the former JPDA and the Greater Sunrise Special Regime Area, in accordance with the establishing Decree-Law and pertinent laws and regulations, including:

- The Timor-Leste Petroleum Activities Law, amended by Law No. 1/2019 of January 18th and Law No. 6/2019 of December 4th;
- Resolution No. 15/2019, which amends the Timor Sea Treaty;
- All new legislation introduced following the rectification of the Maritime Boundary Treaty in August 2019;
- Previous resolutions prior to August 2019;
- The Petroleum Mining Code and related legal frameworks for the Greater Sunrise Special Regime Area.

The ANPM is accountable to the Government of Timor-Leste, oversees supervision of compliance of the regulatory framework related to petroleum activities and management of upstream petroleum activities through regular supervision and control, including health, safety, environmental protection, and evaluation of work practices.

Under Petroleum Activities Law, the ANPM is not only responsible for upstream petroleum activities within the exclusive area of Timor-Leste but also for regulating downstream petroleum activities, which encompass the supply, processing, storage, transportation, trading, and marketing of oil and gas products.



Additionally, the ANPM regulates mineral activities across the entire territory, including recognition, exploration, assessment, development, exploitation, processing, refining, transportation, and commercialization.

The objectives of the ANPM are to:

- Ensure effective exploration, development, management, and regulation of petroleum and mineral resources;
- Deliver economic benefits to the contracting states;
- Maximize employment opportunities for nationals of Timor-Leste;
- Foster organizational excellence;
- Promote and ensure adherence to the best health, safety, and environmental (HSE) practices;
- Regulate all downstream petroleum activities in Timor-Leste;
- Enhance the economic activities of the petroleum and mineral sectors within Timor-Leste.

In 2023, the IX Constitutional Government of Timor-Leste through the Council of Ministers enacted Decree-Law No. 62/2023 on September 6th, which constitutes the third amendment to Decree-Law No. 20/2008 of June 19th, 2008. As a result, the ANPM has been restructured to ANP (Autoridade Nacional do Petróleo) and ANM (Autoridade Nacional dos Minerais).

Considering the varying stages of development between the oil and mineral sectors, alongside the national strategic imperatives, the Government has decided to create these two entities, ANM and ANP, which have the same goals but are focused specifically on each of their sectors.

This reform underscores the Government's confidence that separating regulatory bodies for the oil and gas sectors will improve regulatory efficiency and foster sustainable socio-economic development.



Regulatory Framework Extractive Industries in 2022

4.5.2 Autoridade Nacional do Petróleo (ANP) - after 2023

As mentioned previously, following the implementation of Decree-Law No. 62/2023 on September 6th, 2023, the ANP continues to uphold the comprehensive goals and responsibilities focus on the oil and gas sector. The ANM, to be discussed in further detail, will assume the role of regulator for the mineral resources sector, in strict accordance with the regulations prescribed in the Mining Code. For further details, please refer to Section 6.

The ANP remains responsible for managing and regulating upstream and downstream petroleum activities in the Timor-Leste area and in the area governed under the Greater Sunrise Special Regime provided in the Maritime Boundary Treaty between Timor-Leste and Australia. These responsibilities now also include the supervision and regulation of (a) Carbon Capture, Utilization and Storage (CCUS), (b) Production, storage, transport, and marketing of hydrogen and other related activities, and (c) Production, storage, transport, and marketing of synthetic fuels and other related activities in accordance with the Amended Decree-Law and the Timor-Leste Petroleum Activities Law.

In light of these changes, ANP remains committed to honoring its obligations under the existing contract. An internal legal administrative process was undertaken to notify all the parties of the respective changes.

For the purpose of the current report, we maintained the references to ANPM since during 2022 it was the entity designation and responsible for the information provided. Also currently, on an

operational level since the split is recent the reporting initiative is still complementary between the entities.

Regulatory Framework Extractive Industries in 2022

4.6 Petroleum Fund

The Petroleum Fund was established to fulfill the constitutional requirement set by Article 139 of the Constitution of the Republic that mandates a fair and equitable use of the natural resources in accordance with national interests, and that the income derived from the exploitation of these resources should lead to the establishment of a mandatory financial reserve.

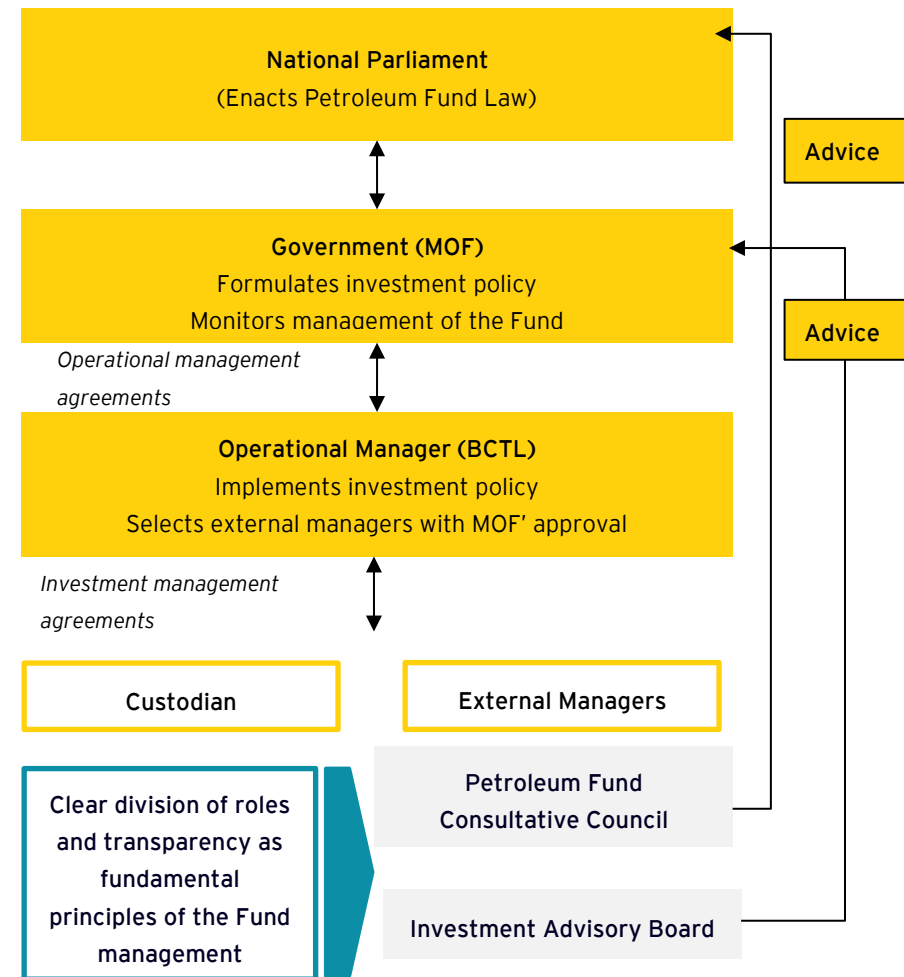
The parliament of Timor-Leste established the legal framework for the Petroleum Fund through the Petroleum Fund Law, updated by amendments to the Petroleum Activities Law. The Fund is constituted as an account of the Ministry of Finance held in the Central Bank of Timor-Leste (BCTL, Banco Central de Timor-Leste).

The Petroleum Fund Law:

- Provides mechanisms that assist Timor-Leste to sustainably manage its petroleum revenue;
- Details the parameters for operating and managing the petroleum fund;
- Defines the asset allocation and risk limits;
- Governs the collection and management of receipts associated with petroleum wealth;
- Regulates transfers to the state budget, and
- Provides for government accountability and oversight of these activities.

The Petroleum Fund Law requires that all petroleum revenues are entirely transferred to the Fund and invested abroad in financial assets. The Fund's only outgoings are transfers back to the central government budget, pursuant to parliamentary approval by the Law No.9/2005 (August 3rd, 2005)

Figure 19: Governance structure of the Petroleum Fund





Regulatory Framework Extractive Industries in 2022

4.6 Petroleum Fund

The Petroleum Fund Law provides mechanisms that assist Timor-Leste to sustainably manage its petroleum revenues, details parameters for operating and managing the Petroleum Fund, defines asset allocation guidelines and risk limits, governs collection and management of the receipts, regulates transfers to the State Budget, defines clear roles and responsibilities of entities involved in the management of the Fund and provides for government accountability and oversight of these activities.

The Fund separates the inflow of petroleum revenues from government spending. All petroleum income initially enters the Fund before any transfers are made to the State Budget. The Petroleum Fund Law provides for the State Budget to be financed by annual transfers from the Petroleum Fund. These are capped at 3% of annual Petroleum Wealth, named Estimated Sustainable Income (ESI), which is equivalent to the sustainable level of withdrawals to preserve the Fund for future generations. However, the Petroleum Fund Law allows for transfers above the ESI when justified by the Government and approved by the National Parliament.

Estimated Sustainable Income (ESI)

Petroleum Wealth comprises the balance of the Petroleum Fund and the Net Present Value of expected future petroleum revenue. The rationale behind using the ESI is to smooth the spending of temporarily high petroleum income and shield against the volatility of petroleum inflows and safeguard the sustainable use of public

finances. The Fund is invested only in international financial assets. The investment objective is to achieve a 3% real return over the long run to contribute to the sustainability of the fiscal policy.

However, the permanent fund framework, where sustainable withdrawals are offset by the expected real investment return, was not applied in practice. Rather than follow the ESI fiscal guideline, governments have front-loaded expenditure with the aim of economic development. Withdrawals averaged about 5% of Petroleum Wealth from 2009 to 2021, significantly higher than the 3% ESI²⁷, and the Fund is projected to deplete unless there are significant new inflows or a significant change in fiscal policy.

Therefore, to prevent this, in December 2022 the MoF presented the Public Finance Management (PFM) reform strategy 2022-2027 which outlined how Timor-Leste will enhance the revenue mobilization and strengthen its public finance system.

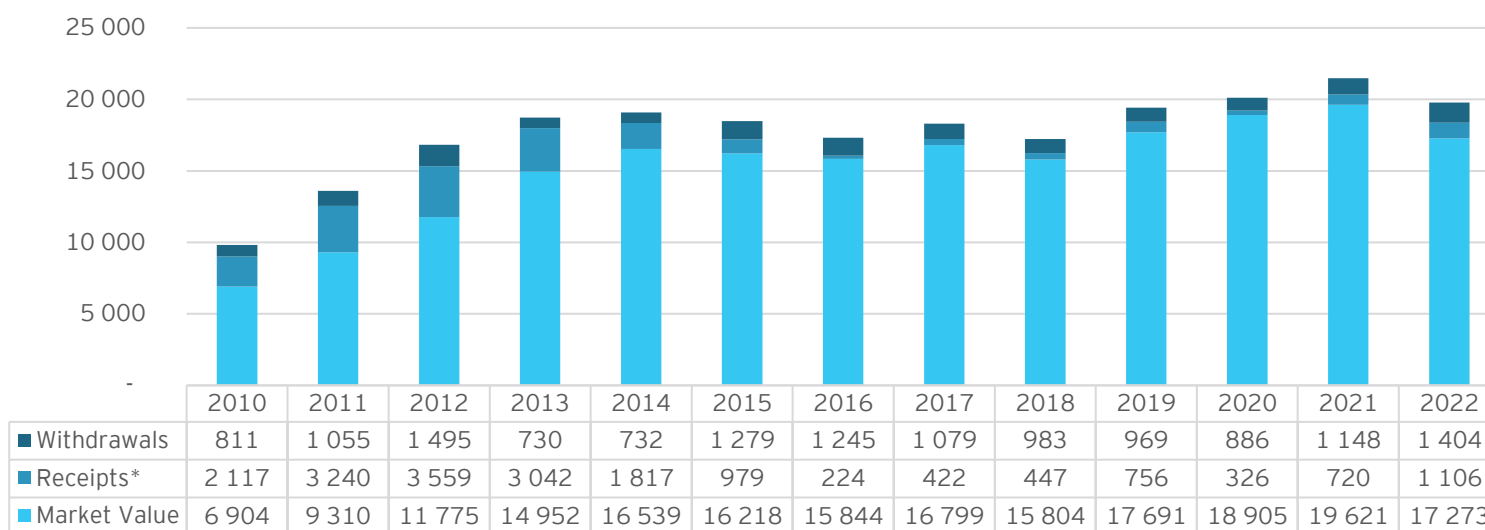
²⁷ Source: [Timor Leste Petroleum Fund Annual Report 2022.pdf \(ifswf.org\)](#)



Petroleum Fund Balance

The Fund's balance decreased by USD 2,348 million in 2022 to end the year at USD 17,273 million. The balance of the Fund is determined by inflows from petroleum revenues, investment returns and outflows from Government withdrawals. The petroleum revenues contributed USD 1,106.4 million to the Fund, while the annual investment return was negative USD 2,050.4 million. A total of USD 1,404 million was withdrawn to finance the Government's expenditure. The following sections provide more details on each component.

Figure 20: PF movements in net assets, Million USD





Regulatory Framework Extractive Industries in 2022

4.6 Petroleum Fund

Withdrawals

The Government's General State Budget is largely financed by withdrawals from the Petroleum Fund. The Parliament approved withdrawals of USD 1,346.1 million from the Petroleum Fund. In May 2022, the Parliament approved the Government's proposed rectification Budget 2022, which increased the total withdrawals to USD 2,552.6 million. However, the USD 1 billion allocated for Timor-Leste's war veterans fund was not transferred from the Petroleum Fund.

The total withdrawals from the Petroleum Fund for the Financial Year 2022 were USD 1,404.0 million which was USD 849.9 million higher than the Estimated Sustainable Income (ESI) amount of USD 554.1 million projected for the year. The ESI is set at 3% of the Petroleum Wealth, which was estimated as USD 18,469.3 million in the 2022 Budget Book. Petroleum Wealth consists of the projected

Petroleum Fund balance at the beginning of the budget year (USD 18,323.8 million) and the forecasted net present value of the future petroleum revenues (USD 145.5 million). Future petroleum revenues only include estimates from fields with approved development plans and therefore exclude Greater Sunrise and other potential sources of revenues.

Tax Refund

In 2018, the Government of Timor-Leste approved a tax refund related to the Corporate Income Tax (CIT) and Supplemental Petroleum Tax (SPT) overpayment during the fiscal periods of 2011, 2012 and 2013 from Kitan operations. It is possible that future tax refunds might be paid out in the upcoming years from the Petroleum Fund, although during 2022 there was not tax refunds regarding previous year.



Regulatory Framework Extractive Industries in 2022

4.6 Petroleum Fund

Petroleum Fund's investment performance

The Petroleum Fund's total return in 2022 was -10.36%. The liquidity portfolio's total return was -0.65%, consistent with its low risk, while the growth portfolio's total return was -11.81%. Both equities and fixed interest fell in value as central banks had to sharply raise interest rates to fight persistent inflation. The Petroleum Fund's loan to Timor Gap E.P. returned -20.05% following the latest independent valuation. The negative return for the Fund followed a period of strong performance in the prior three years.

The negative return in 2022 caused the Petroleum Fund's annual return since inception to fall to 3.95%.

Petroleum Revenues

The Fund's petroleum revenue is a function of production and prices. Bayu-Undan is the only field in operation. Its production peaked in 2012 and has declined over time. Infill drilling in 2018 and Phase 3C in 2021 allowed production to be extended, but there was a marked reduction in output in 2022. Monthly production fell from the typical level of around 3 million barrels of oil equivalent (BOE) to under 1 million BOE at the end of 2022.

Annual production significantly decreased from 37.2 million BOE in 2021 to 17.3 million BOE in 2022. There were 6 condensate cargoes, 3 LPG cargoes, and 19 LNG cargoes sold in 2022, which is lower than in 2021. This is resulting from the further natural field

depletion of liquid production in Bayu Undan field throughout the year 2022.

At the same time, world oil prices surged in 2022 amid geopolitical events and the ongoing economic recovery from the COVID-19 pandemic, driving oil prices to their highest levels in history. The prices for Timor's petroleum products, which are linked to global benchmarks, reflected this upward trend. Brent crude averaged \$100.80/b in 2022, the highest in the past three years.

Regarding Bayu Undan LPG, despite a rapid decrease in the volume of gas sold this year, all available cargoes were marketed in accordance with applicable sales agreements escalated with the uprising of the gas price in 2022 global market.

The sales mechanism for LNG in 2022 differed slightly from the previous year. Most of Bayu Undan's LNG was sold on the spot market. Prices were tied to either oil benchmark prices or LNG benchmark prices, specifically the Platts Japan-Korea-Marker ("JKM"). The JKM futures prices averaged \$34.1/MMBtu in 2022, significantly higher than in recent years.

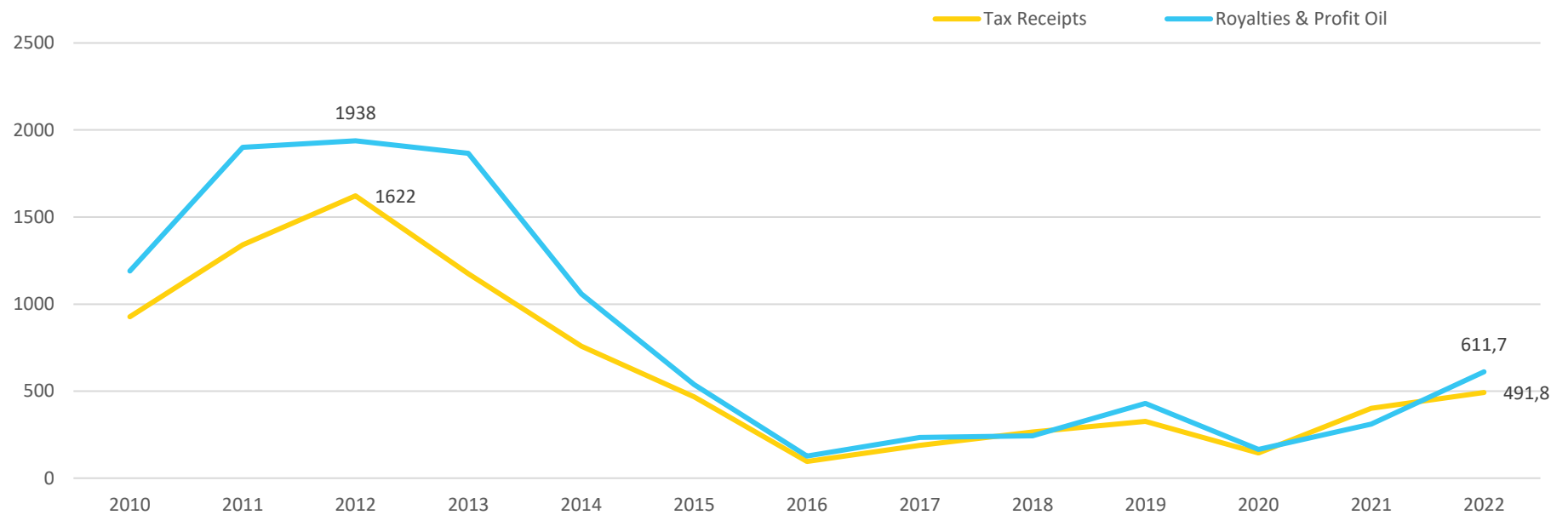
Higher prices allowed the Petroleum Fund to receive USD 1,106.4 million of petroleum revenues during 2022. The revenues consisted of USD 491.8 million in petroleum taxes, USD 611.7 million in royalties and profit from oil and gas, and USD 2.9 million of other payments²⁸. Since the fund's inception, the total petroleum receipts have amounted to USD 24,938 million, which includes the

²⁸ The reclassification adjustment amounting of USD 1,5 million should take into account when reconciling the amounts disclosed by the Petroleum Fund.



initial transfer of revenues collected before the Fund was established. Please see the figure 21 below, which presents the annual petroleum revenue for the last 13 years.

Figure 21: Annual Petroleum Revenue, USD million



Regulatory Framework Extractive Industries in 2022

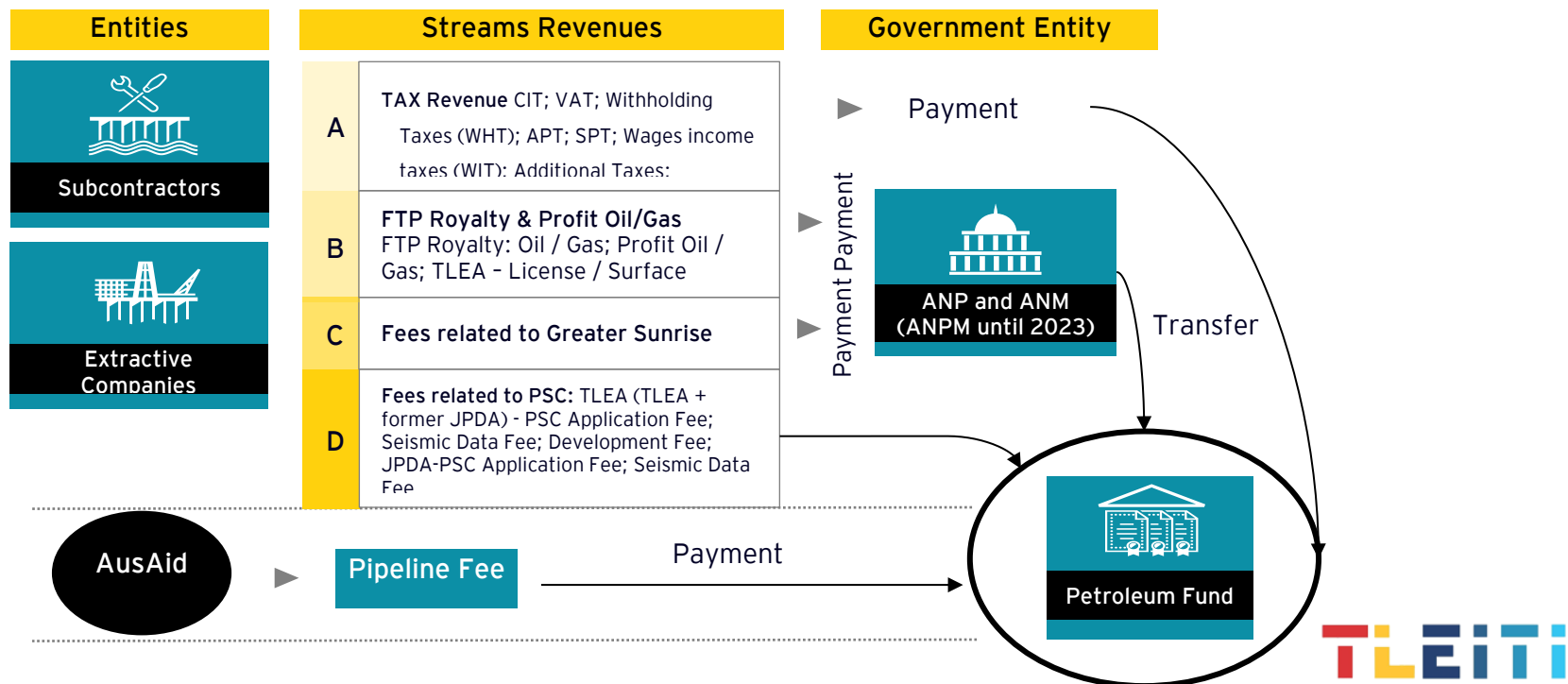
4.7 Summary of the payment process

The figure below illustrates the components of Timor-Leste's petroleum revenues that have flowed from the extractive entities and their subcontractors. As you can see, they are well-organized in pipelining the funds. ANP and ANM (formerly known as ANPM until 2023) represent the government and regulate the market, collecting fees and transferring them to the Petroleum Fund.

The ANZ Singapore Joint Petroleum Development Area ('JPDA') funds are held in name of ANP as representative of Timor-Leste State which is stipulated under the government Decree Law No, 24/2019 on 27 August 2019 and Parliament Resolution no 15/2019 on 27 August 2019 that the operator and its joint venture of Bayu-Udan Field must pay the Timor-Leste State's entitlement to ANP, and the fund will further distribute to the Timor-Leste Petroleum fund account by ANP.

There are almost no direct links from the petroleum sector to the rest of the economy. All petroleum production is offshore and outsourced to foreign companies. Petroleum revenues flow into Timor-Leste's offshore petroleum fund, from which a portion is drawn through the government budget, benefiting the non-oil sector.

Figure 22: Components of petroleum revenues and payment process





Regulatory Framework Extractive Industries in 2022

4.8 State Owned Enterprise (SOE's)

Article 22 of the Law No.6/2019 of 4th December Second Amendment of Law no. 13/2005, of 2nd September, on Petroleum Activities ("Petroleum Activities Law") "State Participation in Petroleum Operations," allows a state-owned National Oil Company (NOC) to participate in joint ventures for exploring and exploiting petroleum resources in Timor-Leste. This law is not applicable to JPDA, since the coverage is only limited to Timor-Leste Jurisdiction. Further, with the creation of TIMOR GAP, the State is aiming to facilitate, through the NOC, the participation in any authorization issued under JPDA, and other jurisdictions, following the best industry practices.

TIMOR GAP, E.P.

TIMOR GAP, E.P. was established as a national company of Timor-Leste by Decree-Law no 31/2011 as subsequently amended. Its main objective is to act on behalf of the State in conducting business within the Oil and Gas sector.

This company receives a government funding in the form of an annual public transfer for the purpose of supporting its operational activities in accordance with the State Budget Law. The public transfer to TIMOR GAP is made through to the Ministry of Petroleum and Mineral Resources' (MPRM) annual budget. The Funds allocated to TIMOR GAP are based on the company's annual plan that is approved by the Council of Ministers.

An agreement on the budget execution and reporting is signed every year between MPRM and the TIMOR GAP before the disbursement of the funds to the company's designated bank account. Under Art. 4 of the Decree Law no 31/2011, TIMOR GAP is obliged to submit the report on quarterly basis to MPRM on the

use of the public transfer accordingly. Details of transfers are mentioned on TIMOR GAP's 2022 Annual Report²⁹.

The entity has subsidiaries engaged in upstream activities and oil & gas services.

For more information on TIMOR GAP, E.P. subsidiaries, please refer to Annex N.

Upstream subsidiary companies (Block interests SPVs)

The activities of the wholly owned subsidiaries by TIMOR GAP vary from Onshore to Offshore. In 2020 TIMOR GAP has interests in the following:

- In 2012 TIMOR GAP established a fully owned subsidiary company, TIMOR GAP PSC 11-106 that is responsible for exploration, production of crude oil and natural gas and respective sale activities regarding to the PSC TL-SO-T 19-11. The partnership between TIMOR GAP PSC 11-106, Eni JPDA 11-106 B.V., and Inpex for this PSC in the former-JPDA area had an effective date on October 23rd, 2013. TIMOR GAP has 24% of share in the JV.
- Founded in October 2015, TIMOR GAP Seismic Services, Unipessoal, Lda. is owned by TIMOR GAP (60%) and a subsidiary of China National Petroleum Corporation, BGP Geoservices Pte, Ltd (40%) with the objective to provide seismic survey services within the Timor-Leste's territory.
- Established in 2015, TIMOR GAP OFFSHORE BLOCK, Unipessoal, Lda. is a special purpose vehicle for the offshore block TL-SO-15-01. In 18th of December 2015, this

²⁹ Source: [AR22_English_Web.pdf](#)



subsidiary began the exploration offshore in the block TL-SO-15-01 holding a 100% of share in the PSC.

- TIMOR GAP Chuditch, Unipessoal, Lda. established in 2016, to expand TIMOR GAP Exploration & Production portfolio. On 8 November 2019, TIMOR GAP CHUDITCH, and its joint venture partner, SundaGas Banda Unipessoal, Lda., signed a PSC for the TL-SO-19-16 contract area with ANPM. Timor GAP has 25% of share in the JV.
- TIMOR GAP ONSHORE BLOCK, Unipessoal, Lda. was founded in 2017, as a SPV with the purpose of entering into PSC TL-OT-17-08, with TIMOR RESOURCES for the exploration and exploitation of the onshore Block A, sharing 50% share partnership.
- In 2017, TIMOR GAP ONSHORE BLOCK B, Unipessoal, Lda. was created as a SPV to participate in the activities in the onshore Block B.
- Established in 2017, TIMOR GAP ONSHORE BLOCK C, Unipessoal, Lda. is a SPV for the block TL-OT-17-09 signed with TIMOR RESOURCES, sharing 50% share partnership. Please check Annex J for Timor GAP Onshore Blocks.
- In 2017, TIMOR GAP Drilling & Services, Unipessoal, Lda. was created due to the complexity of supplying services in the upstream business. The main goal is to attract and improve the value of commercial economy.

Established in 2018, there four wholly owned subsidiaries created, as follows:

- TIMOR GAP GREATER SUNRISE RL2, Unipessoal, Lda., with the purpose to hold a participating interest in the Retention Lease NT/RL2 of the Greater Sunrise fields.
- TIMOR GAP GREATER SUNRISE RL, Unipessoal, Lda., with the purpose of hold a participating interest in the Retention Lease NT/RL of the Greater Sunrise fields.

- TIMOR GAP GREATER SUNRISE 03-19, Unipessoal, Lda., with the purpose to hold participating interests in the PSC JPDA 03-19 of the Greater Sunrise fields.
- TIMOR GAP GREATER SUNRISE 03-20, Unipessoal, Lda., with the purpose to hold participating interests in the PSC JPDA 03-20 of the Greater Sunrise fields.

In 2021, TIMOR GAP established a new wholly owned subsidiary to participated in exploration and production:

- Established in 2021, TIMOR GAP PUALACA BLOCK, Unipessoal, Lda., a wholly owned subsidiary of TIMOR GAP, was awarded with the onshore PSC TL-OT-21-17 (Pualaca Block), holding a 100% participating interest and assuming the role of Operator.
- In 2022, TIMOR GAP established a new wholly owned subsidiary, TIMOR GAP RARAHANA BLOCK, Unipessoal, Lda., to participated in exploration and production activities in the onshore PSC TLOT-22-18 awarded this year to the company.

Downstream Subsidiary companies

- Created in 2014, TIMOR GAP Oil & Gas Marine and Logistics, Unipessoal, Lda provides general services for the marine industry and support services to the petroleum industry.
- Established in 2020, WESTSTAR-GAP Aviation, Lda. is a joint venture company established by TIMOR GAP and WESTSTAR AVIATION TIMOR, Unipessoal, Lda, an affiliate of PT. WESTSTAR AVIATION INDONESIA, specialized in the provision of aviation transportation services particularly for the offshore oil and gas industry. TIMOR GAP owns a 45% share of the subsidiary, while WESTSTAR AVIATION TIMOR, Unipessoal, Lda. owns 55%.



Tasi Mane Project Subsidiary

Established in 2015, The South Horizon Offshore Services, Lda, a subsidiary of TIMOR GAP Oil & Gas Marine and Logistics, Lda, provides support services to vessels and offshore facilities operating in the Timor Sea, to own and operate offshore support vessels and to render any other services for the marine and oil & gas industry.

Revenue and Financial Results

TIMOR GAP received government grant of USD 62,200,000 (2021: USD 65,739,700) forms the majority of TIMOR GAP's revenue for the year 2022. The grant was provided to fund the 2022 operations of the company including to carry out major project related studies like development of other Downstream Businesses and Services including fuel trading business, investments in Greater Sunrise PSC, investments in new onshore blocks, etc.

While the company depends on government grant to carry out its operating and non-operating project expenses, the company has also internally generated income from fuel trading business and from fuel sales from Suai Petrol Station, which recorded total combined sales of USD 29,055,843 (2021: USD 20,665,059).

Timor GAP has borrowed USD 650 million from the Petroleum Fund at an interest rate of 4.5% compounded annually, with the first annual repayment due in 2028. The total borrowing amortised cost reported for 2022 was USD 765,957,836. This loan was specifically taken to acquire participating interests of 56.56% in the Greater Sunrise oil and gas field.

On a group basis, the operating loss for the year ended 31 December 2022 stood at USD - 34,454,255 (2021: USD - 26,152,277). The loss on group basis is further reduced by the total of income tax and deferred tax expense of USD 27,128 (2021: - 257,686 USD).

The total consolidated net comprehensive results for the year ended 31 December 2022 stood at USD - 34,183,919 (2021: USD - 26,305,820). Despite minor improvements in operational revenue, the group continues to face significant financial strain. These losses are primarily driven by substantial operating expenses and interest costs on government-backed loans.

The external auditor in the Independent Auditor's Report draw attention to the existence of material uncertainty that may cast significant doubt about the TIMOR GAP's group ability as a Going Concern due to its incurred net losses for the year ended December 31, 2022, and the group's net worth being fully eroded.

Brief Note on Onshore direct award to TIMOR GAP

TIMOR GAP, E.P., the national oil company of Timor-Leste, was awarded the exclusive hydrocarbon exploration rights to the Onshore Block (44/2015) by Government Resolution 44/2017 in December 2015. Subsequently the Onshore Block was divided into 3 sub-blocks (A, B & C), each with an area of approximately 1000km².

Due to the nature of the entity, it was analyzed the Law 13/2005, which described that direct award is possible and allowed by law. According to petroleum activities Law 13/2005 on art. 13 b):

"...Ministry may choose to award Authorizations through direct negotiation without issuing such invitations:

- (i) in the case of Access Authorizations; or
- (ii) in the case of all other types of Authorization, where it is in the public interest to do so."³⁰

Taking into consideration the TIMOR GAP, E.P. mission and purpose, as a young National Oil entity, the Ministry considered this award to be made on the national public interest and a significant milestone for TIMOR GAP, E.P. to develop as an oil and gas company.

³⁰ Source: [LAW No. 13 /2005 ON PETROLEUM ACTIVITIES](#)



The role of TIMOR GAP E.P. in the onshore exploration is key to achieving the maximum benefits for Timor and maximum participation of Timorese citizens. As noted in the Program of the Sixth Constitutional Government the operation and activity of the company is “central to the strategy of developing our petroleum industry” and provides “an avenue for Timor-Leste to have a direct business stake in and benefit from the expansion of the sector.”

Acting pursuant to the Petroleum Activities Law, the Ministry herewith awards these petroleum contracts by means of direct negotiation based on public interest to TIMOR GAP Onshore Block

(to enable the boost of its knowledge in the upstream sector and enhance its experiences and capabilities) incorporated and organized under the existing laws of the Democratic Republic of Timor-Leste, and TIMOR RESOURCES PTY LTD, a company incorporated in Australia, and both parties are collectively referred to as "Contractor" for the Production Sharing Contracts (PSC's) TL-OT-17-08, which covers Covalima and Bobonaro Municipalities and (PSC's) TL-OT-17-09, which covers Manufahi and Ainaro Municipalities.



Regulatory Framework Extractive Industries in 2022

4.9 Licenses / Contract disclosure

ANPM is responsible for the public disclosure of contracts and licenses that provide the terms to the exploitation of oil, gas, and minerals.

EITI 2023 Standard requires that there will be disclosures regarding licenses and contracts in order to provide relevant information to stakeholders. All information concerning to active contracts and licenses is available on the ANPM website³¹.

Following the requirement 2.2, Timor-Leste should disclose:

- i. Description of the process for transferring or awarding the license;
- ii. Technical and financial criteria used;
- iii. Information about the recipient(s) of the license that has been transferred or awarded;
- iv. Material deviations from the applicable legal and regulatory framework governing license transfers and awards.

In addition, the government should disclose the process for awarding or transferring a license of a bidding, and the rules that determinate how candidates are chosen.

Consequently, ANP discloses the documents needs to apply to a

license or bidding, and the list of licenses and contracts on the following websites³².

Timor-Leste's Oil and Gas sector is generally governed under Production Sharing Contracts (PSCs) signed between the oil and gas companies and the ANP.

ANP is expected to disclose contracts copies and other information relevant about the active licenses. Beside the links above mentioned it is also possible to, by request, ask for more information in their site³³.

Other Notes

During the process for awarding licenses, the entities must start by applying to obtain the license. Following the application, ANP does a detailed analysis of each entity on the list of applicants and those that are within the parameters, will be able to move on to the next phase, the bidding process. At the time of bidding, the awardees of the licenses will be determined. Details about the entire process can be found on the ANP website, including the sessions that took place during this round and information about each license awardee. In the media release tab, it is possible to find several additional documents issued by ANP, with updated information about the sector.

³¹ Source: <http://www.anpm.tl/list-of-licenses-2006-2023/>
Source: <http://web.anpm.tl/webs/anptlweb.nsf/pgLafaekPSCList>
Source: <http://www.anpm.tl/timor-leste-eiti/>

³² Source 1: <http://www.anpm.tl/category/annual-report/>
Source 2: <http://www.anpm.tl/how-to-apply-for-the-downstream-activity-license/>
Source 3: <http://www.anpm.tl/jpda2/> & <http://www.anpm.tl/tlea/>

³³ Source: <http://web.anpm.tl/webs/anptlweb.nsf/pgRequest>



4.10 PSC auditing

Under the requirement 4.10 of 2023 EITI Standard, countries must disclose their methods for monitoring the costs of oil, gas, and mining companies, as these costs directly influence the revenue that governments earn from projects. Additionally, countries are obligated to publish at least summaries of final tax and cost audits. Both companies and governments are urged to provide transparency regarding capital and operating expenditures reported by companies, along with the total costs accumulated from the start of the project. The ANP holds the responsibility for auditing costs associated with PSC projects. The ANP is also audited as ultimately, the ANP compiles and reports on the aggregated data from the PSCs. Tax audit falls under the competency of the Tax Authority of Timor-Leste

Audit process by ANP

Under the Decree-Law No. 1/2016 on February 9th, Decree Law No. 32/2016 on August 17th, Decree-Law No. 18/2020 on May 13th, Decree Law No. 24/2019 on August 27th and PSC contracts, the ANP possesses the authority to inspect and audit all books, accounts, and records related to petroleum operations conducted by Contractors, including the assessment of recoverable costs. This right extends to ANP's ability to visit and inspect any sites, plants, facilities, warehouses, and offices used directly or indirectly for petroleum operations, as well as to interview personnel involved in these operations.

Furthermore, ANP has the prerogative to request that Contractors arrange independent audits of their activities to ensure compliance and transparency, according to Article 2 of the Decree-Law No. 1/2016 on February 9th. Contractors are obligated to provide complete access to all relevant books, records, and documents, including those of their affiliates and subcontractors, for the purpose of these audits.

Operators are required to submit periodic reports to ANP for inspection and verification. These reports include production statements, value of production and pricing statements, cost recovery statements, statements of expenditure and receipt, and work program and budget documents. In addition to financial audits, ANP is also authorized to conduct technical audits to oversee the integrity and efficiency of the petroleum operations.

In the context of revenue forecasts and the final cost and audit reports of extractive entities, the ANP has access to these data for internal purposes. However, when it comes to sharing this information with third parties or releasing it to the public, the ANP must adhere to the data disclosure and confidentiality provisions set forth in Timor-Leste's legal framework. This includes compliance with several key legislative instruments:

- Decree Law No. 32/2016, on August 17th, on Offshore Petroleum operations in Timor-Leste;
- Decree-Law No. 18/2020, on May 13th, on Onshore Petroleum Operations;
- Decree Law No. 24/2019, on August 27th, on transition of petroleum titles and regulation of petroleum activities in the Bayu-Undan field;
- Decree-Law No. 25/2019, on August 27th, on Transition of Petroleum Titles and Regulation of Petroleum Activities from the Joint Petroleum Development Area.

The ANP is committed to maintaining the integrity and confidentiality of sensitive data in accordance with these regulations, ensuring that any dissemination of information is conducted legally and responsibly.

Tax Regime

According to the requirement 2.1 of the EITI Standard 2023, Timor-Leste must disclose a description of the fiscal regime governing the extractive industries.

Timor-Leste's petroleum sector currently consists of two different jurisdictions with different legal and fiscal regimes:

The Greater Sunrise Special Regime Area - jointly managed by Australia and Timor-Leste:

Covered by the Maritime Boundary Treaty were covered on Greater Sunrise field;

Timor-Leste Exclusive area (TLEA) managed by Timor-Leste on Offshore and Onshore.

Timor-Leste operates a Production Sharing Contract (PSC) system. Petroleum operations in the Greater Sunrise Special Regime Area and Timor-Leste's exclusive jurisdiction are conducted according to PSCs concluded between the Autoridade Nacional do Petróleo e Minerais (ANPM) which is also known as Designated Authority under the Maritime Boundary Treaty and Contractors.

In addition, Under the Maritime Boundaries Treaty, Timor-Leste has received all the petroleum revenue from Bayu-Undan since September 2019.

In 2019, a new Law entered into force due to the Resolution 15/2019 of the Ratification of the Maritime Boundary Treaty. According to the Law 5/2019, there were changes to the tax legislation for the Former JPDA contractors. As required under the Maritime Boundary Treaty and the new fiscal law, the Greater Sunrise Special Regime had to be formulated.

This section summarizes the fiscal regime for each jurisdiction.

5



5. Tax Regime

5.1 Institutional framework - MoF and ATTL

Tax revenue administration is currently housed under the Ministry of Finance.

The Ministry's key responsibilities involve proposing economic policies, managing the Petroleum Fund, coordinating with international donors, overseeing public debt and assets, and ensuring the effective execution and audit of the State Budget.

The Ministry also compiles official statistics and manages several directorates and authorities related to corporate services, state finances, treasury, customs, and taxation.

The Autoridade Tributária de Timor-Leste (ATTL) and Tax Authority institutions historically are as follow:

1. Central Fiscal Authority (CFA) established under UNTAET Regulation No. 2000/1.
2. East Timor Revenue Services (ETRS), established under UNTAET Regulation No. 2000/18.
3. Directorate General Revenue and Customs (DGRC), established under Decree-Law No. 13/2009, Diploma Ministry No. 3/2009.
4. Directorate General Revenue (DGR) established under Diploma of Ministry No. 39/2014.
5. Timor-Leste Tax Authority (ATTL) established under Decree law No. 13/2017.
6. ATTL established under Decree law 31/2019 as first amended Decree-law No. 13/2017 and Diploma Ministry No. 52/2021.

The ATTL has the following responsibilities:

- a) Ensure the implementation and integrated execution of the national policy for the areas under its scope, in accordance with the Government's programme and with the superior guidelines issued by the Minister;
- b) Guide and coordinate the administration and collection of State revenue from income and property taxes, as well as the administration of other fees attributed by law in accordance with the tax policies of the Government;
- c) Guide and coordinate the administration and collection of management fees and other financial contributions in accordance with the tax policies of the Government;
- d) Guide and coordinate the administration, supervision and collection of taxes concerning the entire petroleum and mineral exploration, industry and commercialization activity.

The ATTL consists of the natural and resources activities tax administrate under a national directorate of Petroleum and Mineral Revenue (NDPMR). ATTL-NDPMR is responsible for petroleum and Mineral tax administrative.

Significant investments in tax administration systems have been made over the past 10 years, and with recent upgrades involving a Standard Integrated Government Tax Administration System (SIGITAS-V3)³⁴. This platform enables taxpayers in the oil and gas sector to submit their tax returns online. This digital service

³⁴ Source: <https://attl.gov.tl/>



facilitates a more efficient and accurate tax filing process, aligning with the tax authority's commitment to modernize and streamline tax administration.

To build on this progress, the Ministry of Finance of Timor-Leste included "Strengthen Tax & Customs Authorities" component in the Public Finance Management (PFM) reform strategy 2022-2027³⁵. This initiative aims to improve the management and administration of the Tax Authority/Autoridade Tributária de Timor-Leste to ensure fiscal sustainability and macroeconomic stability. This key activity aims to facilitate Tax Administration work by improving revenue collection services and carrying out personnel training to operate the systems.

In addition to the online submission capabilities, the ATTL's website also provides public access³⁶ to the tax law that governs the oil and gas industry in Timor-Leste.

Oil and gas taxation in Timor-Leste

According to the requirement 2.1 of the EITI Standard 2023, Timor-Leste must disclose a description of the fiscal regime governing the extractive industries.

Timor-Leste's petroleum sector currently consists of two different jurisdictions with different legal and fiscal regimes:

- i. The Greater Sunrise Special Regime Area - jointly managed by Australia and Timor-Leste:
 - Covered by the Maritime Boundary Treaty were covered on Greater Sunrise field;
- ii. Timor-Leste Exclusive area (TLEA) managed by Timor-Leste on Offshore and Onshore.

Timor-Leste operates a Production Sharing Contract (PSC) system. Petroleum operations in the Greater Sunrise Special Regime Area and Timor-Leste's exclusive jurisdiction are conducted according to PSCs concluded between the Autoridade Nacional do Petróleo e Minerais (ANPM) which is also known as Designated Authority under the Maritime Boundary Treaty and Contractors.

In addition, the TST guarantees Timor-Leste taxation right of 90% of the petroleum revenues from the JPDA and 10% to Australia.

In 2019, a new Law entered into force due to the Resolution 15/2019 of the Ratification of the Maritime Boundary Treaty. According to the Law 5/2019, there were changes to the tax legislation for the Former JPDA contractors. As required under the Maritime Boundary Treaty and the new fiscal law, the Greater Sunrise Special Regime had to be formulated.

³⁵ Source: [Timor-Leste Public Financial Management Reform Strategy 2022-2027](#)

³⁶ Source: [Petroleum & Mineral Tax Laws](#)



5.2 Tax legislation in the Territory of Timor-Leste

The geographic location of the petroleum operations determines which tax regime applies. The tax regime applicable for exclusive jurisdiction of the Timor-Leste TLEA are:

- UNTAET Regulation No. 2000/18;
- Petroleum Tax Act No. 7/2005, replaced by Taxes and Duties Act on Decree law No. 8/2008, amended by Law No.5/2019.

For the Former JPDA, other than Bayu Undan and Greater Sunrise, the following tax provision is provided under the Law No.5/2019 of 27th August and First Amendment of Law No.8/2008 of 30 June 2008, approving the tax and duties Act. The specific changes introduced are:

- On the SPT the rate for Former JPDA is reduced from 22.5% to 19.8% and for Former Australian jurisdiction is reduced from 22.5% to 0%;
- Designated service taxes and withholding taxes are reduced at 90% during the exploitation and development phases. This rate reduction will not be applied until the date of first productions.
- Exemption of custom duties for all import for petroleum operations in the former JPDA Contract Area and will only be subject to custom duties when those import goods are permanently transfer into Timor-Leste territory other than the Former JPDA Contract Area.

Income tax

Income tax applies to Contractors at a rate of 30%.

Withholding tax

The rate of 6% will be applied on gross Income of Goods and Services (WHT) for Subcontractors and other suppliers providing services in petroleum activities in TLEA.

Import Duty

Import duty applies to goods imported into Timor-Leste. The rate of import duty is 6%.

Abandonment provision

For tax purposes, an amount, permitted by PCS's and approved by ANPM, of a reserve for funding abandonment may be claimed for a tax deduction, for computing the income tax.

Wages Income TAX

Employees providing services in respect of petroleum activities in the TLEA are subject to wage income tax (WIT) in Timor-Leste on their remuneration.

The rate of Timor-Leste WIT applicable to employees who are residents of Timor-Leste is 10% (below USD 550) and 30% x amount wages (above USD 550) on gross Income of the resident employee's salaries or similar remuneration.

A monthly tax credit of USD 10 is also applied to resident employee who is a natural person.

In the case of an employee who is a non-resident the flat WIT rate is 20% of the remuneration.



Supplemental Petroleum TAX (SPT)

TLEA Contractors are also subject to an SPT (SPT is a supplemental tax in Timor-Leste payable by contractors on the upstream profits) and will apply against a contractor who has a positive amount of accumulated net receipts for the petroleum operations of that year calculated according to the following formula:

$$\text{ANR} \times 19,8\% \times (1-r), \text{ and } \text{ANR} = ((A \times 116.50\%) - (I \times (1-r))) + B$$

Where:

ANR - accumulated net receipts of the contractor;

r - Income tax (currently 30%)

A - Accumulated net receipts from prior years;

B - Net receipts for the current year

I - Interest expense



Tax Regime

5.3 Former JPDA - Bayu-Undan & Greater Sunrise Fields

The applicable regime for these two fields is as follows:

Bayu-Undan:

- UNTAET Regulation No. 18/2000
- Timor Sea Treaty replaced by the Maritime Boundary Treaty after August 30th, 2019
- Law 5/2019 (amends Law 3/2003 and 4/2003) after August 30th, 2019

Greater Sunrise:

- UNTAET Regulation No. 1/1999 on 25 October 1999
- Timor Sea Treaty replaced by the Maritime Boundary Treaty after August 30th, 2019
- Income Tax Law on 25th Oct 1999
- UNTAET Regulation No. 18/2000

Former JPDA - Bayu-Undan field tax regime

The Bayu-Undan field (covering PSCs TL-SO-T 19-12 and TL-SO-T 19-13 (former JPDA 03- 12 and 03-13 pre-MBT) was in the Former JPDA and as such was governed by the Timor Sea Treaty (TST) until August 30th, 2019, in which it legally becomes part of Timor-Leste territory MBT. The general taxation law (referred to as the Law on Income Tax - Indonesian tax laws on October 25th, 1999) has been subject to further modifications as a result of the ToBuca and the Law on The Petroleum Development of Timor Sea (Tax Stability Act), diplomas amended by Law 5/2019 after Resolution 15/2019. New law formalized the transition of the prior fiscal conditions to the new treaty.

Income Tax

- Corporate Income Tax to Contractor at a flat rate 30% on Annual Taxable Income;
- Corporate Income tax to Subcontractors follows a progressive tax rate : 10%, 15% and 30% on Annual Taxable Income.

Abandonment provision

For tax purposes, an amount, permitted by PCS's and approved by ANPM, of a reserve for funding abandonment may be claimed for a tax deduction, for computing the income tax. The deduction allowed for APT purposes is based on abandonment costs incurred and is reduced by the proportion of Timor-Leste shared under the TST of 90%.

Withholding tax

There are several rates that will be applied on gross Income of Goods and Services (WHT) for Subcontractors and other suppliers providing services in petroleum activities in JPDA as mentioned in article 8 of the revised Law 3/2003. The applicable WHT rates vary depending on the type of services (i.e., drilling services (rig); construction services; technical, management, legal and accounting services, royalties, and others).

VAT

VAT at a rate of 9% is applied to "taxable services" provided in the JPDA from the services rendered or hire of goods by supplier company (i.e., Subcontractors).



Additional Profit TAX (APT)

Bayu-Undan Contractors are also subjected to an APT (APT is also a supplemental tax in Timor-Leste payable by contractors on the upstream profits) and will be applied against a contractor who has a positive amount of accumulated net receipts for the petroleum operations of that year calculated according to the following formula:

$$\text{ANR} \times 21.50\% \times (1-r), \text{ and } \text{ANR} = ((A \times 116.50\%) - (I \times (1-r))) + B$$

Where:

ANR - accumulated net receipts of the contractor;

r - Income tax (currently 30%)

A - Accumulated net receipts from prior years;

B - Net receipts for the current year

I - Interest expense

Wages Income Tax

Employees providing services in respect of petroleum activities in Annex E of the JPDA are subject to wage income tax (WIT) in Timor-Leste on their remuneration. The rate of Timor-Leste WIT applicable to employees who are residents of Timor-Leste is 10%, 15% and 30% on gross Income of the resident employee's salaries or similar remuneration.

For example, in the case of an employee who is a non-resident the flat WIT rate is $20\% \times 90\% = 18\%$ of the remuneration.

Former JPDA - Greater Sunrise field tax regime

The Greater Sunrise field (covering PSCs JPDA 03-19 and 03-20) is located partly within MBT (on the former JPDA) and partly outside and under Australia's exclusive jurisdiction.

The tax regime after August 30th, 2019, is governed by the MBT.

The major difference from Bayu-Undan field tax regime and the Greater Sunrise field tax regime is the fact that production sharing

terms will 30%, to Timor and 70% to Australia if the pipeline developed is linked to Australia, 80%, to Timor and 20% to Australia if the pipeline developed is linked to Timor-Leste, additionally there is a Branch profits tax instead of the Additional Profit Tax (APT).

Income Tax

- Income Tax Law is a flat rate 30% on taxable income to Contractor;
- Corporate Income Tax for subcontractors following progressive rate: 10%, 15% and 30% on taxable Income.

VAT

VAT at a rate of 9% is applied to "taxable services" provided in the JPDA from the services rendered or hire of goods by supplier company (i.e., Subcontractors).

Branch Profits Tax (BPT)

Greater Sunrise Contractors is subject to a BPT of 20% on 90% of 20.1% of after-tax profits. Under the TST, the 20% BPT is reduced to 15% where the company is a resident of Australia or Timor-Leste.

Withholding tax

There are several rates that will be applied on gross Income of Goods and Services (WHT) for Subcontractors and other suppliers providing services in petroleum activities in JPDA and Great Sunrise Special Regime future.

Wages Income Tax

Employees providing services in respect of petroleum activities are subject to wage income tax (WIT) in Timor-Leste on their remuneration.

The rate of Timor-Leste WIT applicable to employees who are residents of Timor-Leste is 10%, 15% and 30% on gross Income of the resident employee's salaries or similar remuneration.

If an employee is a non-resident the flat WIT rate is $20\% \times 90\% = 18\%$ of the remuneration, based on UNTAET Regulation No.



1999/1, 25th October.

Former JPDA - Other fields

The tax regime applicable to petroleum operations undertaken in the JPDA, other than Bayu Undan and Greater Sunrise, are also subject to a 90% basis due to the TST.

Tax regime in other fields of JPDA:

- Timor Sea Treaty
- UNTAET Regulation No. 2000/18
- Petroleum Tax Act No. 7/2005, replaced by Taxes and Duties Act on Decree law No. 8/2008 Amendment
- Income Tax Law

Income tax

Income tax applies to Contractors at a rate of 30%;

Subcontractors or all services providers are subjected to final withholding on 6%.

Withholding tax

The rate of 5.4% will be applied on gross Income of Goods and Services (WHT) for Subcontractors and other suppliers providing services in petroleum activities in the JPDA.

The applicable WHT rates vary depending on the type of services (i.e. drilling services (rig); construction services; technical, management, legal and accounting services, royalties, and others).

Wages Income Tax

Employees providing services in respect of petroleum activities are subject to wage income tax (WIT) in Timor-Leste on their remuneration. The rate of Timor-Leste WIT applicable to employees who are residents of Timor-Leste is 10%, 15% and 30% on gross Income of the resident employee's salaries or similar remuneration.

For example, in the case of an employee who is a non-resident the flat WIT rate is $20\% \times 90\% = 18\%$ of the remuneration.

Abandonment provision

For tax purposes, an amount, permitted by PCS's and approved by ANPM, of a reserve for funding abandonment may be claimed for a tax deduction, for computing the income tax. This allowance is reduced by the proportion of Timor-Leste shared under the TST of 90%.



6 Overview of Timor-Leste extractive industries in 2022 - Mining

Timor-Leste has already (through Ministerial Diploma) distinct between definitions of artisanal, medium, and large. Small-scale mining is not considered in the definitions due to the actual activity (production and fees collected) being a small portion, compared to Oil & Gas sector and even comparing with other economy sectors.

Moreover, artisanal refers to pure manual mining with the maximum use of 60 tons/month of construction materials.

According to the available data, the mining sector in Timor-Leste is the artisanal small scale and the decision was to use EITI standard guidance (according with volume / activity) and disclose the information available about the sector with some additional information about revenue (licensing revenue).



6. Overview of Timor-Leste extractive industries in 2022 - Mining

6.1 Legal framework of the Mining Sector

In 2008, the government enacted Ministerial Diploma No. 1/2008 on July 30th, establishing specific regulations for the licensing of mineral mass extraction activities (mines and quarries) for industrial-scale operations. This diploma has since undergone two amendments:

- Ministerial Diploma 1/2009 dated August 12th, 2009, which introduced prohibition on beach sand extraction to restore the maritime or coastal landscape and create conditions for the creation of infrastructures to improve the use of those areas, as a direct benefit for the population and to allow the development of the tourism sector.
- Ministerial Diploma 2/2014 dated February 19th, 2014, which introduced the forms for licensing purposes, covering the extraction activities of mid and large-scale minerals.

Ministerial Diploma No. 1/2008 has been superseded and is no longer in effect, having been revoked by Ministerial Diploma No. 64/2016 of November 16th. The new diploma enhances the licensing requirements and introduces principles that are more closely aligned with the provisions of the draft Mining Code.

The current applicable legislation includes³⁷:

- Ministerial Diploma No. 64/2016 of 16 November;
- Law No. 12/2021, of June 30, Mining Code;
- Decree-Law No. 5/2011 Environmental Licensing;
- Ministerial Diploma No. 27/2022 of 26 October 2022;

- Ministerial Diploma No. 55/2022 of 16 November 2022;
- Government Resolution No. 35/2022.

The year 2022 marked a transitional period for the enforcement of the legal framework governing the mineral sector in Timor-Leste. Law No. 12/2021 of June 30th, which constitutes the Mining Code, was fully implemented at the start of the year. The enactment of this law has led to changes in the administrative processes for mineral applications, the document evaluation procedure, and ultimately, the revision of the process for the issuance of Mineral Rights.

Ministerial Diploma No.64/2016 of November 16th

The Timor-Leste Ministerial Diploma No. 64/2016³⁸ of November 16th clarifies the need to further improve the administrative process for licensing, general obligations of the license holder, classification of activities and their associated fees' assessment, improve technical requirement for evaluation, planning, implementation and monitoring, inspection, audit and reporting of mining activities.

This Diploma promote participation of cooperatives or Timorese companies incorporated under the Law of Timor-Leste in research and exploration related to construction material with minimum participation interest of more than 50% owned and controlled by Timorese.

The license given by ANPM such as Prospecting License, Exploration License and Mining License, except for the dimension and ornamental stone, all licenses have duration of one (1) year, unless the respective approval order stipulates otherwise.

³⁷ Source: <http://www.mj.gov.tl/jornal/?q=node/4914>
Source: <http://www.anpm.tl/mineral/>

³⁸ Source: [Ministerial Diploma No. 64/2016](#)

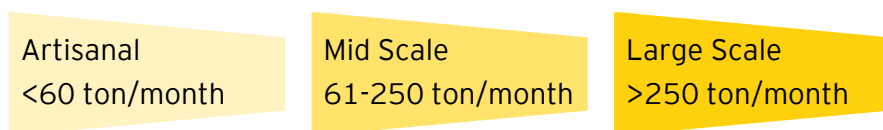


The Ministerial Diploma clarifies, in line with the country's constitution, that all mineral resources on public and private land within the territory of Timor-Leste are deemed to belong to the public domain of the state, and that the state may acquire, including through expropriation, the private land where those resources occur or are discovered.

1. Fees and Classification

The Fees and Classification for Mineral License in 2016 apply according to Ministerial Diploma No. 2/2014 of 19 February from January to November 2016 and Diploma No. 64/2016 of November 16 applies from December 2016 to present.

Figure 23: Classification of the artisanal, medium, and large-scale license fees



Licensee Fee - Art. 7

The license fees applied for the different activities as above classification are as follows.

Figure 24: Licensing fees for new/extension requests according to Article 7



Mining / Extraction Fee - Art. 8

The mining exploration fee by ton mined classification are as follows:

Table 25: Mining Exploration Fee by ton

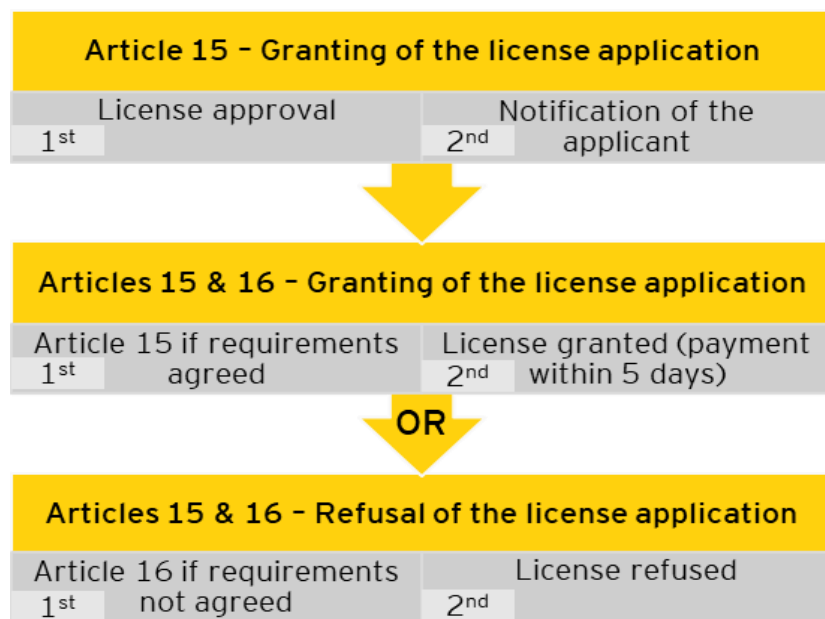
	CONSTRUCTION MATERIALS (in USD/ton explored)		TRANSFORMATION MATERIALS (in USD/ton explored)			NATURAL STONES (in USD/ton explored)	
	Others ?16mm	Sand (size =16m m)	Limestone	Clay	Plaster	Limestone, Granite and Marble	Other provided for in Article 28
Artisanal	0.00	0.00	N/A	N/A	N/A	N/A	N/A
Mid Scale	3.00	2.00	0.75	0.50	0.75	8.00	7.00
Large Scale							



2. Licensing

The license scope includes scientific research, prospecting license, and mining license (Article 12 and 13 of DM 64/2016 of 16 November). The license requirement should be applied as the following:

Figure 25: Requirement for license application according to Article 15 and 16



Law No. 12/2021, of June 30, Mining Code

Law No. 12/2021, dated June 30, establishes the Mining Code for the territory of Timor-Leste. This Code, approved by the Parliament and promulgated by the President of the Democratic Republic of Timor-Leste, sets forth a comprehensive legal framework to regulate the mining industry.

³⁹ Source: [Lei-No-12-2021-de-30-de-Junho-Codigo-Mineiro.pdf \(anpm.tl\)](#)

Objectives of the Mining Code:³⁹

- Provide sustained economic and social development of the country;
- Create employment and improve the living conditions of the people living in the mining areas;
- Protect the environment by minimizing the negative impact that geological and mining operations may cause to the environment, as well as its environmental restoration;
- Ensure the development of national human capital particularly through training programs and human resource development programs in collaboration between the public and private sector;
- Guarantee gender mainstreaming and combat discriminatory practices in this industry;
- Ensure tax revenues for the State;
- Prevent illegal mining practices;
- Establish an efficient and transparent regime for granting of mining rights;
- Encourage reinvestment in the country;
- Promote the use of national mineral resources.

Major provisions include Article 140, which specifies the requirements for reporting administrative infractions, and Article 141, which outlines the procedures for enacting administrative sanctions. These provisions underscore the importance of detailed record-keeping and transparent decision-making to uphold sector accountability. Article 147 calls for the creation of a Mining Registry to record mining rights, thus bolstering transparency.

Additionally, Article 150 mandates the government to publish annual reports on mining revenues, guaranteeing public insight into the economic gains from mining. Articles 160 and 161 outline dispute resolution mechanisms and transitional arrangements for



pre-existing contracts, ensuring a seamless alignment with the new Code.

The Mining Code is designed to establish a balanced and robust regulatory environment that promotes responsible mining practices in Timor-Leste, thereby contributing to the nation's sustainable development

Ministerial Diploma No. 27/2022 of 26 October 2022

Ministerial Diploma No. 27/2022⁴⁰, dated October 26, 2022, addresses the delegation of powers for the approval and award of mineral rights within Timor-Leste. As per the Mining Code, the responsibility to grant Mineral Permits for Construction Materials, Ornamental Stones, and Mineral Passes traditionally falls to the government member in charge of the mining sector. With the aim of stimulating investment and fostering socio-economic development, the Ministry of Petroleum and Minerals recognizes the importance of a swift and efficient process for awarding mineral rights. To this end, the Ministry has decided to delegate the authority to the National Authority for Petroleum and Minerals (ANPM), the regulatory body for the mining sector. Specifically, the ANPM is empowered to award Mineral Permits for Construction Materials and Ornamental Stones not destined for export, with an estimated annual production not exceeding 500,000 cubic meters, as well as the authority to grant Mineral Passes in accordance with the Mining Code. This strategic move is designed to expedite the awarding process and ultimately boost the mining industry's contribution to the nation's development.

Ministerial Diploma No. 55/2022 of 16 November 2022

Ministerial Diploma No. 55/2022, dated November 16, 2022, is a legislative document that establishes the administrative fees

⁴⁰ Source: [Diploma-Ministerial-No-27_2022-de-26-Out-de-22.pdf \(anpm.tl\)](#)

related to the mining sector in accordance with Article 152 of the Mining Code. This diploma was necessitated by the need to formalize the fees associated with obtaining and maintaining mineral rights, expanding concession areas, extending existing rights, and conducting other administrative procedures under the Mining Code, which was ratified by Law No. 12/2021 on June 30, 2021. The diploma outlines the specific fees for services rendered by public authorities in the awarding and exercising of mineral rights, as well as for accessing pertinent mineral information and data. An integral part of this diploma is the enclosed table of fees, which details the charges for the aforementioned services.

Government Resolution No. 35/2022 of 16 December 2022

In 2022 the Government Resolution No. 35/2022⁴¹ approved the opening of areas for the conduct of mining activities and determined the terms of reference for the tender for the allocation of mining rights for the exploration and production of construction materials in three concession areas.

In accordance with Article 116 of the Constitution, alongside Articles 8 and 10 of the Mining Code as ratified by Law No. 12/2021 on June 30, the following resolutions have been adopted: to designate specific regions within the national territory, as delineated in Annex I of the current resolution, for the execution of mining operations targeting materials categorized as industrial and construction materials. This is subject to the limitations outlined in Article 58 of the Mining Code. Furthermore, the terms of reference are hereby ratified for the initiation of a competitive bidding process for the allocation of mining rights. This pertains to the exploration and extraction of construction materials within three concession zones, as recommended by the Minister of Petroleum

⁴¹ Source: [Government Resolution No. 35/2022](#)



and Minerals, detailed in Annex II, with an emphasis on sand and gravel.

In addition, the resolution discloses the following:

- **Geological Information:** The document presents a concise geological overview of Timor-Leste, emphasizing the composition and attributes of its terrain, fluvial systems, and prospective mineral deposits. It addresses the dynamics of sediment transport within river systems and the potential ecological ramifications of mining operations.
- **Licensing Framework:** The document articulates the statutory framework governing the procurement of mining licenses. It details the various categories of licenses available, the prerequisites for prospective applicants, and the criteria for pre-qualification requisite for participation in public tenders.



Overview of Timor-Leste extractive industries in 2022 - Mining

6.2 Institutional framework - ANM

During 2022, the National Authority of Petroleum and Minerals served as the governmental body responsible for regulating and overseeing the mining sector in Timor-Leste, in compliance with the nation's Constitution and the Mining Code. However, in 2023, there was a strategic realignment of the oil and mineral resources sectors. The government enacted Decree-Law No. 63/2023 on September 6th and established the National Authority of Minerals (ANM) as the new, dedicated regulatory body for the mining sector. Consequently, any references to the regulatory authority should be considered in the historical context of the period before the 2023 reform.

On June 8th, 2022, the government issued Decree-Law No. 43/2022⁴², which authorized the formation of the national mining company, Companhia Mineira de Timor-Leste, S.A. (CMTL, S.A.). As a company wholly owned by the State, CMTL, S.A. was designed to ensure equitable participation in the mining sector, operating under government statutes that ensure a judicious allocation of authority. The company's principal aim is to engage in a range of mining operations, including exploration, exploitation, and marketing, in addition to providing ancillary services and consultancy within the industry.

Furthermore, with the issuance of Decree-Law No. 64/2023⁴³, the government addressed the dissolution of CMTL, S.A. and the establishment of Murak Rai Timor, E.P., a new state-owned mining enterprise. A comprehensive evaluation of CMTL, S.A.'s performance and organizational structure determined that it did

not meet the evolving needs of Timor-Leste's mining sector. Consequently, the government resolved to dissolve CMTL, S.A. and inaugurate Murak Rai Timor, E.P. This restructuring is anticipated to maximize the benefits derived from mining activities for both the State and the citizens of Timor-Leste.

Since September 2023, Murak Rai Timor, E.P., as the preeminent public enterprise in the mining sector of Timor-Leste, has been entrusted with the responsibility of representing the State's interests within the sector. This includes conducting mining activities in accordance with the policies delineated by the Government.

⁴² Source: [Decree-Law No. 43/2022](#)

⁴³ Source: [Decree-Law No. 64/2023](#)

Overview of Timor-Leste extractive industries in 2022 - Mining

6.3 Mining activity in Timor-Leste

Number of licenses

The ANPM's website⁴⁴ provides public access to a comprehensive list of mining licenses, which have been issued since 2006. This list is organized by the year of issuance and includes the names of the licenses and their respective holders.

From 2006 to 2022, the number of licenses recorded by the ANPM fluctuated. There was a significant increase in 2015 and 2016 compared to the subsequent years. This increase was attributed to the introduction of the 2nd amendment and new regulations, which simplified and improved the licensing application process.

The ANPM website provides map user interfaces that display licenses awarded between 2006 and 2022 providing the coordinates of these licenses. However, this webpage has not been updated since 2017. The ANPM was planning reforms to ensure that comprehensive and updated license information would be available on the ANPM website in the future. Therefore, other information listed under requirement 2.3.b was received from the data collection process.

The mineral permit granted in 2022 mainly dominated by Construction Material (sand and gravel) whereas a few of Mineral Permit granted is carry over from the previous year and ongoing exploration license for Marble Study in Ilimanu area, Suco Uma Kaduak Manatuto Municipality. For more information, please refer to the Table 26 below.

Figure 26: Number of licenses issued 2006-2022



*On the ANPM website, the list of licenses published for 2022 was updated until the 26th of July 2023 and includes the four licenses awarded for 2023 mining activity.

Licensing process

In the process of awarding mining licenses, the Mineral Permit award upon the approval of Mine Plan proposed by the applicant. In the approval of Mine Plan, ANPM takes in consideration technical and financial criteria.

Technical criteria:

- Details relevant to Mining/mining experience (with supporting documentary evidence)
- Details of previous mining rights held.
- CV of technical staff that will be associated with the Mining Activity
- List of Exploration and Production asset
- Project Document for Environmental License
- Health and Safety Management Plan
- Technical Director to carry out the mining activity
- Mine Closure Plan for Mining Activity

⁴⁴ Source: <http://www.anpm.tl/list-of-licenses-2006-2023/>



Financial criteria:

- Details of financial availability for intended operations (with documentary evidence)

- Insurance coverage for the proposed prospecting activity (with documentary evidence)
- Proof of payment for application fee
- Copy of company's non - debt tax certificate

Detailed information on mining licenses awarded during 2022 is presented in the Table 26:

Table 26: Mining licenses awarded in 2022

Name of License*	License no.	Coordinates	License Status (Licensed/Expired)	Classifications (Large-scale/Mid-scale)	Date of Application	Date of Award	License Duration
China Wu Yi Co., Ltd., R.P.	01/2022	Annex O	Valid	Large Scale	14/09/2020	13/12/2022	1 year
CBMI Construction. CO & Chiongqing Road Engineering Co, Lda	02/2022	Annex O	Valid	Large Scale		13/12/2022	1 year
CBMI Construction. CO & Chiongqing Road Engineering Co, Lda	03/2022	Annex O	Valid	Large Scale	19/02/2019	13/12/2022	1 year
China Railway International Group Co., Ltd., R.P. & COVEC	04/2022	Annex O	Valid	Large Scale	05/09/2019	13/12/2022	1 year
China Railway International Group Co., Ltd., R.P. & COVEC	05/2022	Annex O	Valid	Large Scale	20/01/2020	13/12/2022	1 year
China Railway International Group Co., Ltd., R.P. & COVEC	06/2022	Annex O	Valid	Large Scale	20/01/2020	13/12/2022	1 year
China Railway International Group Co., Ltd., R.P. & COVEC	07/2022	Annex O	Valid	Large Scale	20/01/2020	13/12/2022	1 year
Timor General Development Group Co., Lda	08/2022	Annex O	Valid	Large Scale	04/11/2020	13/12/2022	1 year
Timor General Development Group Co., Lda	09/2022	Annex O	Valid	Large Scale	04/11/2020	13/12/2022	1 year
Montana Diak, Unipessoal, Lda.	10/2022	Annex O	Valid	-	15/10/2018	22/12/2022	1 year



Opening of Area for Mining Activities

Through the Government Resolution No.35/2022⁴⁵ of 16 December which approved the opening of areas for Mining Activities for minerals classified as Construction Materials and Term of Reference for Mineral Rights Tender for large-scale exploration and mining of river sands for export purposes.

Areas for Mining Activities for minerals classified as Industrial Minerals with category of Construction Materials cover the territory of Timor-Leste with the restriction as set forth in Article 58 of Law No. 12/2021 of 30 June of the Mining Code. With the opening of area for Mining Activities for Industrial Minerals with the category of Construction Materials, any interested natural and legal person(s) are welcomed to submit their applications to explore, develop and mining of the minerals.

Revenue collection

The ANPM provides a detailed account of Mineral Operation Royalty Collections on its official website⁴⁶. This revenue is derived from various sources, as outlined below:

1. Payments associated with Mineral Licenses, which include:
 - Mining Fees, as stipulated in Article 8 of Decree-Law No. 64/2016, dated November 16;
 - License Fees, as mandated by Article 7 of Decree-Law No. 64/2016, dated November 16;
2. Payments for Mineral Permits, encompassing:

- Mineral Royalty Fees, in accordance with Article 105 and Annex-II, Section 7(iii) of the Mining Code No. 12/2021, dated June 30;
 - Administrative Fees, as required by Decree-Law No. 55/2022 of November 16, pursuant to Article 152 of the Mining Code;
3. Compensation for Unauthorized Mining Activities, which includes:
 - Penalties for unauthorized operations as required by Article 42.2 of Decree-Law No. 64/2016;
 - Penalties for unauthorized operations as specified in Article 132.3(a), Article 132.6, and Annex-II, Section 7(iii) of the Mining Code No. 12/2021, dated June 30;
 4. The Annual Surface Fee, as necessitated under the Exploration Agreement, Article 111, and referenced in Annex-III of the Mining Code No. 12/2021, dated June 30.
 5. Public Tenders for Mineral Construction Materials.

In 2022, total mineral revenue collected increased by 25% from USD 1,973,877 to USD 2,462,209.97 which is the sum of USD 2,216,541.97 for Mineral license, USD 18,880.00 for Mineral Permit, USD 215,845.15 from unauthorized activity and USD 10,943.77 from Surface fee respectively. Revenue collections for the year of 2022 increased mainly from the collection of mining fee, which grow from USD 1,669,916 in 2021 to USD 2,203,041.

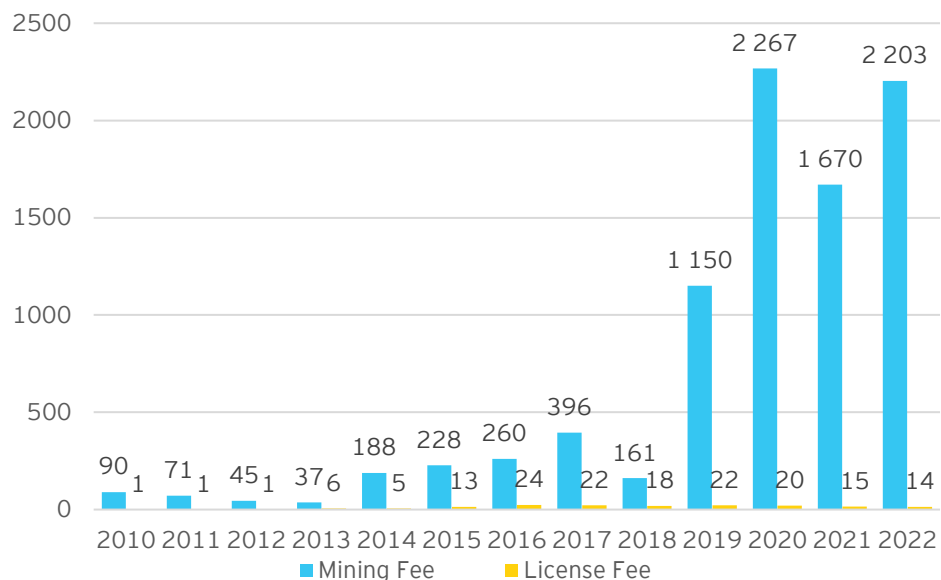
⁴⁵ Source: [JORNAL-da-REPUBLICA_Resolucao-do-Governo-No-35-2022-de-16-Dez-22.pdf \(anpm.tl\)](https://www.anpm.tl/JORNAL-da-REPUBLICA_Resolucao-do-Governo-No-35-2022-de-16-Dez-22.pdf)

⁴⁶ Source: <http://www.anpm.tl/mineral/fees-collected-from-mineral-operator/>



The dynamics of the revenue obtained from mineral licenses, including mining and license fees are indicated in figure 27.

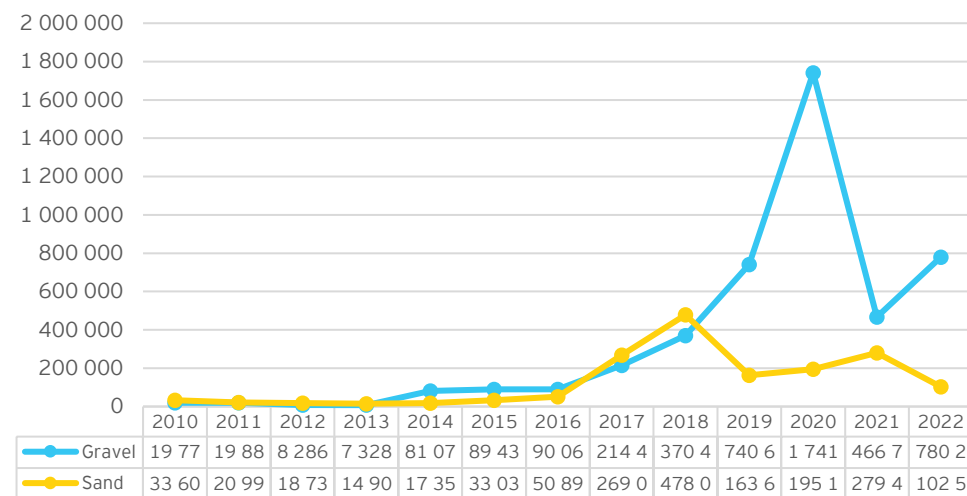
Figure 27: License and Mining fees, thousands USD



Construction material production

The construction material extracted in 2022 is 882,772.22 tons which is the sum of 780,217.31 tons of gravel and 102,554.91 tons of sand. This quantity of production is accumulated from quantity licensed and quantity for compensation payment. The details comparison of material extracted can be seen on the figure 28⁴⁷.

Figure 28: Construction material production quantity licensed from 2010-2022, ton



⁴⁷ Source: [ANPM ANNUAL REPORT 2022](#)



Overview of Timor-Leste extractive industries in 2022 - Mining

6.4 Other considerations

Coverage of artisanal and small-scale mining (ASM)

According to the EITI Requirement 6.3 the EITI reports are expected to include “an estimate of informal sector activity, including but not necessarily limited to artisanal and small-scale mining.” in the information related to extractive industries contributions to the economy for the fiscal year covered.

In the scoping phase, the MSWG should evaluate if formal or informal mining operations with predominantly simplified forms of exploration, extraction, processing, and transportation should or should not be included in the EITI report. However, is still a typical informality sector with gaps in data (production statistics disaggregated by mine site and mineral, and those aggregated at the national levels) and formal revenues streams (derived from licensing permits and production fees at mine sites).

Timor-Leste has already (through Ministerial Diploma) distinguished between definitions of artisanal, medium, and large. Small-scale mining is not considered in the definitions due to the actual activity (production and fees collected) being very minimal, compared to Oil & Gas sector and even other economy sectors.

Moreover, artisanal refers to pure manual mining with use of maximum of 60 ton / month of construction materials. To define the classification on whether it is artisanal or not should also consider:

- If the activity is conducted on pure manual mining without any updated machinery to support the activity (artisanal);
- If the method of extraction uses updated machinery such as

tractor and excavator, then and even knowing that the quantity is less than 60 ton/month is subject to license and fee payment.

At all times, the MSWG will need to consider issues of proportionality i.e., how much effort, time, and resources, are appropriate for the amount the information to be used. Data collection can have significant cost implications so it is assumed that the scoping phase would rely on existing primary or secondary information available in Timor-Leste. With information available at this scoping phase, we have verified that the mining revenues are still immaterial as described below (and also see threshold and material considerations).

The recommended options for ASM / small scale applicable for Timor-Leste reporting are:

Option 1 - Providing an overview of the ASM sector;

Option 2 - Providing an overview of ASM activity, production and export data;

Option 3 - Providing an overview of ASM activity, production, export, and revenue data.

According to the above mentioned the MSWG group agreed that mining sector in Timor-Leste is a ASM / small scale and Option 3 is still the most appropriate, considering the information available such as overview of mining sector, legal framework, the data of construction material extracted during the reporting period, with some additional information about revenue (licensing revenue).



7 Methodology and approach

EY was engaged to carry out a scoping study to set out the EITI reconciliation scope which was used for the 15th Timor-Leste EITI Report. This assignment was the first step to do the reconciliation process.

The objective of the scoping study was to clearly define the scope of the EITI reconciliation exercise, the reporting templates, the data collection process, and the working schedule, in accordance with EITI Requirements (EITI Standard 2023). This assessment also enabled the remediation of recommendations from prior EITI reports and took into consideration some of the recommendations from the International secretariat addressed in last Validation of Timor-Leste.



7. Methodology and approach

7.1 Scope and IA

Independent Administrator

As Independent Administrator, EY performed the following tasks during the technical-economic evaluation:

- Identify the companies, State-owned enterprises and institutions that have to be in scope according to requirement 4.1 of the EITI standard.
- Identify and list the oil and gas companies (extractive industry) and mining industries of Timor-Leste which have made substantial payments to the State and must be in scope for the reporting in accordance with the requirement 4.1 (c) of the EITI standard
- Identify and list the government bodies that received substantial payments from oil and gas companies and mining industries of Timor-Leste that must be in scope for reporting in accordance with the requirements of 4.1 (c) of the EITI standard
- Identify any legislative, regulatory, administrative, or practical obstacles for the full disclosure of the total revenue derived from each stream of benefits agreed in the volume needed for the EITI report, including revenues that are below the agreed thresholds, significant to the reporting templates, according to requirement 4.1 (d) EITI standard.
- Advising the MSWG on how to define the disaggregation level to be applied to the data that will be published
- Identify the audit procedures and perform confirmation procedures within companies and public institutions involved in the preparation of the EITI report, in order to confirm the compliance with the requirements of 4.9 (a) EITI Standard.

This includes the study of relevant laws and bylaws, any initiatives for reform or those that are being introduced, and whether these procedures meet international standards.

Finally, EY has issued a draft report that was the basis for the analysis made in the initial phase (scoping study report) which was submitted and approved for adoption by the MSWG.

Scope of work

Considering the established materiality threshold, it is imperative to note that 99% of the revenue flows received by the Petroleum Fund Unit for the year 2022 fall within the scope and are subject to reconciliation.

Additionally, the following matters were considered:

- The national taxes paid to the DNRPM to be captured within the EITI process, and accordingly, all non-taxes paid to ANPM or to the Fund;
- All revenue streams from TL (DNRPM, ANPM and PF) were in the basis for the calculation of the material stream relevant to the EITI report;
- The information was reconciled (but not validated - this will be done only in the reconciliation phase) with information of receivables declared on the audit year-end Financial Statements of the Petroleum Fund (that is considered as the total receivables in scope);
- The amount / % considered was the combination of number of revenues streams / number of entities in order to guarantee that the report will have in scope more than 99% of receivables. This number is achievable due to the size and concentration of the sector is only a few players;



- Mandatory social payments data is not yet collated by Government on an industry-wide basis. These costs are considerable to the companies. Accordingly, it would be useful for the EITI to be a mechanism to enable industry and government to collate this data on an annual, and systematic, basis.



Methodology and approach

7.2 Materiality thresholds for company disclosures

Materiality

The EITI Standard defines materiality as follows: “Payments and revenues are considered material if their omission or misstatement could significantly affect the comprehensiveness of the EITI Report.” Different ways could be used to define materiality for the 2022 Report. The most common way consists of defining materiality in terms of a minimum value of payment to government; the other could be based on the size of the company (for example, a minimum annual size) or the type of permit held (large scale, production).

After consulting the MSWG the materiality threshold was defined as above 100,000 USD for all revenue streams and the same threshold for the entities / institutions that have above aggregated year end payments (to the material revenues streams considered material) for 2022 (same in 2021).

Sectors

In 2022, Timor-Leste generated a total revenue of USD 1,106.4 million. However, USD 2.46 million came from mining companies, a decline compared to previous years. Despite some mining companies surpassing the USD 100,000 materiality threshold, their combined contribution was only 0.22% of the total revenue, indicating a relatively minor impact on overall earnings for that year. Considering the effort, time, and cost associated with collecting data from this sector, the low return doesn't offset it. Furthermore, maturity factors such as the industry's development stage and timing concerns also play a role. Considering the standard requirements concerning significant reporting thresholds and accountable entities, the report's focus was on the Oil and Gas sector. The mining sector, in contrast, was treated as Artisanal

Small-scale Mining (ASM) and covered under sections 3.5.2 and section 6, which provides an overview of ASM activity, production, and exports (meaning the data of construction material extracted), ensuring a balance between comprehensive reporting and efficiency.

Subcontractors

The MSWG have decided to include the Subcontractors that have made payments to significant revenue streams (only Tax) of Oil & Gas activities above the threshold.



Methodology and approach

Scope Entities

The Oil & Gas list of entities (Contractors, Subcontractors and Government) in scope are as follows:

Table 27: O&G Entities in scope

N	OIL & GAS ENTITIES IN SCOPE - CONTRACTORS
1	BU-12 Australia Pty Ltd
2	BU-13 Australia Pty Ltd
3	Carnarvon Petroleum Timor Unip Lda
4	Santos NA Emet Pty Ltd
5	Santos NA (19-12) Pty Ltd
6	Santos NA (19-13) Pty Ltd
7	Santos NA Timor Sea Pty Ltd
8	Santos NA Bayu-Undan Pty Ltd
9	Santos (JPDA 91-12) Pty Ltd
10	Eni JPDA 03-13 Ltd
11	Eni JPDA 06-105 Pty Ltd
12	Eni JPDA 11-106 B.V.
13	Eni Timor Leste SpA
14	Inpex Sahul Ltd
15	Inpex Timor Sea Ltd
16	SundaGas Banda Unipessoal, Lda
17	TIMOR GAP Onshore Block, Unipessoal, Lda
18	TIMOR GAP GREATER SUNRISE 03-19, Unip Lda
19	TIMOR GAP Greater Sunrise RL, Unip Lda da
20	TIMOR GAP Greater Sunrise RL2, Unip Lda
21	TIMOR GAP Greater Sunrise 03-20, Unip Lda
22	TIMOR GAP Offshore Block, Unip Lda
23	TIMOR GAP PSC 11-106 Unip Lda
24	TIMOR GAP Onshore Block B Unip Lda
25	TIMOR GAP Onshore Block C Unip Lda
26	TIMOR GAP Onshore Pualaka Block Unip Lda
27	TIMOR GAP Chudith Unip Lda



28	TIMOR GAP Drilling & Services Unip Lda
29	Timor Resources Pty Ltd
30	Tokyo Timor sea Resources Pty Ltd
31	Woodside Energy Pty Ltd
OIL & GAS ENTITIES IN SCOPE - SUB-CONTRACTORS	
1	Atlas Programmed Marine P/L
2	Babcock offshore Service
3	Caltech Unipessoal Lda
4	Cape Australia Onshore Pty Ltd
5	Clough Amec Pty Ltd
6	Compass Group (Australia) Pty Ltd
7	Konnekto Unipessoal Lda
8	Kotug Maritime Services (Bayu Undan)
9	Labrador Petro Management Pty Ltd
10	Laloran Marine Services Lda
11	MMA Offshore Vessel Operation Pty
12	Rigforce Pty Ltd
13	Santos NA Timor Leste Pty Ltd
14	Schlumberger Australia Pty Ltd
15	SGS AUSTRALIA PTY LTD
16	Weatherford Australia Pty limited
GOVERNMENT ENTITIES	
1	Direção Nacional de Receitas Petrolíferas e Minerais (DNRPM)
2	Autoridade Nacional do Petróleo (ANP)
3	Petroleum Fund (PF)
4	Banco Central de Timor-Leste (BCTL)
5	TIMOR GAP E.P. (SOE)



Methodology and approach

7.2 Materiality thresholds for company disclosures

Revenue Streams

Government revenues from the extractive industries consist of:

1. Non-Tax Revenues
2. Tax Revenues

The figures for income tax paid by the Oil and Gas industry as a whole are available on government websites.

Nevertheless, there is a notable absence of detailed information delineating the specific types of taxes or revenues collected. Furthermore, it is imperative that the MSWG actively promotes transparency among the various industry participants by advocating for the segregation of financial data according to the respective commodities. The lack of disaggregated income tax figures at the individual level poses significant challenges for public scrutiny and hinders the accessibility of such information.

The Oil & Gas entities tax revenue streams in scope are as follows:

Table 28: O&G Entities Tax Revenue in scope

OIL & GAS REVENUES STREAMS	
TAX REVENUE	DESCRIPTION
Corporate Income Tax	Tax on taxable income of taxpayer for each tax year
Additional Profits Tax	Additional income tax payable by a Contractor that has a positive amount of accumulated net receipts derived from the Bayu-Undan Project for a tax year.
VAT	Tax on Goods and Services.
Wages Withholding tax	Withholding on wages income tax of employees (Resident and Non-Resident).
Withholding Tax Payments	This is a tax where any person or company making certain payments is required to deduct from such payments and remit to the DNRPM. The payments that attract WHT are payments to services which includes management and consultancy fees, commissions, rent dividends and payments to non-resident contractors.



The Oil & Gas entities non-tax revenue streams in scope are as follows:

Table 29: O&G Entities Non-Tax Revenue in scope

NON-TAX REVENUE	OIL & GAS REVENUES STREAMS DESCRIPTION
FTP	A production payment made pursuant to a PSC between the TL Government and a Company relating to sales of Oil and Gas.
Royalty	A royalty payment made according to their PSC between the TL Government and a Company relating sales of Oil and Gas.
Profit Oil & Gas Payments	A production payment made pursuant to a PSC between the TL Government and a Company relating to profit on sale of Oil and Gas cost oil recovery.
Fee's Payable	Contract service fee - Fee payable by the Contractor annually during the term of the PSC.
	Development Fee - Applies when a commercial discovery is declared by the contractor. Fees based on the size of the discovery of the oil and gas reserve.
	Surface Right Rental Fee - Fee payable by the Contractor annually and calculated using the contract area multiplied by USD 30 per square kilometer.
	Seismic Data Fee - the revenue share as stipulated under the Multiclients Agreement agreed between the Contractor and ANP on the sales/licensing of the seismic data.
Other payments (Pipeline Fee)	Fee payable by Australia government agreed by both countries.



Methodology and approach

7.3 Data collection

The data collection process had the following steps:

- Preparation of the draft of the data collection templates by the IA (as part of the scoping study).
- Discussion and adjusted templates after comments, observations and recommendations provided by the MSWG.
- Preparation of separate requests to each government entity (DNRPM, Petroleum Fund, BCTL, ANPM), list of entities in scope and state-owned (TIMOR GAP E.P.).
- National Secretariat of Timor-Leste sent the data request templates with a cover letter signed by the Minister of Petroleum and Mineral Resources representative.
- Once completed by the entities in scope and government entities, the referred questionnaires (templates) were sent by email to the IA.
- Information processing was made by the Independent Administrator.
- Discussion of the discrepancies and adjustments of the differences by IA (involving both parts).
- Draft of the conclusions made by IA and discussed with MSWG.

Specific information requests were maintained in the reporting templates to address the EITI requirements and maintain

Data collection templates used in the 2022 reconciliation

The 2022 Draft Templates were sent to TL EITI Secretariat and shared with MSWG members for their approvals. It is important to note that some additional information has been included to complement the data and meet the new requirements of the 2023 EITI Standard.

The tables below provide details of changes in the EITI 2022 data collection template due to the transition to the new standard 2023 EITI Standard.

Table 30: Changes in required information for disclosure

A summary of the additional information required for disclosure in the 2022 EITI data collection template is due to the implementation of the 2023 EITI Standard	
A - Financial and Legal section of template was complemented by including layout for information submitted about:	
	<ul style="list-style-type: none"> • The number of women employed at various occupational levels, as well as the distribution of employment between local and foreign nationals. • Information on the gender pay gap, where available.
B - Beneficial Ownership section of template was complemented by	
	<ul style="list-style-type: none"> • Adoption an ownership threshold of 10%. This means that any individual who directly or indirectly holds this or a higher percentage of shares of a company should be disclosed as a beneficial owner. • Request of the ownership structure to ensure a complete overview of the ownership chains.



A summary of the additional information required for disclosure in the 2022 EITI data collection template is due to the implementation of the 2023 EITI Standard

C - Production was complemented by including layout for information submitted about:

- Existing mechanisms for monitoring and verifying the accuracy of production data, and to document findings, including any weaknesses related to the comprehensiveness and reliability of publicly available production data (RQ 3.2; 3.3).
- The company is required to disclose the sources of, and the methods for calculating, production volumes and values (RQ 3.2; 3.3).
- Whenever possible, the company is required to disclose proven oil, gas, and mineral reserves (RQ 3.1.b).
- Information about future production plans, even if it does not have production yet (RQ 5.3).

Additional request of anti-corruption policy

The EITI Standard introduces new requirements that **all reporting companies**, including state-owned enterprises, are requested to publish an anti-corruption policy that sets out how they manage corruption risks. Consequently, the submission of anti-corruption policies is a required component of their EITI data collection template.

G - Social Expenditures and H - Environmental Expenditures sections of template were complemented by

- Disclose information about the beneficiaries of mandatory social expenditures, including their names and roles, in accordance with Requirement 6.1.a.
- Disclose gender-disaggregated data on the beneficiaries of mandatory social expenditures when available, as per Requirement 6.1.a.

A summary of the additional information required for disclosure in the 2022 EITI data collection template is due to the implementation of the 2023 EITI Standard

- Request of contracts and any legal documents that detail the levels and allocation of material mandatory social expenditures.
- Request of supply contracts or other legal documents that mandate social and environmental payments.

Data Quality

The overall data quality of the extractive sector is adequate. There are areas for improvement such as full contract disclosure and cadastral information, as described above in the contextual analysis. These areas for improvement are beyond the remit of the scoping study, particularly because they have not been agreed by the MSWG. However, improvements from last validation were already noted.

There is no significant difficulty in the oil and gas sector with respect to the templates for reporting of government entities and companies. They should be approved and in detail according to the EITI requirements.

Data Assurance

According to the requirement 4.9 (a), the audit of the financial statements by an independent party, and the explanation of the assurance procedures is sufficient to guarantee the fulfillment of this requirement.

Information on the availability of financial statements and audit opinion by extractive companies is provided in Annex L.



Methodology and approach

7.4 Data assurance

Assurance Method in the Public Sector

There are government entities (as ANP and the Petroleum Fund) that have a confirmation report, from their external auditor, produced as part of their normal auditing program and financial statements validation, confirming the revenues presented. Furthermore, BCTL (Banco Central Timor-Leste), the Petroleum Fund and TIMOR GAP also have their financial statements audited, and the latest is audited by the Court of Audits.

The steps for assurance/audit processes mentioned before, should be implemented by law for all public entities in the extractive sector. Hence, the data requested from the independent administrator is expected to be subjected to scrutiny through the process mentioned above.

Assurance Method in Private Sector

Different circumstances are applied for private companies involved in the extractive sector. Their operational and financial performances are captured in the annual and financial reports, especially for public listed companies or with reliance on the internal control system that is, in the majority of the entities, SOX compliance.

The laws and regulations regarding the audit process are not yet applicable for Timor-Leste. Since the EITI reconciliation process, requires data of high reliability we have:

- Requested and received the reporting templates signed off by the official in charge plus the monthly detail of payments (dates and amounts);
- We have requested the audited financial statements (when applicable) and/or auditors report;
- Made analytic review on the data and external available information;

For more relevant government and private entities (Santos, Eni, Woodside, ANP, DNRPM, PF and BCTL) we questioned about the differences in the information reported, in order to assure that the data was being reported correctly and to establish internal controls for validation purposes.

Every time there were differences/doubts about the information reported, we request the entities to resend of the information updated.



Methodology and approach

7.5 Other considerations

Revenues received from transportation of Oil and Gas

According to requirement 4.4, material revenues from the transportation of oil, gas and minerals that are material should be disclosed. In this case, Timor-Leste has no transportation revenues, only the pipeline.

Bayu-Undan field Development Plan, consisted of the installation of a subsea pipeline and the construction of the Darwin LNG plant. The 500 kilometer 26" pipeline supplies gas from Bayu-Undan to be processed into a 3.7 MTPA design capacity Natural Gas facility - Darwin Natural Gas, located in the Northern Territory of Australia. Gas is sent via pipeline, where it is converted into Liquefied Natural Gas for sale to Tokyo Electric and Tokyo Gas in Japan. Since 2006, an average of one LNG cargo per week has been safely shipped to customers.

Article 8 (b) of the former Timor Sea Treaty states: "A pipeline landing in Timor-Leste shall be under the jurisdiction of Timor-Leste. A pipeline landing in Australia shall be under the jurisdiction of Australia".

Moreover, The Government of Timor-Leste aims to develop the gas from Greater Sunrise field through the building of a subsea pipeline to onshore Timor-Leste, and the establishment of a LNG plant to process the gas in south coast at Beaço, Viqueque (about 200 km southeast of Dili). In 2023, the new government decided to move the location of LNG plant to Natarbora, Manatuto in the south coast of Timor-Leste.

Based on the analysis made and continuing the criteria used in prior years, no transportation revenue is identified. The pipeline fee is an

agreement fee between both countries, not a transportation revenue. No other payments related to transportation, made by contractors or subcontractors, were identified.

Infrastructure Provision and Barter Arrangement

According to the requirement 4.3, the MSWG is required to consider whether there any barter agreements.

For oil and gas, as referred above, Timor-Leste follows the PSC mechanism. Under the PSC mechanism, all infrastructure and barter arrangements are owned by the contractor.

The regulation on infrastructure provision by private companies is not yet prepared. To capture unilateral information, we have incorporated the request of the information in the reporting templates.

In the extractive industries in Timor-Leste, the concept of barter arrangements for all practical purposes wasn't identified in the preliminary activities, however confirmation will be done after receiving the reporting templates.

Nothing else have been brought to the attention of the study.



Reconciliation of tax and other payments

8

Agreed upon procedures in respect of taxes, non-taxes and other payments included the following:

- To obtain from extractive companies and government authorities' information on taxes, non-taxes and other payments in 2022;
- To reconcile the data from extractive companies and government authorities on each type of payments for each company in 2022;
- In case of discrepancies on payments are identified, to address such company for explanations;
- If based on the explanations received from the companies (or if the company refused to provide such explanations) it's not possible to determine the cause of discrepancies, to address the respective government authority with a request to provide the detailed information on that type of payment;
- If based on the explanations received from the companies and government authorities (or if they refused to provide such explanations) the discrepancies remain unexplained, then this shall be indicated on the EITI report.



8. Reconciliation of tax and other payments

8.1 General results of payments reconciliation

In the table below there is a brief description and a summary of the total amount of revenue received by Government entities from the Oil & Gas sector and the amounts in scope:

Table 31: Revenue received by Government entities

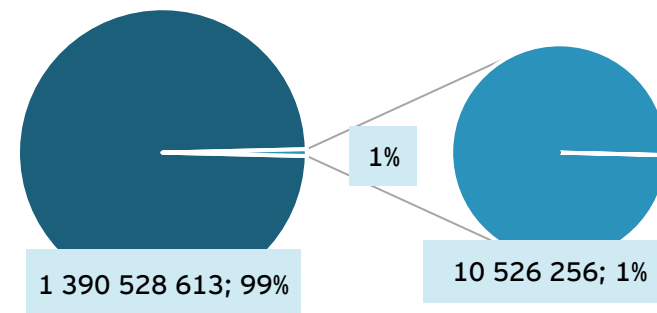
Revenues generated in 2022 as per templates (Millions USD)	Total	Scope	
Total Non-Tax revenue reported by ANPM	911,0	911,0	100%
Total Tax Revenue Contractors	480,0	480,0	100%
Total Revenue Contractors	1 391,0	1 391,0	100%
Total Tax Revenue Subcontractors	11,0	10,6	97%
Other fees (BCTL)	-	-	0%
Total	1 402,0	1 401,6	100%

The amounts reported by the government entities (MoF, ANPM⁴⁸ and BCTL) and the entities were reconciled as per section 8.2 to

8.5.

Based on the chart below, we present the composition of the total amount of Oil & Gas revenue disaggregated by extractive entities (see Section 8.2) and their subcontractors (see Section 8.3) that we are going to reconcile. The reconciliation for pipeline fees, see Section 8.5.

Figure 29: Total Oil&Gas revenue in 2022, in USD



■ Oil & Gas extractive activities ■ Oil & Gas supported activities

⁴⁸ In the report, we refer to ANP and ANM collectively as ANPM, because in 2022, they were still a unified entity. Thus, in terms of responsibility and representation regarding mining revenue, ANPM was still the holder of data. For more details, please refer to Section 4.5.

Reconciliation of tax and other payments

8.2 General results of payments reconciliation - Extractive Companies

8.2.1 Payments from Oil & Gas extractive companies in Scope - Reported by the Government

Tax payments from Oil & Gas extractive companies and their Affiliates involved in Timor oil and gas operations

Out of 36 companies that have payments on petroleum activities to Government entities (DNRPM, ANPM, BCTL and Petroleum Fund), four of the entities are not in scope (accumulated payments above the threshold). The payments from these entities represent USD 1,390,463,828 of the total revenue.

The detail by company of the tax-revenue amounts reported by Government is represented as follows:

Table 32: Detailed Tax Revenue reported by Government (contractors)

Entities	Timor-Leste WIT Resident employees and Timor-Leste WIT Non-Resident employees	Timor-Leste PE WHT TAX and Timor-Leste Non-PE WHT TAX	VAT - JPDA	Corporate Income Tax	Annual APT	Withholding Tax on Services	Total Tax Revenue reported by Government
BU 12 Aust Pty Ltd	-	-	-	29 195 462	48 261 186	-	77 456 648
BU 13 Aust Pty Ltd	-	-	-	18 325 740	25 345 282	-	43 671 022
Carnarvon Petroleum Timor Unip Lda	21 448	1 184 367	-	-	-	-	1 205 815
Eni JPDA 03-13 Ltd	-	-	-	42 835 470	25 982 620	-	68 818 090
Eni JPDA 06-105 Pty Ltd	60 170	10 406	-	-	-	-	70 576
Eni JPDA 11-106 B.V.	-	-	-	-	-	-	-
Eni Timor Lesta Spa Account	-	9 620	-	-	-	-	9 620
Inpex Sahul Ltd	-	-	-	11 768 250	29 070 567	-	40 838 817
Inpex Timor Sea Ltd	-	14 074	-	-	-	-	14 074
Santos (JPDA 91-12) Pty Ltd	-	-	-	23 218 648	28 464 807	-	51 683 455
Santos NA (19-12) Pty Ltd	6 437 276	1 434 490	5 742 592	25 107 738	27 443 643	-	66 165 739
Santos NA (19-13) Pty Ltd	-	-	-	11 193 444	13 051 395	-	24 244 839
Santos NA Bayu-Undan Pty Ltd	-	-	-	12 192 030	15 601 153	-	27 793 183
Santos NA Emet Pty Ltd	-	-	-	2 082 976	2 117 524	-	4 200 500
Santos NA Timor Sea Pty Ltd	-	-	-	16 474 744	17 567 811	-	34 042 555
Sundagas Banda Unipessoal, Lda	59 574	38 457	-	-	-	-	98 031
TIMOR GAP Chuditch Unipessoal Lda	4 514	64	-	-	-	-	4 578
Timor Gap Drilling	5 426	129	-	-	-	-	5 555
TIMOR GAP Greater Sunrise 03-19	3 803	870	-	-	-	-	4 672
TIMOR GAP Greater Sunrise 03-20	4 608	53	-	-	-	-	4 661



Entities	Timor-Leste WIT Resident employees and Timor-Leste WIT Non-Resident employees	Timor-Leste PE WHT TAX and Timor-Leste Non-PE WHT TAX	VAT - JPDA	Corporate Income Tax	Annual APT	Withholding Tax on Services	Total Tax Revenue reported by Government
TIMOR GAP Greater Sunrise RL	9 641	13 291	-	-	-	-	22 932
TIMOR GAP Greater Sunrise RL2	-	53	-	-	-	-	53
TIMOR GAP Offshore Block Unipessoal	16 991	63	-	-	-	-	17 055
TIMOR GAP Onshore Block B Unip Lda	5 102	-	-	-	-	-	5 102
TIMOR GAP Onshore Block C Unip Lda	19 791	-	-	-	-	-	19 791
TIMOR GAP Onshore Block Unip Lda	19 813	-	-	-	-	-	19 813
TIMOR GAP PSC 11-106 Unip Lda	18 759	-	-	-	-	-	18 759
TIMOR GAP Pualaka Block Unip Lda	48 771	262	-	-	-	-	49 033
Timor Resources Pty Ltd	143 183	38 950	-	-	-	-	182 133
Tokyo Timor Sea Resources	-	-	-	33 189 633	5 849 015	-	39 038 648
Woodside Energy Pty Ltd	33 644	1 080	-	-	-	-	34 724
Total	6 912 514	2 746 229	5 742 592	225 584 135	238 755 003	-	479 740 472

Non-Tax payments from Oil & Gas extractive companies and their affiliates involved in Timor-Leste oil and gas operations

The detail by company of **non-tax revenue** amounts reported by Government is represented as follows:

Table 33: Detailed Non-Tax Revenue reported by Government

Entities	FTP	Profit Oil	Contract Services Fee	Development Fee	Surface Rental Fee	Seismic Data Fee	Application Fee	Total Non-Tax Revenue reported by Government
BU 12 Aust Pty Ltd	-	130 243 605	-	-	-	-	-	130 243 605
BU 13 Aust Pty Ltd	-	74 404 300	-	-	-	-	-	74 404 300
Carnarvon Petroleum Timor Unip Lda	-	-	-	-	40 300	-	-	40 300
Eni JPDA 03-13 Ltd	-	89 515 581	-	-	-	-	-	89 515 581
Eni JPDA 06-105 Pty Ltd	-	-	320 000	325 000	-	-	-	645 000
Eni JPDA 11-106 B.V.	-	-	160 000	-	-	-	15 000	175 000
Eni Timor Lesta Spa Account	-	-	-	-	154 000	-	-	154 000
Inpex Sahul Ltd	-	92 659 986	-	-	-	-	-	92 659 986
Inpex Timor Sea Ltd	-	-	-	-	-	-	-	-
Santos (JPDA 91-12) Pty Ltd	-	-	-	-	-	-	-	-



Entities	FTP	Profit Oil	Contract Services Fee	Development Fee	Surface Rental Fee	Seismic Data Fee	Application Fee	Total Non-Tax Revenue reported by Government
Santos NA (19-12) Pty Ltd	90 409 041	353 802 151	160 000	2 743 650	-	-	17 500	447 132 341
Santos NA (19-13) Pty Ltd	-	-	160 000	-	-	-	2 500	162 500
Santos NA Bayu-Undan Pty Ltd	-	-	-	-	-	-	-	-
Santos NA Emet Pty Ltd	-	-	-	-	-	-	-	-
Santos NA Timor Sea Pty Ltd	-	-	-	-	-	-	-	-
Sundagas Banda Unipessoal, Lda	-	-	-	-	107 145	-	-	107 145
TIMOR GAP Chuditch Unipessoal Lda	-	-	-	-	-	-	-	-
Timor Gap Drilling	-	-	-	-	-	-	-	-
TIMOR GAP Greater Sunrise 03-19	-	-	-	-	-	-	-	-
TIMOR GAP Greater Sunrise 03-20	-	-	-	-	-	-	-	-
TIMOR GAP Greater Sunrise RL	-	-	-	-	-	-	-	-
TIMOR GAP Greater Sunrise RL2	-	-	-	-	-	-	-	-
TIMOR GAP Offshore Block Unipessoal	-	-	-	-	110 370	-	-	110 370
TIMOR GAP Onshore Block B Unip Lda	-	-	-	-	-	-	-	-
TIMOR GAP Onshore Block C Unip Lda	-	-	-	-	-	-	-	-
TIMOR GAP Onshore Block Unip Lda	-	-	-	-	-	-	-	-
TIMOR GAP PSC 11-106 Unip Lda	-	-	-	-	-	-	-	-
TIMOR GAP Pualaka Block Unip Lda	-	-	-	-	-	-	45 000	45 000
Timor Resources Pty Ltd	-	-	-	-	60 030	-	-	60 030
Tokyo Timor Sea Resources	-	74 946 873	-	-	-	-	-	74 946 873
Woodside Energy Pty Ltd	-	-	320 000	-	-	-	-	320 000
Total	90 409 041	815 572 496	1 120 000	3 068 650	471 845	-	80 000	910 722 031



8.2.2 Extractive companies - Adjustments by the Government

We inquired with the government entities about the discrepancies in the data presented in EITI templates during the reconciliation process. We made necessary adjustments for the confirmed differences to minimize the unreconciled amounts. The following is a summary of the investigated discrepancies and corresponding adjustments from the perspective of the reported amount by the Government:

Table 34: Adjustments by the Government in the reconciliation process (Contractors)

Entities	Timor-Leste WIT Resident employees and Timor-Leste WIT Non-Resident employees	Timor-Leste PE WHT TAX and Timor-Leste Non-PE WHT TAX	VAT - JPDA	Corporate Income Tax	Annual APT	Withholding Tax on Services	Bank Charges	Fees	Total	Notes
Carnarvon Petroleum Timor Unip Lda	-4 403	4 403	-	-	-	-	-	-	-	1)
Sundagas Banda Unipessoal, Lda	-10 130	10 055	-	-	-	-	-	-	-75	2)
Eni JPDA 03-13 Ltd	-	-	-	-5 548 990	5 548 990	-	-	-	-	3.1)
Eni JPDA 06-105 Pty Ltd	-	-10 406	-	-	-	10 406	-	-	-	3.2)
Eni Timor Leste SpA	-	-9 620	-	-	-	9 620	-	-	-	3.3)
	-	-20 026	-	-5 548 990	5 548 990	20 026	-	-	-	-
TIMOR GAP Greater Sunrise 03-19	-1 197	-817	-	-	-	-	-	-	-2 014	4.1)
TIMOR GAP Greater Sunrise RL	3 590	5 333	-	-	-	-	-	-	8 924	4.2)
TIMOR GAP Offshore Block Unipessoal	63	-63	-	-	-	-	-	-	-	4.3)
TIMOR GAP Pualaka Block Unip Lda	-45 519	45 519	-	-	-	-	-	-	-	4.4)
TIMOR GAP Chuditch Unipessoal Lda	64	-64	-	-	-	-	-	-	-	4.5)
	-42 998	49 908	-	-	-	-	-	-	6 910	
Santos NA (19-12) Pty Ltd	-	53	456 762	-	-	-	-	-260 175 623	- 259 718 808	5.1)
Santos NA Emet Pty Ltd	-	-	-	-135 976	135 976	-	-	7 592 661	7 592 661	5.2)
Santos NA Bayu-Undan Pty Ltd	-	-	-	-	-458 167	-	-	50 875 290	50 417 122	5.3)
Santos (JPDA 91-12) Pty Ltd	-	-	-	-	-	-	-	93 608 041	93 608 041	5.4)
Santos NA (19-13) Pty Ltd	-	-	-	-	-	-	-	43 723 304	43 723 304	5.5)
Santos NA Timor Sea Pty Ltd	-	-	-	-	-	-	-	64 376 328	64 376 328	5.6)
	-	53	456 762	-135 976	-322 191	-	-	-	-1 352	



Entities	Timor-Leste WIT Resident employees and Timor-Leste WIT Non-Resident employees	Timor-Leste PE WHT TAX and Timor-Leste Non-PE WHT TAX	VAT - JPDA	Corporate Income Tax	Annual APT	Withholding Tax on Services	Bank Charges	Fees	Total	Notes
BU 12 Aust Pty Ltd	-	-	-	-660 774	660 774	-	-	-	-	6.1)
BU 13 Aust Pty Ltd	-	-	-	-2 291 844	2 291 844	-	430	-	430	6.2)
	-	-	-	-2 952 618	2 952 618	-	430	-	430	
Tokyo Timor Sea Resources	-	-	-	-13 599 225	13 599 225	-	-	-	-	7)
Inpex Sahul Ltd	-	-	-	327 699	-327 699	-	-	-	-	8)
Total	-57 532	44 394	456 762	-21 909 110	21 450 943	20 026	430	-	5 912	

Notes:

1) Adjustments on the amount reported by the Government for Carnarvon Petroleum Timor Unip Lda

The adjustment corresponds to incorrect classification by type of tax.

2) Adjustments on the amount reported by the Government for Sundagas Banda Unipessoal, Lda

The adjustments correspond to incorrect classification by type of tax and incorrect allocation by the Government.

3) Adjustments on the amount reported by the Government for Eni JPDA

3.1) The adjustment corresponds to incorrect classification by type of tax.

3.2) The adjustment corresponds to incorrect classification by type of tax.

3.3) The adjustment corresponds to incorrect classification by type of tax.

4) Adjustments on the amount reported by the Government for Timor GAP

4.1) The adjustment corresponds to incorrect allocation by the Government between tax paid by Timor GAP Greater Sunrise 03-19 and Timor GAP Greater Sunrise RL.

4.2) The adjustment corresponds to: incorrect allocation by the Government between tax paid by Timor GAP Greater Sunrise 03-19 and Timor GAP Greater Sunrise RL; - incorrect classification by type of tax; - payments of August WIT and WHT and December WIT not reported by Government.



- 4.3) The adjustment corresponds to incorrect classification by type of tax.
- 4.4) The adjustment corresponds to incorrect classification by type of tax.
- 4.5) The adjustment corresponds to incorrect classification by type of tax.

5) Adjustments on the amount reported by the Government for Santos

- 5.1) The adjustments correspond to: incorrect allocation by the Government between tax paid by Santos NA (19-12) Pty Ltd and Santos NA Bayu-Undan Pty Ltd; - Incorrect classification by type of tax and incorrect allocation by the Government regarding Santos overpayments of tax; - Incorrect allocation by the Government between Profit Oil paid by Santos' entities.
- 5.2) The adjustments correspond to: incorrect classification by type of tax; - Incorrect allocation by the Government between Profit Oil paid by Santos' entities.
- 5.3) The adjustments correspond to incorrect: allocation by the Government between tax paid by Santos NA (19-12) Pty Ltd and Santos NA Bayu-Undan Pty Ltd; - Incorrect allocation by the Government between Profit Oil paid by Santos' entities.
- 5.4) Incorrect allocation by the Government between Profit Oil paid by Santos' entities.
- 5.5) Incorrect allocation by the Government between Profit Oil paid by Santos' entities.
- 5.6) Incorrect allocation by the Government between Profit Oil paid by Santos' entities.

6) Adjustments on the amount reported by the Government for BU

- 6.1) The adjustment corresponds to incorrect classification by type of tax.
- 6.2) The adjustment corresponds to incorrect classification by type of tax.

7) Adjustments on the amount reported by the Government for Tokyo Timor Sea Resources

The adjustment corresponds to incorrect classification by type of tax.

8) Adjustments on the amount reported by the Government for Inpex Sahul Ltd

The adjustment corresponds to incorrect classification by type of tax.



8.2.3 Payments from Oil & Gas extractive companies in Scope - Reported by the Entities

Tax payments from Oil & Gas extractive companies and their Affiliates involved in Timor oil and gas operations

Out of the thirty-one extractive companies in scope, all contractors sent the templates with the 2022 data, with the exception of 3 entities. The detail by company of the **tax-revenue** amounts reported by the entities is represented as follows:

Table 35: Detailed Tax Revenue reported by Contractors

Extractive Companies	Timor-Leste WIT Resident employees and Timor-Leste WIT Non-Resident employees	Timor-Leste PE WHT TAX and Timor-Leste Non-PE WHT TAX	VAT - JPDA	Corporate Income Tax	Annual APT	Withholding Tax on Services	Total Tax Revenue reported by Entities
BU 12 Aust Pty Ltd	-	-	-	28 534 688	48 921 960	-	77 456 648
BU 13 Aust Pty Ltd	-	-	-	16 034 076	27 637 376	-	43 671 452
Carnarvon Petroleum Timor Unip Lda	17 044	1 188 431	-	-	-	-	1 205 475
Eni JPDA 03-13 Ltd	-	-	-	37 286 480	31 531 610	-	68 818 090
Eni JPDA 06-105 Pty Ltd	60 066	-	-	-	-	10 406	70 472
Eni JPDA 11-106 B.V.*	-	-	-	-	-	-	-
Eni Timor Lesta Spa Account	-	-	-	-	-	9 620	9 620
Inpex Sahul Ltd	-	-	-	12 095 949	28 742 868	-	40 838 817
Inpex Timor Sea Ltd	-	14 074	-	-	-	-	14 074
Santos (JPDA 91-12) Pty Ltd	-	-	-	18 269 264	33 414 191	-	51 683 455
Santos NA (19-12) Pty Ltd	6 448 367	1 434 626	6 200 246	20 218 357	32 333 024	-	66 634 620
Santos NA (19-13) Pty Ltd	-	-	-	8 997 862	15 246 977	-	24 244 839
Santos NA Bayu-Undan Pty Ltd	-	-	-	9 510 260	17 824 756	-	27 335 016
Santos NA Emet Pty Ltd	-	-	-	1 564 690	2 635 809	-	4 200 499
Santos NA Timor Sea Pty Ltd	-	-	-	13 231 967	20 810 589	-	34 042 556
Sundagas Banda Unipessoal, Lda	49 444	48 512	-	-	-	-	97 956
TIMOR GAP Chuditch Unipessoal Lda	-	4 004	-	-	-	-	4 004
Timor Gap Drilling	-	-	-	-	-	-	-
TIMOR GAP Greater Sunrise 03-19	-	53	-	-	-	-	53
TIMOR GAP Greater Sunrise 03-20	-	53	-	-	-	-	53
TIMOR GAP Greater Sunrise RL	18 625	13 231	-	-	-	-	31 855
TIMOR GAP Greater Sunrise RL2	-	53	-	-	-	-	53
TIMOR GAP Offshore Block Unipessoal	8 559	178	-	-	-	-	8 737
TIMOR GAP Onshore Block B Unip Lda	-	-	-	-	-	-	-
TIMOR GAP Onshore Block C Unip Lda	-	19 791	-	-	-	-	19 791
TIMOR GAP Onshore Block Unip Lda	746	19 067	-	-	-	-	19 812
TIMOR GAP PSC 11-106 Unip Lda	-	13 164	-	-	-	-	13 164



Extractive Companies	Timor-Leste WIT Resident employees and Timor-Leste WIT Non-Resident employees	Timor-Leste PE WHT TAX and Timor-Leste Non-PE WHT TAX	VAT - JPDA	Corporate Income Tax	Annual APT	Withholding Tax on Services	Total Tax Revenue reported by Entities
TIMOR GAP Pualaka Block Unip Lda	-	49 033	-	-	-	-	49 033
Timor Resources Pty Ltd	143 183	38 951	-	-	-	-	182 134
Tokyo Timor Sea Resources	-	-	-	19 290 408	19 448 240	-	38 738 648
Woodside Energy Pty Ltd	32 841	2 160	-	-	-	-	35 001
Total	6 778 874	2 845 379	6 200 246	185 034 001	278 547 400	-	479 425 926

Notes: *Following Finder Energy's acquisition of PSC 19-11, Eni no longer holds the authority to provide any data related to this PSC (Eni JPDA 11-106 B.V.). As of the report submission date, Finder Energy was not able to provide the requested data in a timely manner. The Independent Administrator and the EITI Secretariat of TL will continue to collaborate with Finder Energy for the next EITI TL reconciliation report.

Non-Tax payments from Oil & Gas extractive companies and their Affiliates involved in Timor oil and gas operations

The detail by company of **non-tax revenue** amounts reported by the entities is represented as follows:

Table 36: Detailed Non-Tax Revenue reported by Contractors

Extractive Companies	FTP	Profit Oil	Contract Services Fee	Development Fee	Surface Rental Fee	Seismic Data Fee	Application Fee	Total Non-Tax Revenue reported by Entities
BU 12 Aust Pty Ltd	-	130 243 604	-	-	-	-	-	130 243 604
BU 13 Aust Pty Ltd	-	74 404 300	-	-	-	-	-	74 404 300
Carnarvon Petroleum Timor Unip Lda	-	-	-	-	40 300	-	-	40 300
Eni JPDA 03-13 Ltd	-	89 515 581	-	-	-	-	-	89 515 581
Eni JPDA 06-105 Pty Ltd	-	-	320 000	325 000	-	-	-	645 000
Eni JPDA 11-106 B.V.*	-	-	-	-	-	-	-	-
Eni Timor Lesta Spa Account	-	-	-	-	154 000	-	-	154 000
Inpex Sahul Ltd	-	92 659 986	-	-	-	-	-	92 659 986
Inpex Timor Sea Ltd	-	-	-	-	-	-	-	-
Santos (JPDA 91-12) Pty Ltd	-	93 608 041	-	-	-	-	-	93 608 041
Santos NA (19-12) Pty Ltd	90 409 061	93 626 528	160 000	2 743 650	-	-	17 500	186 956 739
Santos NA (19-13) Pty Ltd	-	43 723 304	160 000	-	-	-	2 500	43 885 804
Santos NA Bayu-Undan Pty Ltd	-	50 875 290	-	-	-	-	-	50 875 290



Extractive Companies	FTP	Profit Oil	Contract Services Fee	Development Fee	Surface Rental Fee	Seismic Data Fee	Application Fee	Total Non-Tax Revenue reported by Entities
Santos NA Emet Pty Ltd	-	7 592 661	-	-	-	-	-	7 592 661
Santos NA Timor Sea Pty Ltd	-	64 376 328	-	-	-	-	-	64 376 328
Sundagas Banda Unipessoal, Lda	-	-	-	-	107 145	-	-	107 145
TIMOR GAP Chuditch Unipessoal Lda	-	-	-	-	-	-	-	-
Timor Gap Drilling	-	-	-	-	-	-	-	-
TIMOR GAP Greater Sunrise 03-19	-	-	-	-	-	-	-	-
TIMOR GAP Greater Sunrise 03-20	-	-	-	-	-	-	-	-
TIMOR GAP Greater Sunrise RL	-	-	-	-	-	-	-	-
TIMOR GAP Greater Sunrise RL2	-	-	-	-	-	-	-	-
TIMOR GAP Offshore Block Unipessoal	-	-	-	-	110 370	-	-	110 370
TIMOR GAP Onshore Block B Unip Lda	-	-	-	-	-	-	-	-
TIMOR GAP Onshore Block C Unip Lda	-	-	-	-	-	-	-	-
TIMOR GAP Onshore Block Unip Lda	-	-	-	-	-	-	-	-
TIMOR GAP PSC 11-106 Unip Lda	-	-	-	-	-	-	-	-
TIMOR GAP Pualaka Block Unip Lda	-	-	-	-	47 264	-	-	47 264
Timor Resources Pty Ltd	-	-	-	-	60 030	-	-	60 030
Tokyo Timor Sea Resources	6 548 281	74 946 873	-	-	-	-	-	81 495 154
Woodside Energy Pty Ltd	-	-	320 000	-	-	-	-	320 000
Total	96 957 342	815 572 495	960 000	3 068 650	519 109	-	20 000	917 097 596

Notes: *Following Finder Energy's acquisition of PSC 19-11, Eni no longer holds the authority to provide any data related to this PSC (Eni JPDA 11-106 B.V.). As of the report submission date, Finder Energy was not able to provide the requested data in a timely manner. The Independent Administrator and the EITI Secretariat of TL will continue to collaborate with Finder Energy for the next EITI TL reconciliation report



8.2.4 Extractive companies - Adjustments by the Contractors

We inquired with the contractors about the discrepancies in the data presented in EITI templates during the reconciliation process. We made necessary adjustments for the confirmed differences to minimize the unreconciled amounts. The following is a summary of the investigated discrepancies and corresponding adjustments from the perspective of the reported amount by the Contractors:

Table 37: Adjustments by the Contractors in the reconciliation process

Entities	Timor-Leste WIT Resident employees and Timor-Leste WIT Non-Resident employees	Timor-Leste PE WHT TAX and Timor-Leste Non PE WHT TAX	VAT - JPDA	Corporate Income Tax	Annual APT	Fees	Total	Notes
Tokyo Timor Sea Resources	-	-	-	300 000	-	-6 548 281	-6 248 281	1)
TIMOR GAP Greater Sunrise 03-19	2 606	-	-	-	-	-	2 606	2.1)
TIMOR GAP PSC 11-106 Unip Lda	18 759	-13 164	-	-	-	-	5 595	2.2)
TIMOR GAP Offshore Block Unipessoal	8 496	-178	-	-	-	-	8 318	2.3)
TIMOR GAP Chuditch Unipessoal Lda	4 514	-3 940	-	-	-	-	574	2.4)
TIMOR GAP Pualaka Block Unip Lda	-	-	-	-	-	-	-	2.5)
	34 374	-17 282	-	-	-	-	17 092	
Santos NA (19-12) Pty Ltd	-11 091	-	-885	4 889 381	-4 889 381	-	-11 976	3.1)
Santos NA Timor Sea Pty Ltd	-	-	-	3 242 777	-3 242 777	-	-	3.2)
Santos NA Emet Pty Ltd	-	-	-	382 310	-382 310	-	-	3.3)
Santos NA Bayu-Undan Pty Ltd	-	-	-	2 681 770	-2 681 770	-	-	3.4)
Santos NA (19-13) Pty Ltd	-	-	-	2 195 582	-2 195 582	-	-	3.5)
Santos (JPDA 91-12) Pty Ltd	-	-	-	4 949 384	-4 949 384	-	-	3.6)
	-11 091	-	-885	18 341 204	-18 341 204	-	-11 976	
Total	23 283	-17 282	-885	18 641 204	-18 341 204	-6 548 281	-6 243 165	



1) Adjustments on the amounts reported by Tokyo Timor Sea Resources

The adjustments correspond to: submission of December 2021 CIT however paid in March 2022 not reported by entity; - FTP reported by amounting to USD 6,248,281. Based on our discussion with Tokyo Timor Sea Resources, they confirm that the FTP reported by Tokyo Timor Sea Resources (as the ultimate payer) was paid via the Santos NA (19-12) Pty Ltd which made the payments as the responsible Operator, to ANPM. Therefore, Tokyo Timor Sea Resources' payments should not have been considered, as Santos has already reported the FTP.

2) Adjustments on the amount reported by Timor GAP

- 2.1) The adjustment corresponds to submission of December 2021 WIT however paid in January 2022 not reported by entity.
- 2.2) The adjustments correspond to: submission of December 2021 WIT however paid in January 2022 not reported by entity; -- The adjustment corresponds to incorrect classification by type of tax.
- 2.3) The adjustments correspond to: submission of December 2021 WIT however paid in January 2022 not reported by entity; -- The adjustment corresponds to incorrect classification by type of tax.
- 2.4) The adjustments correspond to: submission of December 2021 WIT however paid in January 2022 not reported by entity; -- The adjustment corresponds to incorrect classification by type of tax.
- 2.5) Timor GAP Pualaka Block Unip Lda classified USD 15,000 within fees from Surface Rental Fee to Application Fee.

3) Adjustments on the amount reported by Santos

- 3.1) The adjustments correspond to: offset overpaid CIT against APT reported as a cashflow; - reported WIT and VAT in excess by Santos.
- 3.2) The adjustment corresponds to offset overpaid CIT against APT reported as a cashflow.
- 3.3) The adjustment corresponds to offset overpaid CIT against APT reported as a cashflow.
- 3.4) The adjustment corresponds to offset overpaid CIT against APT reported as a cashflow.
- 3.5) The adjustment corresponds to offset overpaid CIT against APT reported as a cashflow.
- 3.6) The adjustment corresponds to offset overpaid CIT against APT reported as a cashflow.



8.2.5 Extractive companies - Reconciliation Results

Below are displayed the differences noted between amounts paid from oil & gas extractive activities and amounts received by Government Entities:

Table 38: Reconciliation results with Contractors

Entities	Reported by Entity	Reported by Government	Results of initial request	Adjustments by the entities	Adjustments by the Government	Reported by Entity	Reported by Government	Unreconciled differences
BU 12 Aust Pty Ltd	207 700 252	207 700 253	1	-	-	207 700 252	207 700 253	1
BU 13 Aust Pty Ltd	118 075 752	118 075 322	-430	-	430	118 075 752	118 075 752	-
Carnarvon Petroleum Timor Unip Lda	1 245 775	1 246 115	340	-	-	1 245 775	1 246 115	340
Eni JPDA 03-13 Ltd	158 333 671	158 333 671	-	-	-	158 333 671	158 333 671	-
Eni JPDA 06-105 Pty Ltd	715 472	715 576	104	-	-	715 472	715 576	104
Eni JPDA 11-106 B.V.*	-	175 000	175 000	-	-	-	175 000	175 000
Eni Timor Lesta Spa Account	163 620	163 620	-	-	-	163 620	163 620	-
Inpex Sahul Ltd	133 498 803	133 498 803	-	-	-	133 498 803	133 498 803	-
Inpex Timor Sea Ltd	14 074	14 074	-	-	-	14 074	14 074	-
Santos (JPDA 91-12) Pty Ltd	145 291 496	51 683 455	-93 608 041	-	93 608 041	145 291 496	145 291 496	-
Santos NA (19-12) Pty Ltd	253 591 360	513 298 080	259 706 721	-11 976	-259 718 808	253 579 384	253 579 273	-111
Santos NA (19-13) Pty Ltd	68 130 642	24 407 339	-43 723 303	-	43 723 304	68 130 642	68 130 643	-
Santos NA Bayu-Undan Pty Ltd	78 210 306	27 793 183	-50 417 122	-	50 417 122	78 210 306	78 210 306	-
Santos NA Emet Pty Ltd	11 793 160	4 200 500	-7 592 660	-	7 592 661	11 793 160	11 793 161	-
Santos NA Timor Sea Pty Ltd	98 418 883	34 042 555	-64 376 328	-	64 376 328	98 418 883	98 418 883	-
Sundagas Banda Unipessoal, Lda	205 100	205 175	75	-	-75	205 100	205 100	-
TIMOR GAP Chuditch Unipessoal Lda	4 004	4 578	574	574	-	4 578	4 578	-
Timor Gap Drilling	-	5 555	5 555	-	-	-	5 555	5 555
TIMOR GAP Greater Sunrise 03-19	53	4 672	4 620	2 606	-2 014	2 658	2 658	-
TIMOR GAP Greater Sunrise 03-20	53	4 661	4 608	-	-	53	4 661	4 608
TIMOR GAP Greater Sunrise RL	31 855	22 932	-8 924	-	8 924	31 855	31 855	-
TIMOR GAP Greater Sunrise RL2	53	53	-	-	-	53	53	-
TIMOR GAP Offshore Block Unipessoal	119 107	127 425	8 318	8 318	-	127 425	127 425	-
TIMOR GAP Onshore Block B Unip Lda**	-	5 102	5 102	-	-	-	5 102	5 102
TIMOR GAP Onshore Block C Unip Lda	19 791	19 791	-	-	-	19 791	19 791	-
TIMOR GAP Onshore Block Unip Lda	19 812	19 813	1	-	-	19 812	19 813	1
TIMOR GAP PSC 11-106 Unip Lda	13 164	18 759	5 595	5 595	-	18 759	18 759	-
TIMOR GAP Pualaka Block Unip Lda	96 297	94 033	-2 264	-	-	96 297	94 033	-2 264
Timor Resources Pty Ltd	242 164	242 163	-0	-	-	242 164	242 163	-
Tokyo Timor Sea Resources	120 233 802	113 985 521	-6 248 281	-6 248 281	-	113 985 521	113 985 521	-
Woodside Energy Pty Ltd	355 001	354 724	-277	-	-	355 001	354 724	-277



Entities	Reported by Entity	Reported by Government	Results of initial request	Adjustments by the entities	Adjustments by the Government	Reported by Entity	Reported by Government	Unreconciled differences
Total	1 396 523 522	1 390 462 504	-6 061 018	-6 243 165	5 912	1 390 280 357	1 390 468 416	188 059

Notes: *Following Finder Energy's acquisition of PSC 19-11, Eni no longer holds the authority to provide any data related to this PSC (Eni JPDA 11-106 B.V.). As of the report submission date, Finder Energy was not able to provide the requested data in a timely manner. The Independent Administrator and the EITI Secretariat of TL will continue to collaborate with Finder Energy for the next EITI TL reconciliation report

** Timor GAP communicated that there were no tax payments for TIMOR GAP Onshore Block B Unip Lda during 2022.



8.2.6 Extractive companies - Unreconciled differences

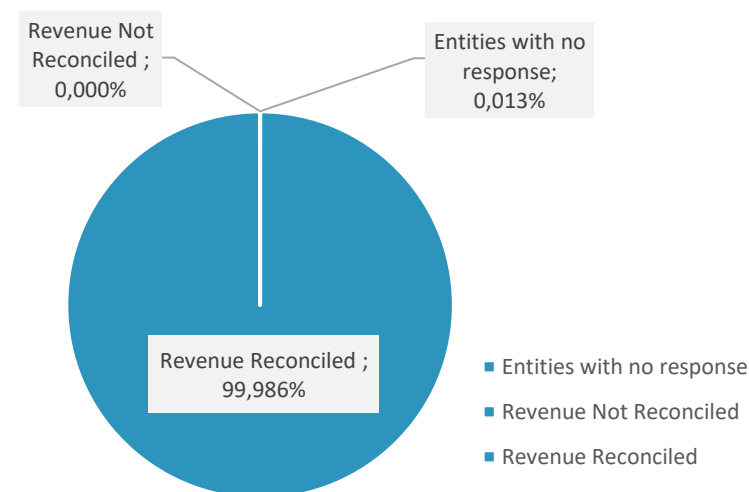
Based on the results the difference not reconciled are approximately USD 188,059 an amount considered reasonable since it is virtually 0.014% of the total revenue reconciled.

Table 39: Unreconciled difference (Contractors)

Description	Amount in US\$	% Final amount reported Government
Total amount reported initially by the Government	1 390 462 504	100%
Adjustments by the Government entities	5 912	0%
Final tax amount reported by the Government	1 390 468 416	
Total amount reported initially by Contractors	1 396 523 522	100%
Adjustments by the entities	-6 243 165	0%
Final tax amount reported by the Subcontractors	1 390 280 357	
Entities not answered	185 657	0%
Amount not conciliated	2 401	0%

The chart below shows the results and the fact that almost 100% of the payments from operators were reconciled.

Figure 30: Unreconciled differences for extractive companies



Reconciliation of tax and other payments

8.3 General results of payments reconciliation - Subcontractors

8.3.1 Payments from Oil & Gas subcontractors in Scope - Reported by the Government

Out of 30 subcontractors that have paid tax amounts to DNRPM, we have identified 16 entities that have made payments (to the revenue streams) above the threshold to Government entities in scope.

The detail by company of the tax revenue amounts reported by Government is represented as follows:

Table 10: Detailed Tax Revenue reported by Government (subcontractors)

Entities	Timor-Leste WIT Resident employees and Timor-Leste WIT Non-Resident employees	Timor-Leste PE WHT TAX and Timor-Leste Non-PE WHT TAX	VAT - JPDA	Corporate Income Tax	Additional Tax of Petroleum Tax	Total reported by Government
Santos NA Timor Leste Pty Ltd	359 541	28 656	-	-	-	388 197
Clough Amec Pty Ltd	1 384 987	46 591	-	357 632	32 552	1 821 762
Weatherford Australia Pty limited	84 959	-	-	-	-	84 959
Compass Group (Australia) Pty Ltd	503 121	1 100	-	14 933	1 956 504	2 475 658
SGS AUSTRALIA PTY LTD	175 141	-	-	36 458	-	211 598
Konnekto Unipessoal Lda	120 948	-	-	-	-	120 948
Caltech Unipessoal Lda	835 229	48 765	-	114 108	-	998 102
Schlumberger Australia P/L	51 844	32 601	-	1 813 965	-	1 898 410
MMA Offshore Vessel Operation Pty	221 626	-	-	-	-	221 626
Cape Australia Onshore Pty Ltd	8 731	152 357	-	-	-	161 088
Kotug Maritime Services (Bayu Undan) P/L	226 780	-	-	-	-	226 780
Rigforce Pty Ltd	312 632	256	-	81 327	-	394 215
Babcock offshore Service	716 991	574	-	-	-	717 565
Labrador Petro Management	98 814	-	-	-	-	98 814
Laloran Marine Services	-	84 955	-	-	-	84 955
Atlas Programmed	256 146	-	-	-	-	256 146
Total	5 357 488	395 856	-	2 418 423	1 989 056	10 160 823



8.3 General results of payments reconciliation - Subcontractors

8.3.2 Subcontractors - Adjustments by the Government

Below are displayed the differences noted between amounts paid from oil & gas subcontractors and amounts received by Government Entities.

Table 11: Adjustments by the Government in the reconciliation process (Subcontractors)

Entities	Timor-Leste WIT Resident employees and Timor-Leste WIT Non-Resident employees	Timor-Leste PE WHT TAX and Timor-Leste Non-PE WHT TAX	VAT - JPDA	Corporate Income Tax	Additional Tax of Petroleum Tax	Bank charges	Total	Notes
Compass Group (Australia) Pty Ltd	899 747	310	-	1 069 404	-1 956 504	-	12 957	1)
Santos NA Timor Leste Pty Ltd	-4 667	4 667	-	-	-	-	-	2)
SGS AUSTRALIA PTY LTD	-68 581	-	-	68 381	-	-75	-275	3)
Weatherford Australia Pty limited	-62 575	-	-	62 575	-	-	-	4)
Cape Australia Onshore Pty Ltd	152 357	-152 357	-	-	-	-	-	5)
Labrador Petro Management	-98 834	89 885	-	8 949	-	-	-	6)
Total	822 114	-62 163	-	1 209 309	-1 956 504	-75	12 682	

1) Adjustments on the amount reported by the Government for Compass Group (Australia) Pty Ltd

The adjustments correspond to: incorrect classification by type of tax; - Payment of resident employee wage income tax of USD13,006.68 on 12 July 2022 not accounted by Government (including bank charges of USD 50).

2) Adjustments on the amount reported by the Government for Santos NA Timor Leste Pty Ltd

The adjustment corresponds to incorrect classification by type of tax.



3) Adjustments on the amount reported by the Government for SGS AUSTRALIA PTY LTD

The adjustment corresponds to incorrect classification by type of tax (including bank charges of USD 75).

4) Adjustments on the amount reported by the Government for Weatherford Australia Pty limited

The adjustment corresponds to incorrect classification by type of tax.

5) Adjustments on the amount reported by the Government for Cape Australia Onshore Pty Ltd

The adjustment corresponds to incorrect classification by type of tax.

6) Adjustments on the amount reported by the Government for Labrador Petro Management

The adjustment corresponds to incorrect classification by type of tax.



8.3 General results of payments reconciliation - Subcontractors

8.3.3 Payments from Oil & Gas subcontractors in Scope - Reported by the Entities

The detail by company of the tax revenue amounts reported by Subcontractors is represented as follows:

Table 4212: Detailed Tax Revenue reported by Subcontractors

Extractive Companies	Timor-Leste WIT Resident employees and Timor-Leste WIT Non-Resident employees	Timor-Leste PE WHT TAX and Timor-Leste Non PE WHT TAX	VAT - JPDA	Corporate Income Tax	Total reported by entities
Santos NA Timor Leste Pty Ltd	349 487	33 324	-	-	382 811
Clough Amec Pty Ltd	-	-	-	-	-
Weatherford Australia Pty limited	22 384	-	-	62 575	84 959
Compass Group (Australia) Pty Ltd	1 402 842	1 410	-	1 084 337	2 488 590
SGS AUSTRALIA PTY LTD	106 485	-	-	104 839	211 324
Konnekto Unipessoal Lda	-	-	-	-	-
Caltech Unipessoal Lda	835 229	48 766	-	114 108	998 103
Schlumberger Australia P/L	51 844	32 601	-	1 813 965	1 898 410
MMA Offshore Vessel Operation Pty	-	-	-	-	-
Cape Australia Onshore Pty Ltd	-	152 529	-	-	152 529
Kotug Maritime Services (Bayu Undan) P/L	-	-	-	-	-
Rigforce Pty Ltd	312 848	-	-	81 368	394 216
Babcock offshore Service	-	-	-	-	-
Labrador Petro Management	-	89 885	-	8 949	98 834
Laloran Marine Services	-	84 905	-	-	84 905
Atlas Programmed	-	-	-	-	-
Total	3 081 119	443 420	-	3 270 141	6 794 680



8.3 General results of payments reconciliation - Subcontractors

8.3.4 Subcontractors - Adjustments by the Entities

Below are displayed the differences noted between amounts paid from oil & gas subcontractors and amounts received by Government Entities.

Table 13: Adjustments by the Subcontractors in the reconciliation process

Entities	Timor-Leste WIT Resident employees and Timor-Leste WIT Non-Resident employees	Timor-Leste PE WHT TAX and Timor-Leste Non PE WHT TAX	VAT - JPDA	Corporate Income Tax	Annual APT	Total	Notes
Santos NA Timor Leste Pty Ltd	5 386					5 386	1)
Cape Australia Onshore Pty Ltd	8 559					8 559	2)
Total	13 945	-	-	-	-	13 945	

1) Adjustments on the amount reported by Santos NA Timor Leste Pty Ltd

The adjustment corresponds to April payment of WIT reported insufficiently.

2) Adjustments on the amount reported by Cape Australia Onshore Pty Ltd

The adjustment corresponds to accrual basis being used instead of cash basis, January 2023 were being reported instead of January 2022 payments.



8.3 General results of payments reconciliation - Subcontractors

8.3.5 Subcontractors - Reconciliation results

Upon adjusting for discrepancies identified in submitted templates, we calculated the total results post reconciliation. The following outlines the final differences between amounts paid by oil & gas subcontractors and amounts received by Government Entities.

Table 14: Total reconciliation results (subcontractors)

Entities	Reported by Entity	Reported by Government	Results of initial request	Adjustments by the entities	Adjustments by the Government	Reported by Entity	Reported by Government	Unreconciled differences
Santos NA Timor Leste Pty Ltd	382 811	388 197	5 386	5 386	-	388 198	388 197	-1
Clough Amec Pty Ltd	-	1 821 762	1 821 762	-	-	-	1 821 762	1 821 762
Weatherford Australia Pty limited	84 959	84 959	-	-	-	84 959	84 959	-
Compass Group (Australia) Pty Ltd	2 488 590	2 475 658	-12 932	-	12 957	2 488 590	2 488 615	25
SGS AUSTRALIA PTY LTD	211 324	211 598	275	-	-275	211 324	211 324	-
Konnekto Unipessoal Lda	-	120 948	120 948	-	-	-	120 948	120 948
Caltech Unipessoal Lda	998 103	998 102	-1	-	-	998 103	998 102	-1
Schlumberger Australia P/L	1 898 410	1 898 410	-	-	-	1 898 410	1 898 410	-
MMA Offshore Vessel Operation Pty	-	221 626	221 626	-	-	-	221 626	221 626
Cape Australia Onshore Pty Ltd	152 529	161 088	8 559	8 559	-	161 088	161 088	-
Kotug Maritime Services (Bayu Undan) P/L	-	226 780	226 780	-	-	-	226 780	226 780
Rigforce Pty Ltd	394 216	394 215	-1	-	-	394 216	394 215	-1
Babcock offshore Service	-	717 565	717 565	-	-	-	717 565	717 565
Labrador Petro Management	98 834	98 814	-20	-	-	98 834	98 814	-20
Laloran Marine Services	84 905	84 955	50	-	-	84 905	84 955	50
Atlas Programmed	-	256 146	256 146	-	-	-	256 146	256 146
Total	6 794 680	10 160 823	3 366 143	13 945	12 682	6 808 625	10 173 504	3 364 879

It is important to note that the total amount of unreconciled differences includes subcontractors who did not respond on request. For detail information, refer to Section 8.3.6.



8.3 General results of payments reconciliation - Subcontractors

8.3.6 Subcontractors - Unreconciled differences

The total amount of unreconciled difference is represented as follow:

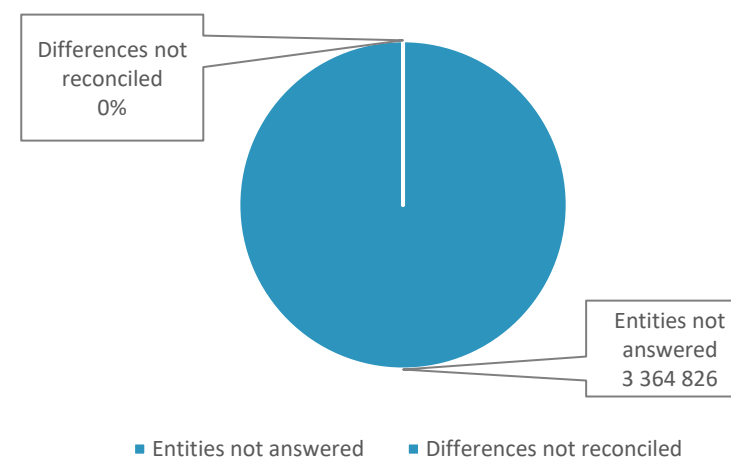
Table 15: Unreconciled difference (subcontractors)

Description	Amount in US\$	% Final amount reported Government
Total amount reported initially by the Government	10 160 823	100%
Adjustments by the Government entities	12 682	0%
Final tax amount reported by the Government	10 173 504	
Total amount reported initially by Subcontractors	6 794 680	67%
Adjustments by the entities	13 945	0%
Final tax amount reported by the Subcontractors	6 808 625	
Entities not answered	3 364 826	33%
Amount not conciliated	53	0%

Most of the differences are explained with amounts relating to entities that didn't answer to the templates, totalizing USD 3,364,826. This amount was not validated since we were not able to obtain an answer from the respective entities.

The total amount not conciliated based on the stakeholder answer was residual USD 53.

Figure 31: Unreconciled differences for subcontractors





8.3 General results of payments reconciliation - Subcontractors

8.3.6 Subcontractors - Unreconciled differences

Based on the results, the differences not reconciled are approximately USD 3,364,879 (considering the entities that did not report).

Table 16: Differences not reconciled by Subcontractors

Subcontractors Companies	Reported by Government	Reported by Entity	Results after Reconciliation
Differences not reconciled			
Santos NA Timor Leste Pty Ltd	388 197	388 198	1
Compass Group (Australia) Pty Ltd	2 488 615	2 488 590	-25
Caltech Unipessoal Lda	998 102	998 103	1
Rigforce Pty Ltd	394 215	394 216	1
Labrador Petro Management	98 814	98 834	20
Laloran Marine Services	84 955	84 905	-50
Total differences not reconciled			-53

Note: During the 2022 revenue reconciliation period, few new subcontractors were selected in scope. This influx led to an unexpected issue of establishing contact with these new entities. The Independent Administrator and EITI Secretariat of TL requested the registered information from the Ministry of Finance regarding these subcontractors. The data was then circulated among existing contractors to gather the necessary contact details.

Once contact was established, templates were subsequently disseminated to the entities to collect the necessary data. However, despite efforts made to streamline communication and facilitate the provision of information, the entities were unable to provide the requested data in a timely manner. At present, initiatives are being undertaken to collaborate with these entities more closely to ensure the prompt provision of essential data, thereby preventing such reporting issues from recurring in the future.

Some of the subcontractors also did not answer in 2022.

Table 17: Subcontractors that not reported

Subcontractors Companies	Reported by Government	Reported by Entity	Results after Reconciliation
Not reported			
Clough Amec Pty Ltd	1 821 762	-	-1 821 762
Konnekto Unipessoal Lda	120 948	-	-120 948
MMA Offshore Vessel Operation Pty	221 626	-	-221 626
Kotug Maritime Services (Bayu Undan) P/L	226 780	-	-226 780
Babcock offshore Service	717 565	-	-717 565
Atlas Programmed	256 146	-	-256 146
Total not reported			-3 364 826
Total not reconciled and not reported amounts			-3 364 879



Reconciliation of tax and other payments

8.4 Summary of Reconciliation results

The following chart breaks down tax and non-tax reconciliation results for contractors and subcontractors.

The reconciled amount totals 1,397,070,390 USD in both tax and non-tax revenues. This consists of 1,390,274,446 USD from contractors and 6,795,944 USD from subcontractors.

An unreconciled amount of 2,454 USD is accounted for by 2,401 USD from contractors and 53 USD from subcontractors.

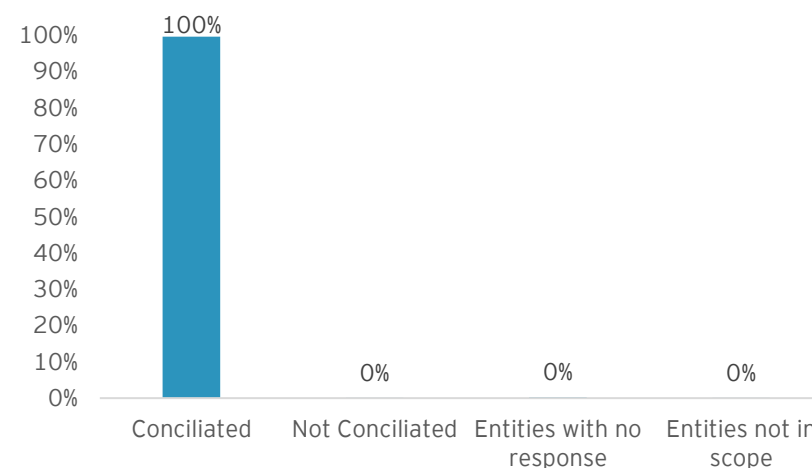
Entities that failed to report contribute to a sum of USD 3,550,484, which encompasses both contractors and subcontractors. Entities that fell outside the scope have a total value of USD 431,542.

The figure 32 below represents the total amounts in percentage considering contractors and subcontractors.

Table 18: Reconciliation Results

Total Amounts	Amounts in USD	%
Contractors - revenue reconciled	1 390 274 447	99,23%
Contractors - revenue unreconciled	2 401	0,00%
Contractors - Entities with no response	185 657	0,01%
Contractors - Entities not in scope	66 109	0,00%
Subcontractors - revenue reconciled	6 795 944	0,49%
Subcontractors - revenue unreconciled	53	0,00%
Subcontractors - Entities with no response	3 364 826	0,24%
Subcontractors - Entities not in scope	365 433	0,03%
TOTAL	1 401 054 870	100,00%

Figure 32: Reconciliation Results





Reconciliation of tax and other payments

8.5 Pipeline fee

In 2022 no Pipeline Fee was transferred to the Petroleum Fund by the Banco Central de Timor Leste (BCTL). As opposed, in 2021 the Pipeline Fee of USD 5,811,200 was transferred to the Petroleum Fund by the Banco Central de Timor Leste (BCTL).

Additionally, according to receipts disclosed by the Petroleum Fund during the year 2022, BCTL received USD 2,948,144 in Application Fees and for various other receipts. These amounts were subsequently transferred to the Petroleum Fund.

According to the detailed figures provided by BCTL, these amounts were related to the fees included in the ANPM's template. During the reconciliation process, these amounts were taken into account while resolving discrepancies within the responses from the entities related to non-tax revenue.



Reconciliation of tax and other payments

8.6 Payments in the mining sector

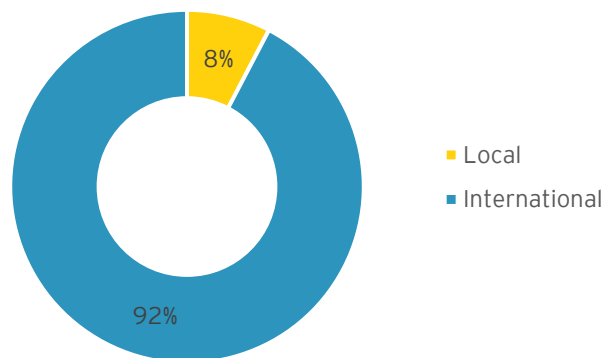
We have contacted ANPM to understand which companies paid amounts above the threshold (100,000 USD) in 2022, which were summarized in the next table.

Table 19: Mining companies that paid above the threshold

Name of Proponent	Total Amount Paid (USD \$)
China HarbourTimor Lda.	1 894 901,05
CBMI Construction Co., & Chongqing Road Engineering (Group) Co., Lda.	200 000,00
China Railway International Group Co., Ltd., R.P. & COVEC (CRIG - COVEC, JV.)	106 000,00

We have also obtained the detail of the payments received by this government entity in 2022 (please see Annex C).

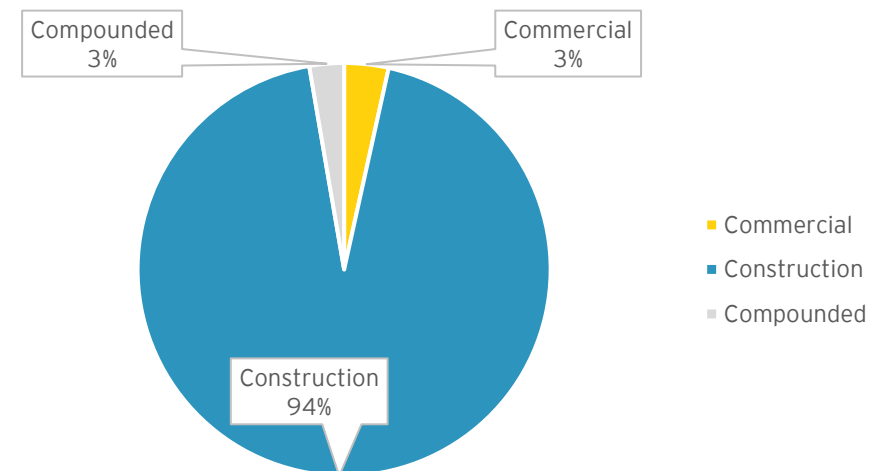
Figure 33: Mineral payments by origin



According to the Ministerial Diploma No. 64/2016 of 16 November, these activities are regulated as mining, which is the reason why ANPM is reporting them in the mining sector.

Moreover, according to the information provided by ANPM regarding the payments in the mining sector, the origin is 92% (USD 189,093.38) international and 92% (USD 2,273,116.59) local. Furthermore, there are three types of activities: construction, commercial and compounded. The first correspond to the entities that pay for construction material to finish a project related to mining, and the second correspond to the ones that sell material to public on a commercial purpose. The latter corresponds to a mix of both activities.

Figure 34: Mineral payments by type of activity





Reconciliation of tax and other payments

8.6 Payments in the mining sector

Regarding the type of payments, there are mining license payments (include mining and license fees) and compensation payments (including fees paid for unauthorized activities). There is also an annual surface fee, related to the exploration activity.

Below are represented the type of payments regarding each activity in USD:

Figure 35: Commercial Activity

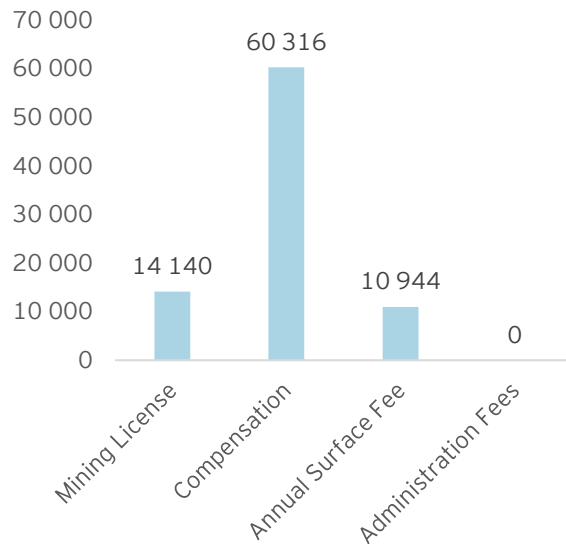


Figure 36: Compounded Activity

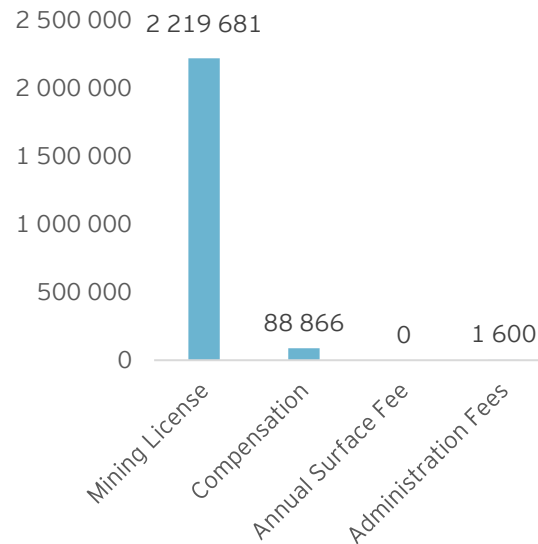
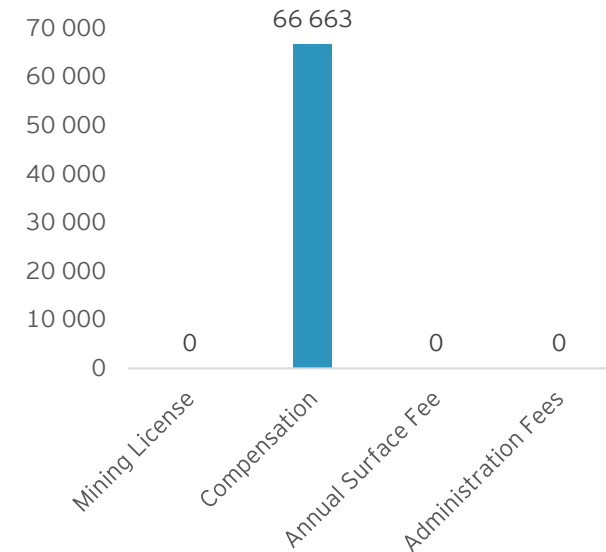


Figure 37: Construction Activity



The mining license constitutes 91% of the total payments, in the amount of 2,233,821.05 USD, however the compensation contributes with 9% of the total payments (215,845.05 USD).



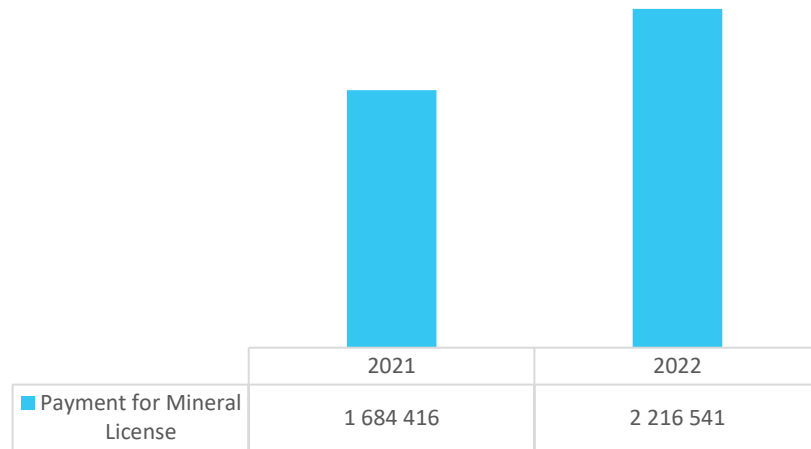
Reconciliation of tax and other payments

8.6 Payments in the mining sector

Compared to 2021, mineral license payments experienced an increase of USD 532,125.

It is important to understand that these payments are comprised of two main fees. The first is the Mining Fees payment, which is mandated under Article 8 of DM No. 64/2016, dated November 16. The second is the License Fees payment, stipulated under Article 7 of the same decree.

Figure 38: Payment for Mineral License



Related to mining license, there were three entities that paid fees above 100,000 USD, however they are related to construction activities.

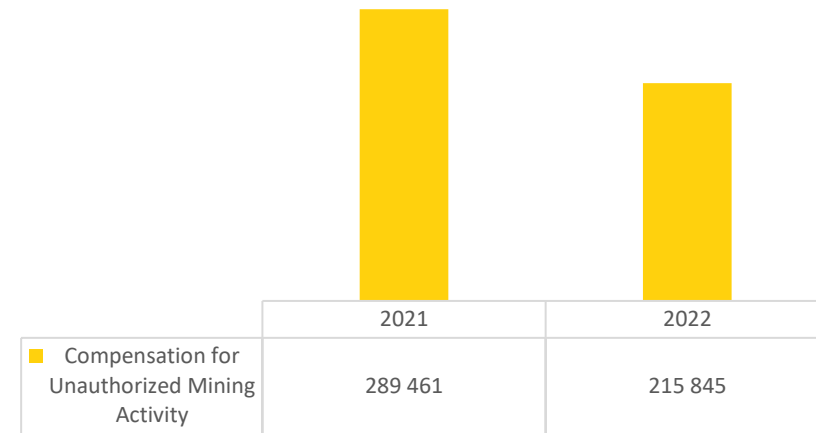
Compensation payments for Unauthorized Mining Activity, as

mandated by Article 42.2 of Ministerial Diploma No. 64/2016 on November 16, did not commence until 2017.

In 2021, the total sum of these payments reached USD 289,461. This included contributions of over USD 100,000 from one entity engaged in construction-related activities.

In 2022 the total amount further declined to USD 215,845, with no entities with payments above USD 100,000.

Figure 39: Compensation for Unauthorized Mining Activity





Beneficial Ownership

9

According to EITI 2.5 requirement, it is recommended that information is publicly available regarding beneficial owners of the corporate entities that bid for, operate, or invest in extractive assets, including the identifies of their beneficial owners, the level of ownership and details about how ownership or control is exerted.

On Timor-Leste, the majority of the Operators that are in scope (working in the JPDA and TLEA area) are subsidiaries of publicly listed companies on Stock Exchange. For those it is expected that the source and the information of the ownership is already available.

However, the legal policies and practices regarding the disclosure of the beneficial ownership (Oil, gas, and mining sector) are still only partially issued by the government.

Legal and practical obstacles may emerge in these sectors - depending on the depth of the beneficial ownership information to be disclosed, for next reports MSGW considers relevant to extend the request of BO information to subcontractors and extend he request to PEP's of the stakeholders.



9. Beneficial Ownership

9.1 Government policy and legal framework

Strengthened provisions on beneficial ownership disclosure with 2023 EITI Standard

Since 2020, the EITI has been strengthening its work on anti-corruption, recognising the unique opportunity for EITI implementation to address corruption and governance risks in the natural resource sector. For the first time, the 2023 EITI Standard explicitly reflects anti-corruption in the objectives and text of several EITI Requirements. As part of strengthening aspects of the standard related to anti-corruption, there are some key changes on beneficial ownership.

Summary of key changes on beneficial ownership

Requirements 2.2 & 2.3:

- Governments to disclose **applicants' beneficial owners** (required);
- Link **publicly available license registers** to other government platforms including those containing beneficial and legal owners (required);

Requirements 2.5 & 2.6:

- Establish of \leq 10% ownership threshold for disclosure (encouraged);
- Report **PEPs** that are beneficial owners regardless of stake (required);
- Review comprehensiveness and reliability of **stock exchange filings** (encouraged);

- **SOEs** to report ownership and control (required), and **suppliers' beneficial owners** (encouraged);
- Disclose **legal owners** (required) and full **ownership chain** (encouraged).

Challenges on beneficial ownership reporting in Timor Leste

In accordance with Requirement 2.5, Timor-Leste is required to disclose the beneficial owners of all companies holding or applying for extractive licenses. Furthermore, stakeholders should be able to identify who owns and controls the companies operating in the country's extractive industries, to help prevent improper and corrupt practices in the management of extractive resources and to monitor companies owned and/or controlled by politically exposed persons.

It is worth to note that one of the most challenging issues in identifying beneficial owners in Timor-Leste, as well as in other countries that have introduced this system, is the reliability of the data and the possibility of verifying them. At the same time, on Timor-Leste, the majority of the Operators that are in scope (working in the JPDA and TLEA area) are subsidiaries of publicly listed companies on Stock Exchange, thus enabling public supervision.

The process of company registration in Timor-Leste presents a complex landscape, though one that is undergoing promising transformation. The creation of a new "one-stop-shop," the Business Registration and Verification Service (SERVE), has taken over the responsibility of registering all businesses, ranging from sole traders to larger corporations.



SERVE was officially instituted on March 22nd, 2017, by Decree-Law no. 7/2017 aimed at strengthening the practice of commercial registration. As a public institute, it enjoys administrative, financial, and patrimonial autonomy and is overseen by a government official appointed with the responsibilities related to economic development. The unit's portfolio of responsibilities includes receiving and examining necessary registration documents, facilitating the process of obtaining licenses for economic activities, and managing a commercial registry and a licensing database.

However, a significant gap still exists. The current company registry does not impose any obligation on companies to disclose beneficial ownership details at the time of their formation. This lapse not only makes the system nontransparent but paving the way for illicit uses of companies, such as money laundering.

In summary, while Timor-Leste has made significant strides in streamlining company registration processes, the absence of mechanisms to document and disclose beneficial ownership information raises concerns about corporate transparency. This highlights the urgent necessity to improving the existing framework to improve transparency and to establish a register of legal or beneficial ownership information.

Currently, the responsibility for the collection and verification of BO information lays in the hands of extractive companies and IA.

The progress of Beneficial ownership disclosure

In March 2017, the Multi-Stakeholder Working Group (MSWG) published a beneficial ownership roadmap, which documents activities and actions toward full beneficial ownership disclosures of extractive companies in the country.

In October 2019, EY Portugal produced a draft of the Feasibility Study on Beneficial Ownership with recommendations regarding

the application of the BO in Timor-Leste. This report was finished in July 2020.

For 2020, the entities followed the recommendations of the IA. Besides this, MSWG shared the template with EITI International and guaranteed the gathering of the necessary information for the compliance of the EITI standards. The BO and PEP definitions were approved by MSWG and are disclosed on the template that was sent out to the entities in scope for the 2020 EITI Report of Timor-Leste.

However, during the last validation of Timor-Leste, the International Secretariat assessed that Requirement 2.5 was partly met. The EITI Board stated that Timor-Leste has made progress in establishing a legal framework for collecting, although not disclosing, beneficial ownership data. Gaps in disclosures have partly been addressed through EITI reporting. Although, the EITI Board stated that disclosures by companies that were requested for BO data are partial. The EITI Board concluded that the MSWG have not assessed the reliability or comprehensiveness of BO disclosures.

In this regard, we have meticulously evaluated all the recommendations and proposed feasible additions and corrective actions to bolster the beneficial ownership component in 2021 EITI report. Please, refer to the section 14.

Finally, for completeness in collecting Beneficial Ownership (BO) information for the 2022 EITI Report, we included a table detailing the total number of contractors and subcontractors who had submitted their BO data. This comprehensive approach to tackling Requirement 2.5 has significantly enhanced transparency and accountability, as guided by the International Secretariat.



Table 20: BO data from Contractors and Subcontractors

Company Name	Ultimate Beneficial Owner	Notes	Links
Eni JPDA 03-13 Ltd Eni JPDA 06-105 Pty Ltd Eni Timor Leste SpA	Eni S.p.A.	Eni is listed on both New York Stock Exchange (NYSE) and the FTSE MIB of the Milan Stock Exchange.	Source: Eni shares (www.eni.com)
Santos NA Emet Pty Ltd Santos NA Timor Leste Pty Ltd Santos NA (19-12) Pty Ltd Santos NA (19-13) Pty Ltd Santos NA Timor Sea Pty Ltd Santos NA Bayu-Undan Pty Ltd Santos (JPDA 91-12) Pty Ltd	Santos Ltd	Santos is an Australian natural gas company. Santos is the ultimate owner of all entities from 28 May 2020, prior to this date all entities except for Santos (JPDA 91-12) Pty Ltd were owned by ConocoPhillips. Santos Ltd is listed on the Australian Securities Exchange (ASX); and from 13 December 2021 Santos Ltd is also listed on the PNG National Stock Exchange (PNGX) - see listing decision: https://www.pngx.com.pg/pngx-market-announcement-listing-application-decision/	Source: SHAREHOLDER INFORMATION (Santos.com) ; https://www.asx.com.au/markets/company/sto ; and PNGX https://www.pngx.com.pg/santos-limited/
Inpex Sahul Ltd Inpex Timor Sea Ltd	INPEX CORPORATION	INPEX CORPORATION holds 100% shares of INPEX Timor Sea, Ltd; INPEX CORPORATION holds 100% shares of INPEX Sahul, Ltd.	Source: Share Data (Inpex.co.jp)
Carnarvon Petroleum Ltd	Carnarvon Energy Ltd	Carnarvon is an Australian public company listed on the Australian Stock Exchange.	Source: Investor Data (Carnarvon.com)
TIMOR GAP Onshore Block Unip Lda TIMOR GAP Onshore Block C Unip Lda TIMOR GAP Greater Sunrise 03-19 TIMOR GAP Greater Sunrise RL TIMOR GAP Greater Sunrise RL2 TIMOR GAP Greater Sunrise 03-20 TIMOR GAP Offshore Block Unipessoal TIMOR GAP PSC 11-106 Unip Lda TIMOR GAP Chuditch Unipessoal Lda	TIMOR GAP, E.P.	TIMOR GAP, E.P is a State Own Entity under the supervision of Secretaria de Estado dos Recursos Naturais and has patrimonial, administrative and financial autonomy. Notwithstanding the autonomous nature of TIMOR GAP, E.P., all business activities and strategic orientation of the company must be aligned with the guidelines and objectives of the Government for the sector. The Chief Executive Officer of TIMOR GAP, E.P. is António de Sousa. TIMOR GAP, E.P. is the ultimate parent group and all scoped subsidiaries are wholly owned subsidiaries.	Source: www.timorgap.com



TIMOR GAP Pualaka Block Unip Lda			
Tokyo Timor Sea Resource Pty Ltd	Tokyo Gas Co. Ltd (33,33%). Tokyo Electric Power Company Holdings Inc (33,33%). Chubu Electric Power Co. Inc (33%)	Tokyo Gas Co. Ltd, Tokyo Electric Power Company Holdings Inc and Chubu Electric Power Co. Inc are companies listed on the Tokyo Stock Exchange.	Source: Stock and Bond Information (www.tokyo-gas.co.jp)
Woodside Petroleum (Timor Sea 19) Pty Ltd Woodside Petroleum (Timor Sea 20) Pty Ltd	Woodside Petroleum Ltd	Woodside Petroleum (entities) are wholly owned by Woodside Petroleum Ltd, which is also the ultimate holding company of the Woodside group of companies. Woodside Petroleum Ltd is an Australian public company listed on the Australian Stock Exchange.	Source: Investors (www.woodside.com.au)
SGS AUSTRALIA PTY LTD	SGS SA	SGS Australia is a wholly owned subsidiary of ultimate parent company SGS SA, a public listed company in Switzerland	Source: Investor Relations (www.sgs.com)
BU 12 Aust Pty Ltd BU 13 Aust Pty Ltd	SK Inc.	BU13 Australia Pty Ltd and BU12 Australia Pty Ltd are both wholly owned by SK E&S Co., Ltd, a South Korean company. This company itself is 90% by SK Inc., a public company on the Korean Exchange, and 10% by private equity investors. As of 31 December 2022, both BU13 and BU12 had one ordinary fully paid share each, held directly by SK E&S Co., Ltd.	Source: www.sk-inc.com
Compass Group Australia, R.P	Compass Group PLC	Compass Group Australia, R.P is a subcontractor that is owned by a listed company in London Stock Exchange	Source: Investors Compass Group
Weatherford Australia Pty limited	Weatherford International plc	Weatherford Australia Pty limited is a subcontractor that is owned by Weatherford Worldwide Holdings GmbH (63.79%) and Weatherford Lamb Inc. (36.21%), which are owned by a listed company in NASDAQ, named Weatherford International plc	Source: Home Weatherford International
Schlumberger Australia Pty Ltd	Schlumberger NV	Schlumberger Australia Pty Ltd is a subcontractor that is owned by WesternGeco Seismic Holdings Limited, which are owned by a listed company in New York Stock Exchange (NYSE), named Schlumberger NV	Source: Investors SLB
Timor Resources Pty Ltd	BO 1: Lyndall Margaret Fuller (48%); BO 2: Suellen Osborne (40%)	The BO own the entity through the following entities: VICTORIA PARK INVESTMENTS (48%) NEPEAN RESOURCES (12%) Nepean Resources Australia Pty Ltd (40%)	Source: www.timorresources.com.au



SundaGas Banda Unipessoal Ltd	Baron Oil Plc	SundaGas Unipessoal Lda is a wholly owned subsidiary of ultimate parent company Baron Oil Plc.	Source: Share Information (baronoilplc.com)
Labrador Petro Management Pty Ltd	BO 1: Thomas Brand (53%); BO 2: Christopher Wilson (27%)	-	-
Laloran Marine Services	BO1: Sheila Abilio Corte Real de Caldas (50%); BO 2: Garrick Stanley (50%)	-	-
Cape Australia Onshore Pty Ltd	Altrad Investment Services SAS	Cape Australia Onshore Pty Ltd is a subcontractor that is owned by a non-listed company	-
Rigforce Pty Ltd	BO 1: Alastrair Haldane (50%); BO 2: Conor O'Brien (50%) - country of residence Australia	Rigforce Pty Ltd is a subcontractor that is owned by a non-listed company named INTERPEOPLE HOLDINGS PTY LTD (ABN 78 144 910 789)	-
Caltech Unipessoal Lda	BO 1: Sheilla Abilio Corte Real De Caldas (Nationality: Timor-Leste; Residencial: BIDAU LECIDERE, NAIN FETO, DILI, TIMORE LESTE) - 100% owner	Caltech Unipessoal Lda is a subcontractor that is owned by a non-listed company	-

The following table summarizes the results of the collection of data on Beneficial Ownership:

Table 21: Results from collecting BO Data

Information on the Beneficial Ownership		Number
Companies required to communicate information on Beneficial Ownership	Number of companies that have provided comprehensive information on Beneficial Owners	7
Companies are not required to report information on Beneficial Ownership	Listed companies	21
	State-owned enterprise group	10
Total		32

Among operators, 100% of companies disclosed their beneficial owners or about the publicly listed companies to which they belong as subsidiaries. However, only 56,3% of subcontractors responded on the templates.

Based on the templates submitted by the contractors and subcontractors, no PEPs were identified in any of the entities. Overall, this was in line with the expectations of the MSWG.



Beneficial Ownership

9.2 Data Quality

For 2022, the entities followed the recommendations of the IA. Besides this, the MSGW asked for more information for the entities in scope. MSGW shared the template with EITI International and guaranteed the gathering of the necessary information for the compliance of the EITI standards. The following information was requested:

- The details that are required from a BO, which include the full name, identification number, tax ID, date of birth, nationality, residential or service address and means of contact.
- Information regarding if the BO is a PEP (Political Exposed Person), a family member or a close associate of one.

The following tables are part of the template that was sent out to the entities in scope for the 2022 EITI Report of Timor-Leste:

Table 5222: Template sent to the entities in scope

Beneficial Owner number 1 or, in its absence a Top Manager	Description
Full name	
ID information	
identification number	
identification Type	
ID validity date	
Issuing entity of the ID	
Information about how ownership is held or control over the company is exercised	
number of shares	
% of shares	
% of direct voting rights	
% of indirect voting rights	
Other	
Date when beneficial interest was acquired	
Date	
Means of contact	
General information	
Taxpayer identification number	
Date of birth	
Nationality as stated in the ID	
Country of permanent residence	
Country of fiscal domicile	
Residential or service address	
Public office position and role:	
Date when office was assumed:	
Date when office was left, if applicable:	

Political Exposed Person(s)	
Is the beneficial owner a Politically Exposed Person (PEP) ?	Yes / Not
Is the beneficial owner a family member of a PEP?	Yes / Not
If yes	
Name:	
Relationship:	
Date of birth:	
Place of birth:	
Nationality:	
Position that qualifies you as PEP:	

Is the beneficial owner a Person known to be close associate of a PEP ?	Yes / Not
If yes	
Name:	
Relationship:	
Date of birth:	
Place of birth:	
Nationality:	
Position that qualifies you as PEP:	



Beneficial Ownership

9.2 Data Quality

The BO and PEP definitions were approved by MSGW and are disclosed on the template that was sent out to the entities in scope for the 2022 EITI Report of Timor-Leste, as follows:

Table 5323: BO and PEP definitions approved by MSGW

Beneficial ownership definition
<p>Beneficial owner is the natural person or persons who ultimately own or control an entity, and or the natural person or persons on whose behalf a transaction or activity is carried out taking into consideration at least the following criteria: control:</p> <p>If the counterpart is a corporate legal entity, the beneficial owners are as follows:</p> <p>Criteria for determining ownership or control:</p> <p>a) Criteria based on Capital</p> <p>The natural person or persons who ultimately own or control, directly or indirectly, more than 10% of the share capital or voting rights of the legal entity; A natural person or persons who, while not owning or directly or indirectly controlling more than 10%, jointly own more than 10% of the share capital or voting rights, when they are family members or have a close relationship that justifies the joint assessment; The natural person or persons holding top management positions, after all other criteria have been exhausted and provided that there are no grounds for suspicion. Please note that a natural person is defined as a Timorese or any person without taking into account their nationality.</p> <p>b) Criteria based on other control indicators: Control of the majority of the votes exercisable at the ordinary shareholders' meetings; Sufficient votes to exercise dominant influence in the ordinary shareholders' meetings; Having the right to appoint or remove a majority of the members of the administrative, management or supervisory bodies; Existence of particular contractual provisions that allow to exercise a dominant influence;</p> <p>Criteria of Administration/effective control: The person or natural persons holding the top management position or positions, if after all possible means have been exhausted and provided there is no reason to suspect, no person has been identified under the above criteria, or if there is any doubt that the person or persons identified are the beneficial owners;</p> <p>If the counterpart is a non-corporate legal person (Foundations, Trusts or Associations) or a collective interest center without legal personality, the beneficial owners are as follows:</p> <p>The founder (settlor) The administrator (trustee, in case of trust funds) The curator, if applicable; Beneficiaries or, if they have not yet been determined, the category of persons in whose main interest the entity has been incorporated or is active. Any other natural person who has ultimate control of the entity through direct or indirect participation or through other means.</p>

"Politically Exposed Person" definition (PPE) as well as "Close Family Members" and "Persons known to be close associates"
<p>The political persons are persons who have held, or have performed in the last 12 months, in any country or jurisdiction, the following higher public functions:</p> <ol style="list-style-type: none"> i. Heads of State, Heads of Government and members of the Government, namely Ministers, Secretaries and Undersecretary of State or equivalent; ii. Members of Parliament; iii. Judges of the Constitutional Court, the Supreme Court of Justice, the Supreme Administrative Court, the Court of Auditors, and members of supreme courts, constitutional courts and other high-level judicial bodies from other States and international organizations; iv. Representatives of the Republic and members of self-governing bodies of autonomous regions; v. Ombudsman, State Councilors, and members of the National Data Protection Commission, the Superior Council of the Judiciary, the Superior Council for Administrative and Tax Courts, the Attorney General's Office, the Superior Council of the Public Prosecutor's Office, the Superior Council for National Defense, the Economic and Social Council, and the Regulatory Entity for Social Communication; vi. Heads of diplomatic missions and consular posts; vii. General Officers of the Armed Forces in effective service; viii. Presidents and city councilmen with executive functions of city councils; ix. Members of central bank administrative and supervisory bodies, including the European Central Bank; x. Members of administrative and supervisory bodies of public institutes, public foundations, public establishments and independent administrative bodies, whatever their designation; xi. Members of management and supervisory bodies of entities belonging to the public enterprise sector, including the business, regional and local sectors; xii. Members of the executive bodies of political party leadership at the national or regional level; xiii. Directors, deputy directors and members of the board of directors or persons performing equivalent functions in an international organization, <p>The Close family members are:</p> <ol style="list-style-type: none"> i. Direct ascendants and descendants of a politically exposed person; ii. The spouses or unmarried persons of a politically exposed person and of the persons referred to in the previous sub-item; <p>The Persons known to be close associates:</p> <ol style="list-style-type: none"> i. Any natural person, known as a co-owner, with a person politically exposed, a legal person or a collective interest center without legal personality; ii. Any natural person who owns share capital or holds voting rights of a legal person, or assets of a center of collective interests without legal personality, known as having a beneficial owner politically exposed person; iii. Any natural person, known as having corporate, commercial or professional relations with a politically exposed person;



10

Anti-corruption

The 2023 EITI Standard strengthens anti-corruption efforts in the extractive industries by mandating clearer objectives to address corruption risks, particularly in licensing and beneficial ownership. Companies, including state-owned enterprises, are now required to publish anti-corruption policies and engage in thorough due diligence as part of the EITI process. Additionally, state-owned enterprises are encouraged to disclose beneficial ownership details of their business associates, enhancing transparency around potential conflicts of interest and connections to politically exposed persons. These measures collectively advance the EITI's dedication to promoting integrity and transparency in the sector.

10. Anti-corruption

In accordance with 2.1 (b) Requirement, Reporting companies are expected to publish an anti-corruption policy setting out how the company manages corruption risk, including their use of beneficial ownership data. To address this requirement, IA has incorporated an additional request in the EITI Data Collection template for extractive entities and SOE(s) to submit their anti-corruption policies as part of their EITI data collection processes.

The anti-corruption policy was expected for thirty-eight (38) reconciled entities, however eighteen (18) entities did not respond to this requirement and three (3) entities answered that there was no anti-corruption policy being applied within the entity. The nine (9) entities that do not respond to data collection template were excluded to not skew the results of the anti-corruption policy by reporting companies.

The table below summarizes the responses from reconciled entities. For a more detailed overview, please refer to Annex M.

Table 24: Responses for anti-corruption policy from reconciled entities

Parameters		Response	
		#	%
Responsive	Publicly available	17	45%
	Not available	3	8%
Non-responsive	No response	18	47%
Total		38	100%

Entities that have their anti-corruption policy and management publicly available generally address the following topics:

- prohibiting all employees of engaging any corruption related act, in favor of anyone, without exception;
- compliance with relevant domestic and international applicable laws and regulations on bribery and corruption;
- prohibiting facilitation payments;
- not offering, promising or accepting gifts or hospitality that could be interpreted as exceeding normal commercial practices or professional courtesy, or however aimed at improperly influencing a decision or activity;
- ascertain the ethical and reputational reliability of potential business partners;
- maintain books and records accurate;
- whistleblowing mechanisms.

Currently, Timor GAP has no publicly available anti-corruption policy. However, this anti-corruption policy is being discussed at the executive level.

Anti-Corruption legislation in Timor-Leste

Timor-Leste Anti-Corruption Law No. 7/2020, enacted on 26 August 2020, outlines comprehensive measures to prevent corruption, including the regime for declaring income, assets, and interests. The law defines corruption crimes, specifies applicable penalties, and details special methods for obtaining and retaining evidence.

Government staff, public servants, and employees of State-Owned Enterprises are required to adhere to this anti-corruption law. As mandated, employees covered by this law must annually declare income, assets, and expenditures to the Comissão Anti Corrupção.

11

Mainstreaming

EITI's disclosure requirements are met through routine and publicly available company and government reporting. This could include enabling access to EITI data through public financial reporting, annual company or government agency reports, information portals, and other open data and freedom of information initiatives. A key concern is to ensure that the published data is comprehensive and reliable.

The main goal, and the methodology expected to be used for publishing the EITI Report, is that the data can be easily found in one source with a high reliability. Transparency is a key for the extractive sector and having multiple data sources can difficult the collection and the accuracy of the information. Mainstreaming in Timor-Leste should make it possible to provide a more flexible disclosure of the EITI data, within less time, and with reliable information, avoiding duplication and past information.



11. Mainstreaming

Timor-Leste joined EITI in 2008 and since then it has published 13 reports, with a satisfactory progress, according to the EITI website.

The country followed a robust path to improve the transparency of the data disclosed by the country and by the entities. Indeed, EITI considered Timor-Leste to be the mainstreaming pioneer in Asia due to the launch of the Transparency Portal in 2011 by the government. This portal discloses constant updated information regarding government's data, such as national budget and expenditures⁴⁹.

The purpose of mainstreaming enables a full transparency of the oil & gas sector worldwide, providing more visibility that increases the reliability in the sector for investment by foreign entities and future operators or joint venture partners.

Moreover, several national entities publicly release annual reports with audited financial statements, as well as monthly data. The main government agencies that display the financial and non-financial data, at least annually, are ANPM (Autoridade Nacional do Petróleo e Minerais), TIMOR GAP, the Central Bank and the Petroleum Fund. The mentioned entities publish an annual report with audited financial statements and ANPM also provides a website with monthly production and monthly revenue collection figures.

In addition, due to the minor differences unreconciled on the EITI annual reports and the size of the sector, it was created the expectation on EITI International secretariat that Timor-Leste is one of the strong candidates to be one of the first country to implement the mainstream.

Furthermore, Timor-Leste has been improving the publishing of data by increasing the quantity and quality throughout the years, with the aim of complying with the requirements of the EITI

Standard 2016, EITI Standard 2019 and afterwards EITI Standard 2023. In fact, EY Portugal is performed follow-up on the last Feasibility Study on Mainstreaming to assess the requirements and roadmap developments.

During 2022 and simultaneously with the preparation of the 2020 EITI Report, it was held several follow-up meetings related to the last mainstreaming. The goal was to understand the developments that occurred during these periods, as well as to highlight improvements in each requirement of the 2019 EITI Standard. Throughout the sessions conducted by the IA, it was possible to discuss some recommendations and understand some barriers to achieving full transparency.

The MSWG currently considers that progress on mainstreaming will occur gradually as the country itself develops the tools and mechanisms essential for its full implementation. Current O&G regulatory structures and laws go against certain information disclosure requirements envisage on EITI Standard (commercial terms in PSC, certain production details, etc.). Additionally, despite the fact that a significant volume of the required information being reported in the Govt entities websites, the current physical and digital infrastructures limitations (e.g. internet quality) are delaying the existence of a platform centralizing EITI required information for more efficient access.

These factors are the main causes of the underdevelopment of mainstreaming in Timor-Leste. Full implementation by all entities will require a thorough study on how to overcome the limitations of the laws and costs associated with the implementation.

Furthermore, in order to comply on an ongoing basis with the proposed requirements in the 2023 EITI Standard, it is essential to resort to several resources, not only for its full implementation, but also for its constant updating and validation.

⁴⁹ Sources: EITI Timor-Leste: <https://eiti.org/timorleste> & Transparency

Portal: <http://www.transparency.gov.tl/english.html>

12

Social and gender assessment

According to the Requirement 6 from EITI Standard social expenditures and the impact of the extractive sector on the economy should be disclosed helping readers to assess social and economic impacts and outcomes that this industry creates on the country. Those requirements include:

- Social and environmental expenditures by companies
- SOE quasi-fiscal expenditures
- The contribution of the extractive sector to the economy
- The environmental impact of extractive activities.

Requirement 6.3 of the 2023 EITI Standards mandates that entities provide comprehensive disclosures pertaining to gender equity. This includes detailed reporting on the occupational levels of women within the organization and data on the gender pay gap.



12. Social and gender assessment

12.1 Social Expenditure

There are expenditures to be forecasted within the annual plan agreed between Operators and the ANPM, which are considered as cost recoverable and controlled by the ANPM (denominated local commitments or Local Content - LC).

Those expenditures are recommended under the Production Sharing Contract (PSC) and preapproved within the approved Work Program & Budget (WPB).

To all other social expenditures (voluntary) MSWG have decided to include in the data collection process and do a unilateral reporting from companies to enhance their contributions.

The summary of this report is as follows:

Table 25: Total Social Expenditure

Social Expenditure	Amount reported in USD
Mandatory	18 140 017
Subtotal Santos entities (Mandatory)	18 140 017
Cost Recoverable project for BU	156 954
Voluntary	2 173 622
Subtotal Santos entities (Voluntary)	2 173 622
Voluntary	370 801
Subtotal Timor Resources (Voluntary)	370 801
Total	20 841 395

Local content commitments (Mandatory)

Oil and Gas companies operating in both TLEA and Former JPDA are recommended to procure goods and services produced or supplied by providers in Timor-Leste. In TLEA, oil & gas companies are required to give preference in employing Timor-Leste nationals and training of Timorese. ANPM works closely with Operators in the TLEA to measure Local Content performance in terms of local participation in procurement of goods and services as well as training and employment for petroleum activities in both jurisdictions.



To this report, we published the disaggregation of costs which are incurred on behalf of the Bayu-Undan stakeholders but paid and reported by Santos NA (19-12) Pty Ltd. The local commitments reported are as follows:

Table 26: Disaggregation costs paid and reported by Santos NA (19-12) Pty Ltd

Description of Social Expenditure	Company name of "beneficiaries"	Payments (Amounts in USD)
Others - Santos Offshore Timor-Leste Employees	Santos Offshore Timor-Leste Employees	1 533 664
Others - Local Goods & Services	Various vendors	2 977 188
Others - Contractors' Timor-Leste Employees	Various vendors	7 400 973
Others - Contractors' Timor-Leste Goods & Services	Various vendors	5 284 252
Others - Santos Dili Office Employees	Santos Dili Office Employees	943 940
Total Santos		18 140 017

Notes:

- 1 Timor-Leste goods, services and employment expenditures have been reflected as mandatory in this table, in alignment with: clauses 5.2(h) of the PSC, to give preference to goods and services produced or provided by contractors operating out of Timor-Leste or Australia provided they are offered on competitive terms; and clause 5.2(i) - give preference to the employment of Timor-Leste nationals and permanent residents, having due regard to safe and efficient activities and good oilfield practices.
- 2 A full breakdown per Contractor is provided in the Annual Timor-Leste Content Report provided to the ANPM.
- 3 Local goods and services spend includes all goods and services provided by entities established in Timor-Leste. A full breakdown per Contractor is provided in the 2022 Timor-Leste Annual Local Content Report provided to the ANPM by Santos NA (19-12) Pty Ltd.
- 4 Employment expenditures reflect salaries corresponding to Timor-Leste nationals offshore.

Voluntary expenditure

The total amount for voluntary expenditure by Santos NA (19-12) Pty Ltd and Timor Resources was confirmed by ANPM.

Table 27: Total amount for voluntary expenditure by Santos NA (19-12) Pty Ltd and Timor Resources

Description Social Expenditure	Company Name of "payer"	Company Name of "beneficiaries"	Payments
Others - Contractors' Timor-Leste Employee Training	Santos NA (19-12) Pty Ltd	Various vendors	1 335 976
NGOs Programs (Water, Sanitation, Health, Sports Events) - Nursing Development Program	Santos NA (19-12) Pty Ltd	St John of God	500 000



Description Social Expenditure	Company Name of "payer"	Company Name of "beneficiaries"	Payments
NGOs Programs (Water, Sanitation, Health, Sports Events) - Mother & Child Health Program	Santos NA (19-12) Pty Ltd	Alola Foundation	129 393
Government Initiative - Project - E&I Vocational Training Program	Santos NA (19-12) Pty Ltd	CNEFP Tibar	57 234
NGOs Programs (Water, Sanitation, Health, Sports Events) - Reforestation Project	Santos NA (19-12) Pty Ltd	NGO Santalum	42 025
Scholarship Programs/ Short Course - CCS Short Course	Santos NA (19-12) Pty Ltd	Palladium International Pty Ltd	41 250
Government Initiative - Project - E&I Vocational Training Program	Santos NA (19-12) Pty Ltd	CEGELEC	36 000
Donation to NGOs - SESIM World Science and Mathematics Day	Santos NA (19-12) Pty Ltd	National Commission of UNESCO in TL	35 000
Others - Santos Offshore Timor-Leste Employee Training	Santos NA (19-12) Pty Ltd	Santos Offshore Timor-Leste Employees	32 917
Scholarship Programs - Graduation Ceremony and BU 2023-2028 Scholarship Program	Santos NA (19-12) Pty Ltd	Fundacao Companhia de Jesus	30 400
Scholarship Programs - Fullbright-SERN Scholarship	Santos NA (19-12) Pty Ltd	IIE	22 470
Others - Santos Dili Office Employee Training	Santos NA (19-12) Pty Ltd	Santos Dili Office Employees	17 040
Government Initiative - Project - Innovative Business Plan Competition	Santos NA (19-12) Pty Ltd	IADE	15 192
Support to National Event - Rotarians Cup Event	Santos NA (19-12) Pty Ltd	Rotarians Helping Timor	15 025
Others (Donation) Merchandise/quiz night registration	Santos NA (19-12) Pty Ltd	Various beneficiaries	11 065
Others (Donation) IT Equipment Donation, Christmas Gift Donation	Santos NA (19-12) Pty Ltd	Various beneficiaries	9 590
		Santos Entities	2 330 576
Employment	Timor Resources		354 211
Others (Describe) Community Meeting and Liason	Timor Resources	Voluntary	16 590
		Timor Resources Pyt Ltd	370 801
Total			2 701 377



Social and gender assessment

12.2 Other Expenditure

Environment expenditure

The environmental expenditures were reported by Timor Resources and confirmed by ANPM.

Table 28: Environmental expenditures were reported by Timor Resources

Description Social Expenditure	Company Name of "payer"	Company Name of "beneficiaries"	PSC	Extractive Entity Payments in USD
Others (Describe) Third party report for HSE approval	TIMOR RESOURCES PTY LTD	Safety Management Consultancy & Borthwck Associate	TL-OT-17-08	79 730
Total				79 730

Quasi-fiscal expenditure

Quasi-fiscal expenditures include arrangements whereby SOEs undertake public social expenditure such as payments for social services, public infrastructure, fuel subsidies and national debt servicing, etc. outside of the national budgetary process.

None of the entities in scope reported payments regarding this type of expenditures.



12.3 Civil Society's perspective

During the fiscal year covered by this EITI report, Timor-Leste has been recovering from its recent economic slump, caused by COVID-19 and the severe floods from Cyclone Seroja. Throughout 2022, there was an enabling environment for civil society participation; however, there is still room for improvement in strengthening efficient civil society engagement.

The Freedom in the World ranking of civic space in Timor-Leste has remained constant, categorised as 'free', since 2018.

In spite of the fact that civil society actively participates in the meetings with the MSWG, there is limited availability to arrange a public debate with the government due to the complex approval process.

In respect of EITI requirements 1.3, 1.5 and 7.1, the CSO has actively engaged in the process of the consultation with Timor Resource P/L, as well as coordinated with government authority and SOE (TIMOR GAP, E.P.) on the activities in the field which involved. In general, the topics that were discussed in the meetings, CSO encouraged these entities to provide clear information on environmental aspects behind the company's operations as well as corporate responsibility and local content.

Based on the EITI references above, the CSO has guaranteed efforts to contribute on a transparent EITI process and ensured a substantial materiality threshold that encourage data collection from reporting entities from mining and oil and gas sectors in the country. Despite the agreed threshold substantially covered the reconciled information from oil and gas, CSO remain concerns with revenues from mining industry that are not reported due to amounts under the threshold's barrier. Thus, CSO would continue to advocate for the inclusion of the detailed coverage of mining activities which include government revenues from mining sector emphasizing the state budget.



12.4 Contribution of the Oil & Gas sector to Timor-Leste employment

ANPM overview

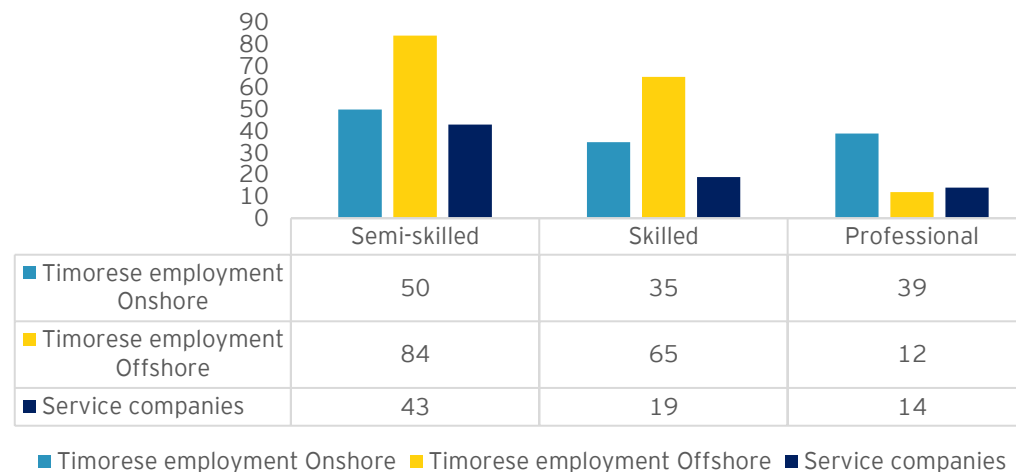
The 2023 EITI Standard includes requirements related to the contributions of the extractive sector, specifically the reporting of employment in these industries, both in absolute terms and as a percentage of total employment. This information should be differentiated by gender, company, and occupational level.

To meet this requirement, 32 of 47 companies in scope of 2022 EITI Report have reported details of their workforce. To provide a comprehensive perspective on the extractive sector's employment contribution, we have also referred to the ANPM Annual Report 2022.

In the Bayu-Undan operation in 2022, there were 361 Timor-Leste Nationals and Permanent Residents employed. This total includes 161 or 22% employed offshore, another 124 or 34% employed onshore, and 76 or 21% employed through service companies. The decrease of 104 Timor-Leste Nationals employed compared to 2021 is attributed to the completion of Phase 3C activities at the end of 2021, coupled with workforce downsizing related to the Covid-19 pandemic mitigation initiatives implemented. The chart below further breaks down the categories of TLN employment in the BU operation for during 2022⁵⁰.

The next table presents TLN employment category in Bayu-Undan operation in 2022.

Figure 40: TLN Employment in Bayu-Undan Operation in 2022



⁵⁰ Source: [Annual-Report-2022-ENGLISH-002.pdf](#)



The next table presents TLN employment by location in Bayu-Undan operation in 2022.

Table 29: Bayu-Undan TLN employment headcount

Location	Employees
Offshore	
Other contractor roles	20
CWPL	89
Oceaneering	5
ESS	47
Total Offshore	161
Onshore	
Santos Dili office	14
Altus Logistics	2
CAPL	25
Babcock	17
ESS	22
Oceaneering	2
SDV	20
WG	22
Total Onshore	124
Services Companies	
Airnorth	21
Callidus Process Solutions	6
CR	3
Kotug	8
MMA	5
RMS Engineering	1
Stamford Medical	32
Total Service Companies	76

Social and gender assessment

Data provided by O&G extractive companies

In the templates prepared by the IA, one of the inquiries included the number of employees that extractive companies and subcontractors within the scope had in 2022, specifically related to activities in Timor-Leste. The request pertained particularly to the extractive companies, their affiliates, and state-owned enterprises (SOEs) involved in oil and gas operations in Timor. Here are their responses (for answers received):

Table 30: Number of employees that extractive companies and subcontractors within the scope had in 2022, in Timor-Leste

Entity		National		Expats		Note
		Male	Female	Male	Female	
Eni JPDA 03-13 Ltd Branch	Contractors	-	-	-	-	-
Eni JPDA 06-105 Pty Ltd	Contractors	1	2	-	-	-
Eni Timor Leste SpA	Contractors	-	-	-	-	-
Santos NA Emet Pty Ltd	Contractors	-	-	-	-	-
Santos NA (19-12) Pty Ltd	Contractors	-	-	92	-	-
Santos NA (19-13) Pty Ltd	Contractors	-	-	-	-	-
Santos NA Timor Sea Pty Ltd	Contractors	-	-	-	-	-
Santos NA Bayu-Undan Pty Ltd	Contractors	-	-	-	-	-
Santos (JPDA 91-12) Pty Ltd	Contractors	-	-	-	-	-
Santos NA Timor Leste Pty Ltd	Subcontractors	30	4	-	-	-
TIMOR GAP Onshore Block Unip Lda	Contractors	-	1	-	-	-
TIMOR GAP Onshore Block C Unip Lda	Contractors	-	1	-	-	-
TIMOR GAP Greater Sunrise 03-19	Contractors	1	-	-	-	-
TIMOR GAP Greater Sunrise RL	Contractors	1	-	1	-	-
TIMOR GAP Greater Sunrise RL2	Contractors	1	-	-	-	-
TIMOR GAP Greater Sunrise 03-20	Contractors	1	-	-	-	-
TIMOR GAP Offshore Block Unipessoal	Contractors	-	1	-	-	-
TIMOR GAP PSC 11-106 Unip Lda	Contractors	1	-	-	-	-
TIMOR GAP Pualaka Block Unip Lda	Contractors	1	-	-	-	-
TIMOR GAP Chuditch Unip Lda	Contractors	1	-	-	-	-
Carnarvon Petroleum Timor Unip Lda	Contractors	9	2	-	-	-
Sundagas Banda Unipessoal, Lda	Contractors	4	1	-	-	-



Entity		National		Expats		Note
		Male	Female	Male	Female	
Timor Resources Pty Ltd	Contractors	91	24	13	3	
Woodside Energy Pty Ltd	Contractors	1	-	-	-	
Compass Group Australia, R.P	Subcontractors	59	22	15	8	
SGS AUSTRALIA PTY LTD	Subcontractors	-	-	7	1	
Caltech Unipessoal Lda	Subcontractors	114	42	1	1	
Schlumberger Australia Pty Ltd	Subcontractors	3	7	6	1	
Labrador Petro Management Pty Ltd	Subcontractors	-	-	5	-	
Total		319	107	140	14	
BU12 Australia P/L	Contractors	-	-	-	-	
BU13 Australia P/L	Contractors	-	-	-	-	
Inpex Sahul Ltd	Contractors	-	-	-	-	
Inpex Timor Sea Ltd	Contractors	-	-	-	-	
Tokyo Timor Sea Resources	Contractors	-	-	-	-	The entity reported that there were no employees
Rigforce Pty Ltd	Subcontractors	-	-	-	-	
Cape Australia Onshore Pty Ltd	Subcontractors	-	-	-	-	
Laloran Marine Services	Subcontractors	-	-	-	-	
Weatherford Australia Pty limited	Subcontractors	-	-	-	-	
Eni JPDA 11-106 B.V.*	Contractors	-	-	-	-	
TIMOR GAP Onshore Block B Unip Lda**	Contractors	-	-	-	-	
Timor Gap Drilling	Contractors	-	-	-	-	
Clough Amec Pty Ltd	Subcontractors	-	-	-	-	
Konnekto Unipessoal Lda	Subcontractors	-	-	-	-	Entity did not respond
MMA Offshore Vessel Operation Pty	Subcontractors	-	-	-	-	
Kotug Maritime Services (Bayu Undan)	Subcontractors	-	-	-	-	
Babcock offshore Service	Subcontractors	-	-	-	-	
Atlas Programmed	Subcontractors	-	-	-	-	
TOTAL		319	107	140	14	



Notes: *Following FINDER Energy's acquisition of PSC 19-11, Eni no longer holds the authority to provide any data related to this PSC (Eni JPDA 11-106 B.V.). As of the report submission date, FINDER Energy was not able to provide the requested data in a timely manner. The Independent Administrator and the EITI Secretariat of TL will continue to collaborate with FINDER Energy for the next EITI TL reconciliation report

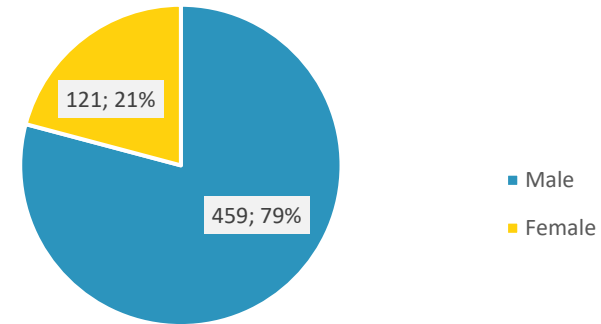
** Timor GAP communicated that there were not tax payments for TIMOR GAP Onshore Block B Unip Lda during 2022.

In 2022, TIMOR GAP employed a total of 156 individuals, including consultants, with a gender composition of 106 males and 50 females. Among these employees, a total of 10 were expat staffs. Additional clarification from TIMOR GAP detailed the following employee distribution:

- Suai Airport Jet Avtur staff - 2 employees
- Suai Fuel Station staff - 10 employees
- Tasi Mane Project staff (Covalima Office) - 3 employees
- Overseas - 1 employee
- Remaining workforce (TIMOR GAP Head Offices) - 140 employees

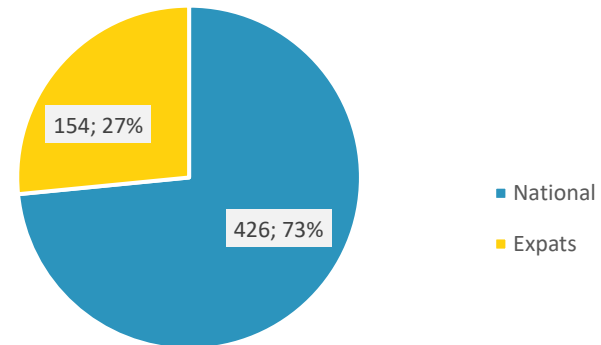
The total number of women is 121, which is about 21% of the employed in 2022.

Figure 41: Employment by gender



Percentage distribution of employees by Timor-Leste Nationals and Non-residents is presented below.

Figure 42: Non-resident and Timor-Leste resident employees





The information on employment in the extractive industry provided in the ANPM 2022 Annual Report differs from the data provided by companies. There is a discrepancy of 65 employees primarily attributed to entities that have employees out of Bayu Undan Field, some cutoff differences between data reported by stakeholders and the data submitted in the templates and subcontractors that do not provide any response to data collection templates.

The 2023 EITI Standard enhances the disclosure requirements for gender equity. To achieve this goal, EITI encourages entities to provide transparent reporting on the gender pay gap.

The table below presents the reported gender pay gap data from entities that provided the necessary information.

Table 31: Gender Pay Gap

Entity	Salary (USD)		Note
	Men	Women	
Carnarvon Petroleum Timor Unip Lda	3 514,92	2 403,52	These amounts correspond to average monthly payment per employee.
Sundagas Banda Unipessoal, Lda	3 800,00	550,00	These amounts correspond to average monthly payment per employee.
Timor Resources Pty Ltd	950,00	1 400,00	These amounts correspond to average monthly payment per employee.
Caltech Unipessoal Lda	23 503,92	20 533,28	These amounts correspond to average annual payment per employee.
Compass Group Australia, R.P	20 934,00	20 934,00	These amounts correspond to average annual payment per employee.
Schlumberger Australia Pty Ltd	4 375,00	3 608,00	These amounts correspond to average monthly payment per employee.
SGS AUSTRALIA PTY LTD	116 000,00	-	This amount corresponds to the total annual payment for four employees. The yearly average salary is 29 000.
Labrador Petro Management Pty Ltd	99 700,00	-	This amount corresponds to the total annual payment for five employees. The yearly average salary is 19 940.

Note: The remaining entities did not respond to this requirement or was not applicable to entities that do not have employees.

The 2023 EITI Standard introduces new requirements to disclosure information on the number of women employed at different occupational levels. The entities have reported the occupational levels for 100 out of 121 women employed.



The table below presents detailed information regarding the employment of women across various occupational tiers disclosed by entities.

Table 32: Employment of women across various tiers

Entity	Occupational level (Women)				
	Technical	Professionals	Management Positions	Administration	Clerical
Carnarvon Petroleum Timor Unip Lda	-	-	-	2	-
TIMOR GAP PSC 11-106 Unip Lda	-	-	1 (man)	-	-
TIMOR GAP Offshore Block Unipessoal	-	-	1	-	-
TIMOR GAP Onshore Block Unip Lda	-	-	1	-	-
TIMOR GAP Onshore Block C Unip Lda	-	-	1	-	-
Sundagas Banda Unipessoal, Lda	-	-	-	-	1
Timor Resources Pty Ltd	2	8	6	-	-
Caltech Unipessoal Lda	39	-	4	-	-
Santos NA Timor Leste Pty Ltd	-	4	-	-	-
Compass Group Australia, R.P	23	2	5	-	-
SGS AUSTRALIA PTY LTD	-	1	-	-	-

Note: The remaining entities did not respond to this requirement or was not applicable to entities that do not have employees.

13

Environmental impact, climate change and energy transition assessment of the extractive industry

Requirement 6.4 of the EITI Standard encourages implementing countries to disclose information on the management and monitoring of the environmental impact of extractive activities.

This section describes the role government agencies responsible for overseeing environmental protection related to the extractive sector and provides an overview of the process of allocating an environmental license.

Additionally, Timor-Leste EITI has been making efforts in improving the availability of data and increasing public awareness around climate change and energy transition. These efforts have been focused on reporting the wider environmental and social impacts of the extractive industries, including greenhouse gas (GHG) emissions.

13. Environmental impact, climate change and energy transition assessment of the extractive industry

13.1 Environmental legislation

Below is a summary of the pertinent legislation, laws, decrees, and international guidelines and standards related to environmental policy in the oil, gas, and mining sectors in Timor-Leste:

Table 33: Legislation related to environmental policy in extractive sector

TITLE	DESCRIPTION
Timor-Leste National Legislation and Regulation	
Constitutions of the Republic Democratic of Timor-Leste Article 61 (Environment)	The article specifies provisions for state including the proponent shall undertake to defend, and safeguard the environment recognizes the right of all citizens to a humane, health and ecologically balances environment while also specifying the duty of everyone to preserve and protect the environment for the benefit of future generation
Environmental (Licensing) Decree Law No.5/2011 Decree Law No. 39/2022 - the first alteration of the Decree Law no. 5/2011 about the Environmental Licensing.	The procedure for directing the environmental assessment, the review of application for environmental license, issuance and renewal of license. <ul style="list-style-type: none"> ▶ Categorization of the project category according to severity of the environmental impacts. ▶ Procedures and information requirements for Category A and Category B projects ▶ Organization and composition of the evaluation committee and its duties and responsibilities. ▶ Specific provisions for public consultation and the protection of the traditional customs and cultural practices. ▶ The decision by the Higher Environment Authority on the environmental impact assessment and environmental license including environmental assessment simplified and the rights of the project owner to appeal the decision.
Decree-Law No.18/2020 Onshore Petroleum Operations	Applies to Onshore Petroleum Operations including transportation, processing and storage of Crude Oil and Natural Gas with direct impact on any reservoir. In addition, covers a broader scope of issues related with onshore activities, notably a legal statute that also addresses environmental and technical aspects related with the carrying out of onshore Petroleum Operations, such as rights of way through, on or over the land destined for Petroleum



TITLE	DESCRIPTION
	Operations, installation of pipelines, rules on geological, geophysical or geochemical surveys, environment. This Decree-Law No.18/2020 of 13 May also stipulated on matters pertaining to means and ways of intervention, expropriation, nationalization and privatization of means of production and land on grounds of public interest, as well as criteria for the establishment of compensations in such cases, including the appeal to the Government in case of any land dispute occurred.
Decree-Law No.32/2016 Offshore Petroleum Operations	This decree law applies to all offshore petroleum operations, which is carried out in accordance with the law on petroleum activities, including the transport and storage of crude oil and natural gas, with a direct impact on any deposits. This decree law also sets the requirements, including the Environmental impact statement, Environmental Management Plan, Environmental monitoring, and also Oil Spill Contingency Plan.
Decree Law No. 26/2012 on Basic Environmental Law	The Decree Law No. 26/2012 defines the principles of the environmental policy, guidelines for the conservation and protection of the environment and the preservation and sustainable use of natural resources. Regarding to extractive industries, this law explains some measures that can minimize the direct environmental impact of this activities.
Law No. 12/2021, Mining Code	The Mining Code mandates that mineral resource exploration minimizes environmental impacts and promotes sustainability, following principles of precaution and prevention. Before starting any prospecting, research, or exploration, an Environmental Impact Study and mitigation measures are required. Environmental licenses must be obtained for mining activities. Rehabilitation of degraded areas, including soil and native vegetation restoration, is mandatory. Waste management must prevent contamination of soil, water, and air. Continuous monitoring from competent authorities ensures compliance with environmental standards.
Decree Law No. 5/2016 - National System of Protected Areas (Appendix 1 - List of Timor-Leste Protected Areas)	This Decree Law defines the norms and principles for the creation of the national system of terrestrial and marine protected areas, for the classification of protected areas and for the approval of the applicable management instruments, according to the international best practices, in the matter, duly adapted the national reality, without forgetting the important role of community authorities and existing customs. Provide the basis for the protection of the terrestrial and marine protected areas without putting aside the important role communities, authorities and existing customs.



TITLE	DESCRIPTION
Diploma Ministerial No.44/2017 - Impact Benefit Agreement	The article specifies the process for the agreement between the project proponent and the local community regarding the advantages and disadvantages of the project
Diploma Ministerial No.45/2017 - Rules and Procedures of the Evaluation Committee for Project with Category A	The article specifies the importance of establishing rules and procedures for the evaluation committee for the management of the environmental evaluation process for projects in category A
Diploma Ministerial No.46/2017 - Detail requirements of Classification, Initial Assessment and Terms of Reference, Environmental Impact Statement and Environmental Management Plan	The article specifies the necessary of establishing a regulation to regulate projects that may have significant impacts on the environment, while also specifying the procedures and requirements to select projects that classified into category A, B and C.
Diploma Ministerial No.47/2017 - Public Consultation Procedure and Requirement during Environmental Baseline Process	This Diploma Ministerial specifies the procedures and requirement of involvement of public and communities into different stages of the environmental assessment process through public consultation.
Government Resolution No. 27/2023 about the Ocean National Policy of Timor Leste	This national policy intends to address the national marine issues, including pollution and climate change. The drilling activity will take place in the Timorese ocean, and to find integrated approach based on the national policy to mitigate the drilling impact to the ocean.
Waste Management: Decree Law No.33/2008 - Hygiene and Public Order. Decree Law; No. 3/2024 - The first alteration of the Decree Law no. 33/2008 about the Hygiene and public order. Decree Law No. 2/2007 - Urban Residual Waste Management	These laws provide legal framework to manage the urban solid waste and to ensure promoting the hygiene in the workplace. They are considered as the legal basis for the project proponent to manage solid waste produced during any project phase.
International Industry and Guidelines Documents	
United Nations Convention on Biological Diversity (UNCBD)	Timor Leste is rich of the biodiversity with significant ecosystem and endemic species. The country signed the convention in 2001. As the project could have impacts on the flora and fauna or risk to the loss of the biodiversity, it is fundamental principle for the project proponent to prevent or minimize the risk of biodiversity loss during the project implementation



TITLE	DESCRIPTION
United Nations Framework for Climate Change Convention (UNFCCC)	The project activities release GHG emissions which could be one of the contributing factors to the country's climate change issue. Minimization climate change risks by reducing the GHG emissions are an essential part of the project environmental objective and target. This convention is the principal guidance for the project proponent to prevent the air pollutions and reduce the GHG emissions as much as possible
International Union for Convention of Nature (IUCN)	Timor Leste is a signatory member of the IUCN convention which has responsibility to protect its ecological components to ensure the economic sustainable development. This international convention is an international organization focus on the nature conservation and sustainable of utilizing the natural resources. The IUCN works in the field to promote ecological conservation in order to ensure the sustainable development concepts.
Climate Change Kyoto Protocols. Government Resolution of National Action Plan for Climate Change	Timor Leste is the signatory party of the Kyoto Protocol which shall ensure the implementation of the protocol in order to reduce the GHG emissions. The protocol implements the objective of reducing the global warming potential gas in the atmospheres. The government resolution of national action plan for climate change (NAPA) is the first national document that identifies urgent and immediate climate change adaptation needs of the most vulnerable groups. It provides a starting point from which climate change adaptation can be mainstreamed into development plans as a key strategy for attaining sustainable development and poverty reduction (MDG, 2010)



13.2 Environmental licensing process

Environmental licensing is an essential process to ensure the principle of prevention set out in the Environmental Framework Law (Decree-Law No. 26/2012, dated July 4th), according to which "programs, plans, or projects with environmental impact must anticipate, prevent, reduce, or eliminate the causes primarily to the correction of effects that are likely to alter the quality of the environment."

During the period of institutional reform in Timor-Leste between 2022 and 2023, the National Petroleum Authority (ANP) and the National Minerals Authority (ANM), previously known as ANPM, were affirmed as the primary regulatory bodies for environmental oversight within the extractive industries, as specified in Article 31(1)(s) of Decree Law No. 46/2023, dated July 28th, 2023, under the Organic Law of the 9th Constitutional Government. Their responsibilities include managing the environmental licensing processes for the oil, gas, and mineral resources sectors, as well as granting the requisite environmental licenses.

Additionally, it is noteworthy that in June 2022, the Government made a strategic move to centralize and streamline the environmental licensing process by enacting four decree-laws⁵¹ that updated existing environmental legislation and established the National Authority for Environmental Licensing (ANLA, I.P.). As stated in the Decree-law No. 41/2022, Article 2, ANLA ensures the implementation of the legislation on environmental licensing, being responsible for evaluating projects, classification, issuing environmental licenses and monitoring the activities of public and private entities in general, proponents and holders of

⁵¹ Decree-Law No. 39/2022, Decree-Law No. 40/2022, Decree-Law No. 41/2022, Decree-Law No. 42/2022. Source: [Jornal da República](#)

Environmental Licenses, without prejudice to the powers of the Ministry of Petroleum and Minerals.

Despite the establishment of ANLA to centralize the environmental licensing process, the ANP and ANM retain their status as the principal authorities for issuing environmental licenses in the oil and gas and mining sectors. ANLA provides support in these sectors, actively participated as member of the evaluation committee to the ANP or ANM, particularly in reviewing Environmental Impact Statement (EIS) and Environmental Management Plan (EMP) documentation for petroleum and mining sector.

The ANP or ANM, as the principal authorities responsible for issuing environmental licenses for petroleum and mineral resources, may engage ANLA to participate in public consultations and to contribute their expertise during the assessment process.

Environment protection as part of the process of awarding licenses

The Decree Law No.39/2022 dated 8th of June, first amendment of No.5/2011⁵² dated 9th of February established the Environmental Licensing System, tailored to preempt negative environmental consequences arising from complex projects and to align with the socio-economic context of East Timor. The system facilitates the issuance and monitoring of environmental licenses, integrating them into the environmental assessment process for projects, thereby streamlining procedures to prevent negative environmental impacts and control pollution.

Article 4 categorizes projects into three classes—A, B, and C—based

⁵² Source: [Mineral - DL NO.5 - 2011 LICENSA AMBIENTAL PORTUGUES.pdf \(anpm.tl\)](#)



on the magnitude of potential environmental impacts, each with corresponding legal requisites for environmental licensing.

Article 3 outlines the environmental licensing procedure, which includes:

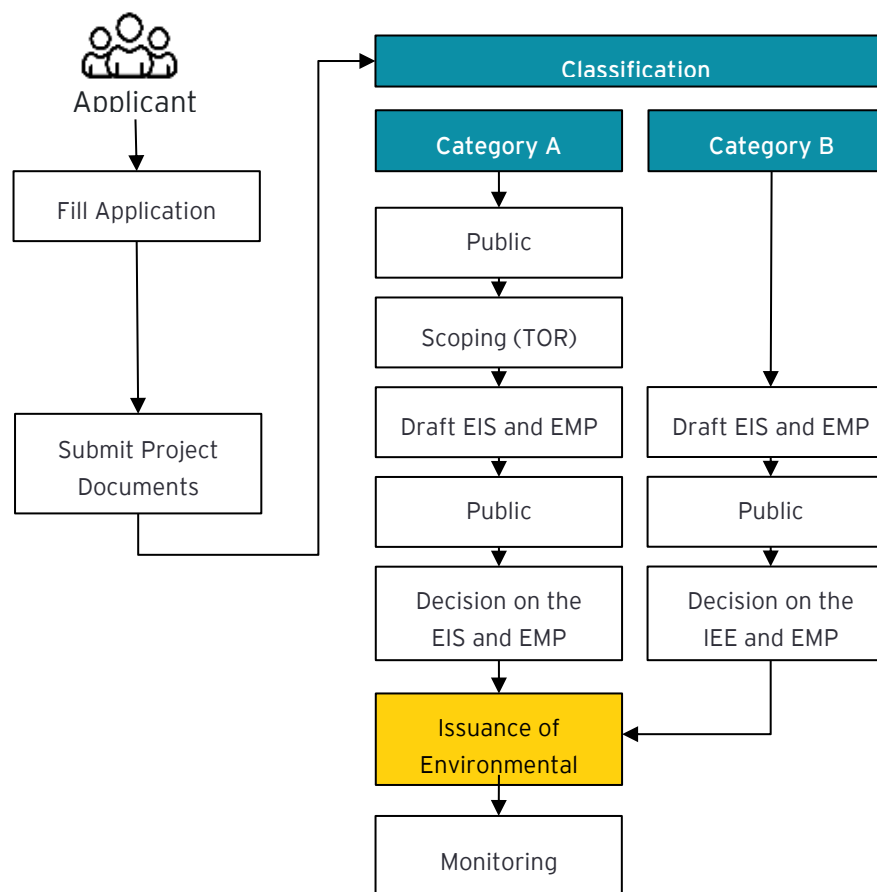
- a. Guidance for defining the scope;
- b. Environmental Assessment and the Granting of the Environmental License;
- c. Issuance and Renewal of the Environmental License;
- d. Inspection.

Based on the national laws and regulation, the following reports are required to be assessed and approved in order to obtain as Environmental Licensing for Petroleum Activities:

- Category A project: Environmental Impact Assessment (EIS) and Environmental Management Plan (EMP);
- Category B Project: Simplified EIS and EMP;
- Category A & B Project: OSCP;
- Environmental Annual Performance Report;
- End of Campaign Environmental Report (for short term project such as seismic survey, drilling, decommissioning, etc.);
- Environmental Monitoring Program.

Please see the chart below, which outlines the standard procedure for granting environmental permits for Category A and B in the oil and gas and mining sectors.

Figure 43: Process steps of environmental licenses awarding





In the environmental licensing project, documents such as TOR, EIS, SEIS, EMP are made available through public consultation. Such documents are posted in the ANP website⁵³ for public access. Below the tables collect the available environmental impact assessment reports for the several PSC contracts.

Table 34: Environmental Impact assessment reports

Project name	Environmental reports available
Onshore oil drilling TL-OT-17-08	<ul style="list-style-type: none"> • ENVIRONMENTAL MANAGEMENT PLAN DRILLING ACTIVITY PSC TL-OT-17-08 • TERM OF REFERENCE - DRILLING ACTIVITY PSC TL - OT - 17 - 08 BLOCK A
Onshore oil drilling TL-OT-17-09	<ul style="list-style-type: none"> • TERM OF REFERENCE - DRILLING ACTIVITY PSC TL - OT - 17 - 09 BLOCK C • ENVIRONMENTAL IMPACT STATEMENT DRILLING ACTIVITY PSC TL-OT-17-09 • ENVIRONMENTAL MANAGEMENT PLAN DRILLING ACTIVITY PSC TL-OT-17-09
Onshore 2D Seismic Acquisition Project in TL-OT-21-17	<ul style="list-style-type: none"> • ENVIRONMENTAL MANAGEMENT PLAN TIMOR GAP Pualaca Block 2D Seismic Acquisition Project 2024 • SIMPLIFIED ENVIRONMENTAL

Project name	Environmental reports available
	<ul style="list-style-type: none"> • IMPACT STATEMENT TIMOR GAP Pualaca Block 2D Seismic Acquisition Project 2024
Chuditch offshore Appraisal drilling TL-SO-19-16	<ul style="list-style-type: none"> • TERMS OF REFERENCE DRILLING ACTIVITIES PSC TL-SO-19-16
Decommissioning Bayu-Undan Floating Platform	<ul style="list-style-type: none"> • BAYU-UNDAN FSO VESSEL CLEANING TERMS OF REFERENCE

Current practices in environmental management and monitoring activities

An authorised person or operator shall obtain an Environmental License prior to the commencement of a petroleum activity. Without a valid license, the activity is prohibited to be conducted.

Subsequently, ANP is responsible for monitoring projects that possess an environmental license, encompassing phases of construction, operation, and decommissioning. This oversight ensures compliance with the conditions stipulated in the environmental license, as per the requirements of Decree Law No. 39/2022, 1st amendment of Decree Law No.5/2011 on Environmental Licensing, Decree Law No. 32/2016 on Offshore Petroleum Operations in Timor-Leste, and Decree Law No.18/2020 on Onshore Petroleum Operations in Timor-Leste.

The monitoring process requires the licensee to engage in the consistent observation and systematic data collection regarding the environmental state or the environmental impact of a specific project. This information must be documented in periodic reports

⁵³ Source: <http://www.anpm.tl/category/public-consultation/>



to facilitate the evaluation of the effectiveness of the procedures.

The monitoring and inspection practices include:

- Inspections to the project site and field observation are conducted regularly to ensure the control measures are implemented accordingly to ensure conformance with the approved environmental regulatory documents such as EIS, SEIS, EMP, OSCP, and any other relevant regulations to the project. Inspections are also conducted to verify the rehabilitation at project site as per the rehabilitation plan;
- Regular review of daily, monthly and annual report to monitor operator's environmental performance;
- Under the existing legal framework, ANP as the environmental regulatory authority is empowered to issue direction to implement corrective action, in case of non-compliance the activity can be suspended and or the license and approval can be revoked.

Mining Environmental License

The process of mineral environmental licenses awarding is similar to ones which explain in the chart above.

In 2022, a total of 22 applications for environmental licenses were

received. For further details, please refer to Annex G or Section 4.2 of the ANPM Annual Report⁵⁴, which addresses mining environmental licenses.

In align with environmental legislation, the monitoring and inspection activity had been carried out jointly with Exploration and Development department during 2022, where the monitoring activities included regular assessments for the extension of environmental licenses.

Inspections were carried out to oversee compliance with relevant laws and to ensure that operators adhered to the necessary technical and safety standards. These inspections took place at sites, buildings, and facilities involved in mining operations.

For a detailed account of the monitoring and inspection activities conducted in 2022, see the tables from ANPM Annual Report 2022 attached as Annex H.

Furthermore, the mining Closure Plan or Rehabilitation Plan is a critical component of the mining lifecycle. License holders are required to rehabilitate the site, which may include reclamation, revegetation, and reshaping the landscape to restore it to its original topography to the extent reasonably possible. The implementation of mining closure plans by companies is documented in the ANPM Annual Report 2022.

⁵⁴ Source: [ANPM ANNUAL REPORT 2022](#)



13.3 Low carbon development

Timor-Leste's development has been highly dependent on national fossil fuel resources and will remain so until access to alternative economic models and markets are identified. Economic diversification is a priority for any and all small island nations due to their propensity to rely on a narrow economic base.

Timor continues to export petroleum products to satisfy a small proportion of global fossil-fuel needs. However, Timor-Leste does maintain that larger more diversified and developed countries must take greater accountability for the immediate and drastic transition away from high emissions activities and should support countries like Timor-Leste with the tools and resources to diversify their economic opportunities. As a Least Developed Country and a climate-vulnerable developing nation, Timor-Leste references Articles 2.2, 4.3, and 4.19, regarding the concept of 'common but differentiated responsibilities' when developing the practicality and scope of its national emissions reduction commitments⁵⁵.

The Government of Timor-Leste aims to facilitate the conditions required to enable sustainable low carbon development and will continue to seek options for increasing both the energy efficiency and economic efficiency of national energy services⁵⁶. In addition to technological changes made within the energy sector, Timor-Leste will continue to bolster national carbon sequestration potential as a means to reduce net domestic emissions in conjunction with any activities undertaken to transfer carbon emission reduction units offshore through modalities enabled under Article 6 of the Paris Agreement.

Despite a negligible national contribution of 0.003%⁵⁷ of aggregate global emissions and high dependency on revenue from the oil and gas industry, Timor-Leste is committed to contributing to the collective efforts required by the Paris Agreement.

In that regard, Timor-Leste, in its Nationally Determined Contribution, has prioritized a series of initiatives aimed at reducing greenhouse gas emissions over the period from 2022 to 2030⁵⁸, and mentioned its commitment with EITI in this matter. The government plans to engage with the oil and gas industry to develop and implement strategies that will mitigate emissions and reduce the emissions intensity of operations. Efforts will be made to address fugitive emissions from offshore facilities. Additionally, the establishment of a robust national GHG inventory will improve transparency and enhance the nation's ability to design and assess low carbon development strategies. This initiative will also provide ancillary benefits for economic planning and policy formulation. Furthermore, Timor-Leste is committed to advancing legislation and regulations to support the adoption of Carbon Capture and Storage (CCS) technology, recognizing its critical role in substantially reducing carbon dioxide emissions, especially as the Bayu Undan field nears the end of its production.

⁵⁵ Source: [Nationally Determined Contribution Timor-Leste 2022-2030](#)

⁵⁶ Source: [Timor Leste NAP.pdf](#)

⁵⁷ Source: [Nationally Determined Contribution Timor-Leste 2022-2030](#)

⁵⁸ Source: [Nationally Determined Contribution Timor-Leste 2022-2030](#)



Bayu-Undan Carbon Capture and Storage Project

On 13th September 2021, ANPM and Santos Ltd, operator in Bayu-Undan field, signed a Memorandum of Understanding (MOU) to assess the feasibility of Carbon Capture and Storage (CCS) at Bayu-Undan in Timor Sea. The Bayu-Undan reservoir and facilities have the potential to be a world-leading CCS project, and the CCS at Bayu-Undan has a potential capacity of approximately 10 million tons per annum.

In March 2022 front-end engineering and design commenced for the Bayu-Undan CCS project. Santos is working with both the Australian and Timor-Leste Governments with a view to progressing the development of this project, with initial injection and storage of approximately 2.3 million tonnes of CO₂e per annum from the Barossa field once natural gas production from the field ceases. The project, subject to regulatory approvals, will look to capture CO₂ from nearby projects to maximise throughput⁵⁹. Santos and its Bayu Undan joint venture partners have already spent around USD 38 million on front-end engineering and design, demonstrating their commitment to Bayu Undan CCS.

In August 2022 Santos announced a final investment decision for the Darwin Pipeline Duplication Project, committing jointly with their Barossa joint venture partners approximately USD 311 million. The Bayu-Undan CCS project will utilise the existing Bayu-Undan to Darwin pipeline and the offshore Bayu-Undan facilities to minimise the cost of the project. Potential CO₂ sources include natural gas developments and industrial sources in northern Australia with customers and investors in Korea and Japan also interested in the project for emissions reduction from their activities. Santos is participating in studies that are evaluating the feasibility and development of carbon dioxide aggregation in Korea

and Singapore to capture CO₂ for storage within CCS reservoirs.

The Project technical scope includes:

- Installation of a new onshore CO₂ removal train at Darwin LNG
- Installation of new CO₂ dehydration and compression facilities
- Repurposed gas export pipeline from Bayu-Undan to Darwin LNG for CO₂ service
- Repurposed Bayu-Undan offshore platform and facilities for access to CO₂ injection wells
- Repurposed wells for CO₂ injection.

⁵⁹ Source: [Globally significant carbon capture and storage project a step closer | Santos](#)



13.4 Greenhouse gas emissions

A new 2023 EITI Requirement 3.4 encourages companies to disclose their greenhouse gas (GHG) emissions in line with leading emissions disclosure standards. To increase implementing countries' ownership of GHG reporting, multi-stakeholder groups are encouraged to request companies to disclose disaggregated emissions data, where feasible.

Timor-Leste, a nation rich in oil and gas resources, is committed to sustainable development and environmental stewardship. As part of its adherence to the Extractive Industries Transparency Initiative (EITI) Standard, Timor-Leste is dedicated to transparent reporting of greenhouse gas (GHG) emissions from its extractive industries. This chapter provides a comprehensive overview of GHG emissions in the extractive sector, including **compliance with international standards, quantitative data on emissions, long-term low-emissions development strategies** for the year 2022.

Compliance with international standards

Timor-Leste is committed to aligning its greenhouse gas (GHG) emissions reporting and reduction efforts with several key international standards and agreements. This commitment ensures that the country's extractive industries operate within globally recognized frameworks for environmental protection and sustainability. The primary standards and agreements that Timor-Leste complies with include:

1. Greenhouse Gas Protocol (GHG Protocol)⁶⁰

The GHG Protocol is the most widely used international accounting tool for government and business leaders to understand, quantify,

⁶⁰ Source: [Greenhouse Gas Protocol \(2022\). Corporate Standard](#)

⁶¹ Source: [Global Reporting Initiative \(GRI\) Standards](#)

and manage GHG emissions. It provides comprehensive global standardized frameworks to measure and manage emissions from private and public sector operations, value chains, and mitigation actions.

- **Corporate Standard:** Provides guidelines for companies to prepare a GHG inventory that represents a true and fair account of their emissions.
- **Scope 1, 2, and 3 Emissions:** Defines direct (Scope 1), indirect (Scope 2), and other indirect (Scope 3) emissions, ensuring comprehensive reporting across the entire value chain.

2. Global Reporting Initiative (GRI) Standards⁶¹

The GRI Standards are the most widely used framework for sustainability reporting. They provide guidelines for organizations to report on their economic, environmental, and social impacts.

- **GRI 305: Emissions:** Requires organizations to disclose their GHG emissions, including direct (Scope 1), energy indirect (Scope 2), and other indirect (Scope 3) emissions. It also includes reporting on GHG intensity and reduction initiatives.

3. Task Force on Climate-related Financial Disclosures (TCFD)⁶²

The TCFD provides recommendations for disclosing clear, comparable, and consistent information about the risks and opportunities presented by climate change.

- **Climate-Related Risks and Opportunities:** Encourages organizations to disclose information on governance,

⁶² Source: [Task Force on Climate-related Financial Disclosures \(TCFD\)](#)

strategy, risk management, and metrics and targets related to climate change.

- **Emissions Metrics:** Recommends the disclosure of Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks.

4. Carbon Disclosure Project (CDP)⁶³

CDP is a global disclosure system that enables companies, cities, states, and regions to measure and manage their environmental impacts.

- **Climate Change Questionnaire:** Provides a framework for organizations to disclose their GHG emissions, climate-related risks and opportunities, and strategies for managing them.
- **Scoring and Benchmarking:** CDP scores organizations based on their disclosure and performance, providing benchmarks for best practices.

5. Sustainability Accounting Standards Board (SASB)⁶⁴

SASB standards guide the disclosure of financially material sustainability information by companies to their investors.

- **Industry-Specific Standards:** Provides industry-specific standards that include metrics for GHG emissions, energy management, and climate-related risks.
- **Alignment with Financial Reporting:** Ensures that sustainability information is integrated with financial reporting for better decision-making by investors.

⁶³ Source: [Carbon Disclosure Project](#)

Quantitative Data on Emissions

Santos, being the Operator of the Bayu-Undan gas field, located in the Timor Sea provided the following breakdown of gas emissions for Bayu Undan by sources for 2022 under the Scope 1:

Table 65: Breakdown of gas emissions

Scope 1 greenhouse gas emissions ,MtCO2e	2022-23			
	CO2	CH4	N2O	Total emission
Emissions by sources (gross operated)				
Emissions from fuel	0,29	0,003	0	0,29
Emissions from flare	0,06	0,0005	0	0,06
Emissions from vent	0	0	0	0,00
Emissions from CO2 removal	0	0	0	0,00
Emissions from fugitives	0	0,01	0	0,01
Total	0,35	0,01	0	0,363

Source: Information provided by Santos.

Currently, Bayu Undan is the only project in the production phase, and thus, the only one generating GHG emissions. All other projects are in the research phase and do not produce GHG emissions at this time.

As Bayu Undan doesn't not purchase any energy from 3rd parties, there is no Scope2 greenhouse gas emissions.

As the gas from Bayu Undan is directly used to produce LNG at the DLNG plant, no separate calculations are performed under Scope 3. However, Scope 3 emissions for Bayu Undan calculated for the

⁶⁴ Source: [Sustainability Accounting Standards Board \(SASB\)](#)

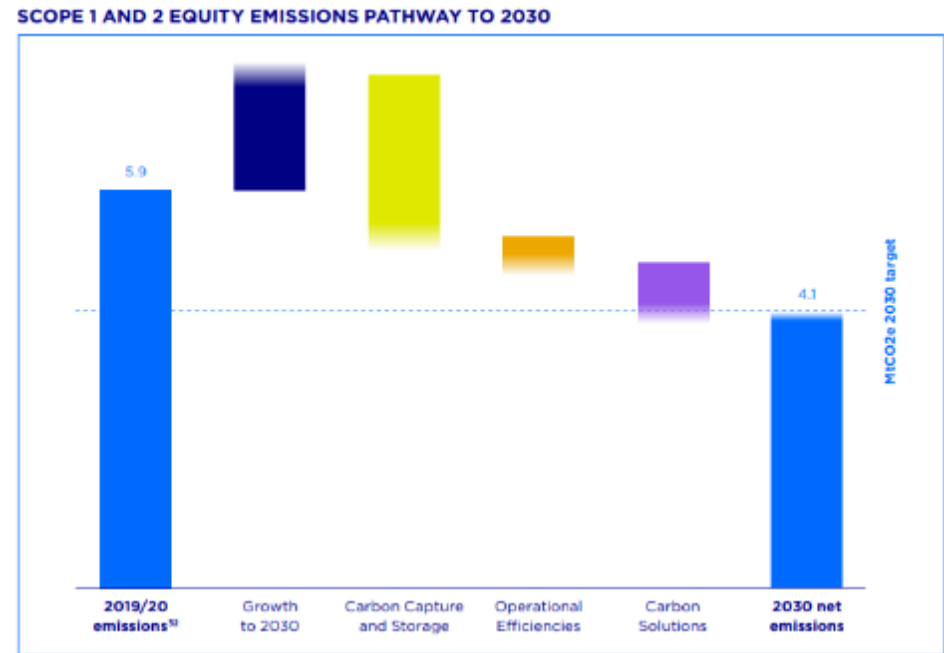


category use of sold products (assuming all output (ie. Gas, LPG, condensate) from Bayu Undan is combusted) is 3.9 mln tCO₂e.

Long-term low-emissions development strategies

Santos' Climate Transition Action Plan⁶⁵ provides a potential transformation and decarbonisation pathway to reduce our Scope 1 and 2 emissions by 30 per cent by 2030. This will drive progress to achieve our target of net-zero Scope 1 and 2 emissions by 2040. Emissions reduction projects will be subject to our internal project gating process, capital management framework and project approvals. As we pursue our backfill and sustain strategy to 2030, our unabated emissions will increase with Barossa, Pikka Phase 1 and potential future projects such as Papua LNG, Dorado and Narrabri coming online. Carbon capture and storage from Moomba (under construction) and Bayu-Undan (in planning) are targeted to more than offset these emissions. Operational efficiencies including electrification, and carbon solutions in Australia, Papua New Guinea and Alaska are intended to contribute to delivering our emissions pathway to 2030. Any shortfall to our 2030 target will be addressed through both Santos-generated and Santos-acquired high-quality³¹ carbon credits.

Figure 44: Santos' 2030 emission reduction plan



Timor-Leste's adherence to leading emissions disclosure standards, such as the GHG Protocol, GRI Standards, TCFD, CDP, and SASB, demonstrates its commitment to transparency, accountability, and good governance in the extractive sector and ensures that organizations like Santos provide transparent, consistent, and comparable information on their GHG emissions. This transparency is crucial for stakeholders to assess environmental performance and make informed decisions.

⁶⁵ Source: [Sustainability-and-Climate-Report-2023.pdf](#)

14

Recommendations

As previously stated, during the last validation of the implementation of the 2019 EITI Standard, the EITI Board issued specific recommendations for Timor-Leste to undertake. Progress in addressing these actions will be assessed in the next validation commencing on 1 January 2026. In this section, we have outlined a list of potential actions in response to the recommendations from the validation report. However, this list is not exhaustive, so we recommend referring to the validation report for a comprehensive understanding.

With regards to the follow-up on recommendations of previous EITI Reports, a legal framework that defines the roles and responsibilities of stakeholders in the EITI process has yet to be created. We strongly recommend the enactment of an EITI Law as soon as possible. This law will provide better guidelines about certain limitations (such as confidentiality of the PSC and/or the disaggregation of production by commodity) and will help in clarifying understanding.



14. Recommendations

14.1 Recommendations arising from 2022 Report and last validation of Timor-Leste

As a result of the work conducted to prepare this report for 2022, the Independent Administrator makes the following recommendations to drive further progress in ensuring transparency and accountability in Timor-Leste's extractive sector. Additionally, it is important to ensure that the country continues to address the Board's comments from the last validation of the implementation of the EITI Standard, in line with best practices.

We have divided the recommendations into the following sections:

- Transparency;
- Stakeholder Engagement;
- Outcomes and Impact.

Below, we have outlined a list of potential actions to be taken in response to the recommendations from the validation report and the lessons learned from the 2022 EITI Report preparation. This list is not exhaustive, so please refer to the validation report for a comprehensive understanding.

Transparency

Concerning the transparency pillar, the primary recommendations were associated with disclosing information, placing a significant emphasis on Requirement 2.5 to enhance the beneficial ownership component.

a. Beneficial Ownership

Timor-Leste is making progress in enhancing the transparency of beneficial ownership within its extractive sector.

A notable innovation in the transparency of the disclosure of beneficial owner data was the implementation of lower threshold for reporting, decreasing from 25 % in 2021 to 10% in 2022. Additionally, to ensure the comprehensiveness of the beneficial ownership information collected for the EITI Report, we have added a table listing all contractors and subcontractors who have not provided their BO data.

However, to date, there is no comprehensive register of data on the beneficial owners of companies operating in the oil and gas sectors. We recommend that Timor-Leste establish a corporate registry to document the Ultimate Beneficial Owners (UBOs) of all corporate entities.

To further this initiative, the MSWG should arrange a meeting to discuss this topic and involve key entities, such as the Central Bank and the Financial Information Unit, which may be key stakeholders in this matter. The MSWG should present plans for developing a database that would allow reporting entities to submit their information systematically online, rather than manually through hard copies of the required template.

b. Engagement with reporting entities

During the preparation of the 2022 EITI report, similar to 2021, several subcontractors did not response to data collection request.

We recommend taking initiatives to collaborate more closely with the subcontractor entities to ensure the prompt provision of essential data, thereby preventing such reporting issues from recurring in the future.

Additionally, the EITI Board made several updates to the Standard in 2023, half of which directly concern reporting companies. These



updates have increased the reporting obligations for companies and have consequently placed a greater burden on them as part of the EITI implementation process. We recommend that all reporting companies familiarize themselves with the 2023 version of the EITI Standard, understand the new reporting obligations, and comprehend the implications for their operations.

Stakeholder Engagement

The EITI Board suggests that the government's engagement in the EITI process could be more proactive, including following up on recommendations, developing more specific priorities and objectives for EITI implementation, and supporting the strengthening of disclosures and use of extractive data. The International secretariat recommends that Timor-Leste should ensure that the multi-stakeholder group exercises oversight of all aspects of EITI implementation beyond the production of EITI Report, including active engagement in the design of the EITI process, outreach and dissemination of EITI findings, and follow-up on EITI recommendations to strengthen the governance of the extractive industries. This recommendation is in line with the EITI Standard's requirement for government engagement, which was assessed as mostly met under last validation.

In addition to these recommendations, we have identified several potential actions:

- The MSWG could consider holding monthly or bi-monthly meetings, which would provide an ideal platform for sharing concerns, delivering constructive feedback, and making constructive adjustments to the EITI implementation process.
- Industry representatives could also hold regular internal meetings to assess and strengthen their engagement in the EITI process. This would ensure their specific industry priorities are voiced and effectively communicated during

MSWG meetings.

- Civil society organizations could further engage in periodic training sessions or workshops aimed at fostering a more robust understanding of their role within the EITI process. In the same vein, it is suggested that these organizations establish alliances with other established civil society bodies focused on extractive sector governance issues.

Finally, as noted above, the EITI Standard has undergone substantial updating in 2023. This provides new opportunities to enhance transparency in Timor-Leste's extractive sector and new challenges for EITI implementation.

In order for MSWG to take advantage of these opportunities and contribute to overcoming the challenges, we recommend that MSWGs familiarize themselves with the updated version of the EITI Standard. This will allow them to contribute to the Steering Committee's workplan and play a central role in monitoring progress towards implementation.

Outcomes and Impact

The EITI Board has indicated that monitoring the outcomes and impact of EITI implementation has been challenging due to the lack of clearly defined outcomes and impact in the work plan, limited activity to incite public debate, and minimal action upon lessons learned.

The recommendations in this pillar are focused on improving compliance with EITI Requirements 7 and 1.5. The objective of these recommendations is to emphasize the importance of making progress in addressing national priorities, promoting public debate, and conducting systematic reviews and documentation of the outcomes and impact of EITI implementation.

The Multi-Stakeholder Working Group (MSWG) may consider the following potential actions:



- Regularly reviewing and updating the EITI work plan, in consultation with key stakeholders, can help ensure that national priorities, including issues related to corruption, gender equity, energy transition, and revenue collection, are the primary focus. Defining and tracking measurable objectives can efficiently monitor progress.
- Organizing public forums to discuss EITI findings could be useful for stimulating public debate. Partnerships with local media outlets could further improve the distribution and accessibility of EITI information.
- The MSWG could establish an annual designated review period to evaluate the progress and impact of EITI implementation in Timor-Leste. This progress review should include an assessment of the progress and challenges in achieving work plan objectives, changes in those objectives, and how implementation will be adapted to better achieve those objectives. This process can effectively guide the activities for the following year and set focus areas.
- Assigning a dedicated team within the MSWG to follow up on and take action on the EITI recommendations could streamline implementation procedures. Sharing updates during MSWG meetings can ensure transparency in progress.

14. Recommendations

14.2 Barriers and other suggestions

This section lists issues that are caused by legal or institutional barriers, which limit full compliance with the EITI standards and a higher degree of transparency.

Table 66: Issues caused by legal or institutional barriers

No	Issue	Detail of the issue	Recommendation	Status of implementation (Yes/No/Ongoing)
1	Lack of EITI law	We noted that although Timor-Leste's EITI reports have been reconciled for 10 years, the legal framework defining the roles and responsibilities of stakeholders in the EITI process has yet to be created.	We recommend the enactment of an EITI law as soon as possible. This law will provide a better understanding of the EITI process by all stakeholders and ensure that the reconciliation process is successful.	No, since discussions still to take place.
2	Timor-Leste-EITI database	It appears that to date, the Timor-Leste-EITI Secretariat does not have a comprehensive database of all extractive companies operating in the oil sector. We understand that this situation arises because there is no formal communication between the EITI Secretariat and the Government Entities with regard to the oil companies operating in the oil sector. However, contact details are available for the operators and joint ventures partners, but not the sub-contractors.	We recommend that the Timor-Leste-EITI Secretariat should create a database of extractive companies following our reconciliation exercise. The Secretariat should then liaise with the Government Entities to ensure it obtains adequate information regularly and updates its database accordingly. To this end, we believe it is vital that any new entrants to the oil sector are registered with the Timor-Leste-EITI Secretariat as part of the process before or at the same time as they obtain their operating license. A regular review with the Government Entities of the list of oil companies licensed to operate in the sector is recommended.	No
3	Confidentiality provisions in PSCs	The model PSC used by Timor-Leste contains a confidentiality provision, referenced from the Decree-Law Offshore and Onshore petroleum operations, which prevents the public disclosure of information relating to O&G operations by both parts, except if mandatory by law. Annex I PSC model contains confidentiality provision which prevents the disclosure of most recent (less than two years) information on certain commercial sensitive information. However, the full text copies of the executed PSCs of the Timor-Leste Area and the summaries of the model PSC for the former JPDA PSCs have been made available to public at ANPM website.	If an EITI law is under approval by the government, we recommend that it includes the necessary requirements to allow disclosure for EITI reporting obligation on the operators and Timor-Leste representatives.	Despite existing legal barriers on the disclosure of commercial sensitive information, there has been some progress in advancing contract transparency. Copies and summaries of PSCs are now publicly available on the ANPM website.



No	Issue	Detail of the issue	Recommendation	Status of implementation (Yes/No/Ongoing)
4	Lack of anti-corruption policy by SOE	To date, Timor GAP has not formalized an anti-corruption policy. We understand that this issue is currently under discussion at the board level, although no decision has been made yet.	We recommend formalizing an anti-corruption policy and making it publicly available. This policy should be included in Timor GAP's annual report or published on Timor GAP's website.	An anti-corruption policy is being discussed at a board level.
5	Availability of forecasts related to revenue from extractive sector	<p>According to requirement 5.3 of the 2023 EITI Standard, any forecasts related to future revenues from the extractive sector, including assumptions on projected production levels, project costs, and commodity prices, should be disclosed.</p> <p>The petroleum revenues forecast is available on State Budget Law. However, forecast detailed assumptions information is currently available only for ANP internal use. To share this data with third parties or the public, ANP must comply with Timor-Leste regulations on data disclosure and confidentiality.</p> <p>There is no revenue forecast available for mining activities.</p>	<p>We recommend the disclosure of more detailed information on diverse assumptions considered on the State Budget.</p> <p>We also recommend that ANP includes revenue forecasts for extractive companies in its annual reports. Additionally, ANP should disclose the methods and inputs used to perform these forecasts, including any considerations related to energy transition and climate risk.</p> <p>We recommend the inclusion of mining revenue forecast in ANPM report by ANM.</p>	The forecast of future petroleum revenues is public available in State Budget Law, although the level of detail on the assumptions considered is not high.
6	Disclosure of project costs and audit of PSC project costs	Although ANP audits PSC project costs, including non-recoverable and non-deductible costs, as well as any additional revenues to be collected, these audit reports are not publicly available. We understand that this is because ANP must comply with the disclosure and confidentiality requirements stipulated under Timor-Leste regulations.	To enhance transparency, we recommend that ANP develop a mechanism to publicly disclose the results of PSC cost audits in a timely manner. We suggest presenting the audit results disaggregated by PSC and by type of costs.	No

An aerial view of a large offshore oil rig in the middle of the ocean under a cloudy sky. The rig is a complex of yellow and grey metal structures, including a tall derrick on the left and a crane on the right. A long yellow walkway leads from the foreground towards the rig. The word "Annexes" is written in white text over the rig, and the number "15" is written in a very large white font in the lower-left foreground.

15

Annexes

15. Annexes

A. Companies in the Oil&Gas Sector

Companies+ name	
Australia Intern'l Petro-Cons	MMA Offshore Vessel Operation Pty
Australia inter'l petro Ltd	Nobel International Finance Comp
Babcock Offshore Services	Noble Int'l Finance
Brunel Energy Pty Ltd	NOBLE INTERNATIONAL FINANCE COMPANY MASTER
Bruney Energy Pty Ltd	Oceaneering Aust Pty Ltd
BU 12 Aust Pty Ltd	OFFSHORE SERVICES AUSTRALASIA PTY
BU 13 Aust Pty Ltd	Regforce Pty.Ltd.
Callidues Process Solution Pty Ltd	Rigforce Pty Ltd
Caltech Unip Ltd	Ringforce Pty Ltd
Cameron Services Int'l Pty	Santos (JPDA 91-12) Pty Ltd
Cameron Services Pty Ltd	Santos Ltd
Cape Aust Onshore	Schlumber Australia Pty Ltd
Carnarvon Petroleum Ltd	SGS Australia Pty.Limited
Carnarvon Petroleum Timor Unip	SGS Singapore Pty Limited
Clough Amec Pty Ltd	Sodexo Timor Unip Lda
Compas Group (Australia) Pty.Ltd.	Sodexo Timor Unipessoal
Santos NA Emet Pty Ltd	Solar Turbines Int. Co
Santos NA Timor Leste Pty Ltd	Spectrum Geo Aust Pty Ltd
Santos NA (19-12) Pty Ltd	Sudexo Unip Lda
Santos NA (19-13) Pty Ltd	Sundagas Banda Unip Ltd
Santos NA Timor Sea Pty Ltd	Sundagas Pty Ltd
Santos NA Bayu-Undan Pty Ltd	Sundagas Timor Leste Pty Ltd
Santos (JPDA 91-12) Pty Ltd	Sundagas Timor Leste Sahul Pty Ltd



Eni JPDA 03-13 Ltd Branch	Timor Gap Onshore Block Unip Lda
Eni JPDA 05-105 Pty Ltd	Timor Gap Chuditch Unipessoal Lda
Eni JPDA 11-106 BV BRANCH	Timor Gap E.P.
Eni Timor Lesta Spa Account	Timor Gap Greater 03-19
Fsip & Farstad Account	Timor Gap Offshore Block Unip
Haliburton Australia Pty Ltd	Timor Gap PSC 11-106 Unip.Lda
Hertel Modern Pty Ltd	Timor Resources Pty Ltd
Inpex Sahul Ltd	Tokyo Timor Sea Resources Pty Ltd
Inpex Timor Sea Ltd	Total Marine Tech Pty Ltd
Japan Energy EP JPDA Pty Ltd	WEATHERFORD AUSTRALIA PTY LTD
Japan Energy JPDA Pty Ltd	WETHERFORD AUSTRALIA PTY LTD
Konekto/Babcock Unip Lda	Wood Australia Pty Ltd
KOTUG MARITIME SERVICES (BAYU UNDAN PTY LTD)	Wood Group PSN Aust Pty Ltd
KT Maritime Services	Woodside Energy Pty Ltd
Loyd Helicopters Lda	

B. Mineral Sector in 2022

Summary of Mineral Operation Royalty Collection
2006 - 2023

No.	Years	Payment for Mineral License ¹⁾	Payment for Minerals Permits ²⁾	Compensation for Unauthorized Mining Activity ³⁾	Exploration License - Surface Fee ⁴⁾	Mineral Public Tender ⁵⁾	Total Collection	Remarks
1.	2006	\$9,642.13	N/a	N/a	N/a	N/a	\$9,642.13	
2.	2007	\$13,058.00	N/a	N/a	N/a	N/a	\$13,058.00	
3.	2008	\$3,420.00	N/a	N/a	N/a	N/a	\$3,420.00	
4.	2009	\$63,044.85	N/a	N/a	N/a	N/a	\$63,044.85	
5.	2010	\$91,161.50	N/a	N/a	N/a	N/a	\$91,161.50	
6.	2011	\$72,461.00	N/a	N/a	N/a	N/a	\$72,461.00	
7.	2012	\$45,673.00	N/a	N/a	N/a	N/a	\$45,673.00	
8.	2013	\$42,506.00	N/a	N/a	N/a	N/a	\$42,506.00	
9.	2014	\$192,680.00	N/a	N/a	N/a	N/a	\$192,680.00	
10.	2015	\$241,729.00	N/a	N/a	N/a	N/a	\$241,729.00	
11.	2016	\$283,741.40	N/a	N/a	N/a	N/a	\$283,741.40	
12.	2017	\$417,079.40	N/a	\$617,489.50	N/a	N/a	\$1,034,568.90	
13.	2018	\$178,882.60	N/a	\$1,489,921.68	N/a	N/a	\$1,668,804.28	
14.	2019	\$1,171,038.07	N/a	\$1,197,858.29	\$32,895.00	N/a	\$2,401,791.36	
15.	2020	\$2,287,128.68	N/a	\$522,728.99	\$5,471.88	N/a	\$2,815,329.56	
16.	2021	\$1,684,416.49	N/a	\$289,460.77	-	N/a	\$1,973,877.26	
17.	2022	\$2,216,541.05	\$18,880.00	\$215,845.15	\$10,943.77	N/a	\$2,462,209.97	
18.	2023	\$393,582.50	\$26,820.00	\$338,404.02	-	\$2,850.00	\$761,656.52	until 13 September 2023
Grand Total		\$9,407,785.68	\$45,700.00	\$4,671,708.40	\$49,310.65	\$2,850.00	\$14,177,354.72	

C. Mineral Payments in 2022

No.	Name of Proponent	Origin	Type of Activities	Type of Payment				Cummulative Amount Paid (US\$)
				Mining License (US\$)	Compensation (US\$)	Annual Surface Fee (US\$)	Administration Fees (US\$)	
1	Altelis Unip., Lda.	Local	Commercial	\$ 2 290,00	-	-	-	\$ 2 290,00
2	Aitula Lda.	Local	Compounded	-	\$ 31 175,10	-	-	\$ 31 175,10
3	CBMI Construction Co., & Chongqing Road Engineering (Group) Co., Lda.	International	Construction	\$ 200 000,00	-	-	-	\$ 200 000,00
4	China Harbour Timor Lda.	International	Construction	\$ 1 894 901,05	-	-	-	\$ 1 894 901,05
5	China Railway International Group Co., Ltd., R.P. & COVEC (CRIG - COVEC, JV.)	International	Construction	\$ 106 000,00	-	-	-	\$ 106 000,00
6	China Wu Yi Co., Ltd., R.P.	International	Construction	\$ 1 500,00	\$ 70 715,54	-	-	\$ 72 215,54
7	Elegant Marble Group Unip., Ltd.	Local	Commercial	\$ 1 500,00	-	\$ 9 738,00	-	\$ 11 238,00
8	King Construction, Unip., Lda.	Local	Commercial	-	\$ 36 522,23	-	-	\$ 36 522,23
9	Montana Diak Unip., Lda.	Local	Construction	\$ 17 280,00	\$ 18 150,79	-	\$ 1 600,00	\$ 37 030,79
10	Shabryca Construction Unipessoal Lda.	Local	Commercial	-	\$ 6 762,49	-	-	\$ 6 762,49
11	Star Concrete Lda.	Local	Compounded	-	\$ 35 487,99	-	-	\$ 35 487,99
12	Timor General Development Group Unip., Lda.	Local	Commercial	\$ 8 850,00	\$ 12 492,00	-	-	\$ 21 342,00
13	Uma Marble Timor, Unip., Lda.	Local	Commercial	\$ 1 500,00	-	\$ 1 205,77	-	\$ 2 705,77
14	Yefa Unipessoal, Lda.	Local	Commercial	-	\$ 4 539,00	-	-	\$ 4 539,00
TOTAL MINERAL REVENUE COLLECTION FOR THE YEAR ENDED 31 DECEMBER 2022				\$ 2 233 821,05	\$ 215 845,15	\$ 10 943,77	\$ 1 600,00	\$ 2 462 209,97

D. Mineral Payments in 2021

No.	Name of Proponent	Origin	Type of Activities	Type of Payment	Mining Category	Total Amount Paid (USD)
1	2NJ Morai Civil Construction Lda.	Local	Commercial	Mining License	Construction Materials	\$ 46 500,00
2	Altelis Unip., Lda.	Local	Commercial	Mining License	Construction Materials	\$ 21 500,00
3	Aspalink Unip., Lda.	Local	Construction	Compensation	Construction Materials	\$ 30 000,00
4	CBMI Construction Co., & Chongqing Road Engineering (Group) Co., Lda.	International	Construction	Mining License	Construction Materials	\$ 541 755,20
5	China Harbour Timor Lda.	International	Construction	Mining License	Construction Materials	\$ 1 031 704,19
6	EDS Construction Unip., Lda.	Local	Compound	Mining License	Construction Materials	\$ 5 170,00
7	Hoven II Unip., Lda.	Local	Construction	Compensation	Construction Materials	\$ 133 038,78
8	King Construction, Unip., Lda.	Local	Compounded	Compensation	Construction Materials	\$ 26 046,76
9	King Construction, Unip., Lda.	Local	Compound	Mining License	Construction Materials	\$ 29 615,10
10	Linatet Unip., Lda.	Local	Compounded	Compensation	Construction Materials	\$ 22 003,65
11	Montana Diak Unip., Lda.	Local	Construction	Compensation	Construction Materials	\$ 14 266,19
12	Montana Diak Unip., Lda.	Local	Compound	Mining License	Construction Materials	\$ 8 172,00
13	Natureza Timor Naroman Lda., Contractor & Supplier	Local	Construction	Compensation	Construction Materials	\$ 58 354,39
14	Yefa Unipessoal, Lda.	Local	Commercial	Compensation	Construction Materials	\$ 5 751,00
Total Mineral revenue collected in 2021						\$ 1 973 877,26

E. Production Sharing Contracts

License number	Description	Operators	Joint Venture Partners	Extracted Material	Date of application	Effective date	Expiry date
TL-SO-T 19-12 ⁶⁶	These PSC-TL-SO-T 19-12 and PSC-TL-SO-T 19-13 are PSCs that substitute the existing PSC JPDA 03-12 and PSC JPDA 03-13 as the result of the implementation of the Maritime Boundary Treaty between Timor-Leste and Australia which transforming the Former JPDA area as Timor-Leste territory. Santos NA (19-12) Pty Ltd as the contract operator represents Bayu Undan Joint Venture to perform petroleum activities in Bayu Undan contract area. The Bayu Undan annual operating costs for year 2022 were mainly to cover the operation and production including lifting costs, logistic, supply, minor and major maintenance. For 2022 capital expenditures, there were costs mainly related to Phase 3C infill well drilling campaign.	Santos NA (19-12) Pty Ltd	Santos NA (9-12) Pty Ltd; Santos NA Timor Sea Pty Ltd; Santos NA Emet Pty Ltd; Santos (JPDA 91-12) Pty Ltd; Inpex Sahul Ltd; BU12 Australia PTY LTD.	Condensate, LPGs, Natural gas	The application was submitted during indonesia Administration. The Government of Timor-Leste renegotiated the PSCs and signed it on 02-04-2003.	20-05-2002	01-06-2026
TL-SO-T 19-13		Santos NA (19-12) Pty Ltd; Santos NA Bayu Undan Pty Ltd	Santos NA Bayu Undan Pty Ltd; Santos NA (03-13) Pty Ltd; Eni JPDA 03-13 Ltd; Tokyo Timor Sea Resources Pty Ltd; BU13 Australia PTY LTD.	Condensate, LPGs, Natural gas	The application was submitted during indonesia Administration. The Government of Timor-Leste renegotiated the PSCs and signed it on 02-04-2003.	20-05-2002	01-06-2026

⁶⁶ At the end of year 2020, Santos Limited ("Santos") is the main operator with a 68.4% interest entitlement after completing the acquisition of ConocoPhillips Corporation's ("ConocoPhillips") northern Australia and Timor-Leste assets, while its joint venture partners hold the following interest: Inpex Corporation (11.38%); Eni Australia (10.99%); and Tokyo Timor Sea Resources (aggregate 9.2%). In May 2021, Santos Limited ("Santos") who held 68.4% participation interest sold a 25% interest in Bayu-Undan to BU12 Australia PTY LTD and BU13 Australia PTY LTD, reducing Santos' interest in Bayu-Undan to 43.4%.



License number	Description	Operators	Joint Venture Partners	Extracted Material	Date of application	Effective date	Expiry date
TL-SO-T 19-10	The operation of this PSC was suspended in December of 2015 due to the impact of sustain low oil price to the economics of the Kitan field and reserved for future development of the field. The expenditures reported for the year ended 31 December 2022 were mostly related to general and administrative activities in order to maintain the contract area including activities on the studies of future development or decommissioning options.	Eni JPDA 06-105 Pty Ltd.	INPEX Timor Sea Ltd.; Repsol Oil and Gas Australia Pty Ltd.	Oil	-	22-09-2006	* ⁶⁷
03-19	The Maritime Boundary Treaty define the Greater Sunrise as Special Regime Area, the development of this project is very much subject to the on-going negotiation between the two countries, Timor-Leste, and Australia as well as Greater Sunrise Joint Ventures. For permit maintenance in the year 2022, this PSC continues to maintain its present with annual minimum work programs and budget for its local office, compliance and engagement, social investment and assess phase activity.	Woodside Petroleum (Timor Sea 19) Pty Ltd; Woodside Petroleum (Timor Sea 20) Pty Ltd.	Timor Gap Greater 03-19, Unipessoal Lda ⁶⁸ ; Timor Gap Greater Sunrise 03-20 Unipessoal Lda; Osaka Gas Sunrise (PSC19) Pty Ltd; Osaka Gas Sunrise (PSC20) Pty Ltd	Gas & Gas condensate	-	20-05-2002	04-10-2026
03-20				Gas condensate	-	02-05-2002	13-11-2026

⁶⁷ * Upon the completion of work program commitment of the exploration period and relinquishment of the contract area

⁶⁸ TIMOR GAP has entered into an agreement with ConocoPhillips's and Shell Australia in 2018 for acquisition of their respective participating interest, totaling to 56.56%, in Greater Sunrise Oil Fields. The transaction was completed during the fiscal year 2019 with effective date of April 16, 2019.



License number	Description	Operators	Joint Venture Partners	Extracted Material	Date of application	Effective date	Expiry date
TL-SO-T 19-11	The expenditure incurred was reported for the period started from 1 January 2019 to 29 August 2019 (under PSC JPDA 11-106. After the Maritime Boundary Treaty, the expenditure between 30 August 2019 until 31 December 2019 it is reported under PSC-TL-SO-T 19-11 terms. The majority of expenditure in the year 2022 was related to G&G studies, G&A, permit maintenance and local content.	Eni JPDA 11-106 B.V. ⁶⁹	Inpex Offshore Timor-Leste Ltd; TIMOR GAP, E.P. PSC 11-106	Oil	-	23-10-2013	06-09-2027
TL-SO-15-01	During 2020, the operator carried out additional G&G studies with the Full Waveform Inversion (FWI) method to raise the quality of the seismic image of the sub-thrust area and under the sub-thrust area. During the period of 2020 and early 2021 the impact of the Covid-19 global pandemic has impacted execution of the PSC work programs; hence, this also delay some of the work priority within the PSC, including the preparation drilling. During the 2022, Timor Gap is going to carry out FWI in the work PSC area to further the identified prospects. Currently the PSC status is within the year the extended year 4 and 5 exploration period. It is expected that the company carry out its commitment drilling campaign within the extended year 4 and 5 exploration period. For the year 2022, the majority of expenditure was related to seismic data processing and interpretation, G&A including local content.	Timor Gap Offshore Block Unipessoal, Lda ("TGOB")	N/A	Oil & gas	-	23-12-2015	23-12-2025

⁶⁹ In August 2024, Finder Energy Holdings Limited entered into Sale and Purchase Agreements with both Eni and Inpex, securing a 76% stake in PSC 19-11. As a result, Finder Operations Pty Ltd, a wholly-owned subsidiary of Finder, acquired all shares in Eni JPDA 11-106 B.V.



License number	Description	Operators	Joint Venture Partners	Extracted Material	Date of application	Effective date	Expiry date
S-06-04 (PSC TLOA S06-04 Block E)	This PSC was awarded in 2006 and was originally held by the Joint Ventures of Eni Timor-Leste S.P.A, Galp Energy and KOGAS, however within the period of 2020 to 2021, both Galp and KOGAS transferred their interest to Eni Timor-Leste S.P.A to continue carrying out PSC operations by performing further G&G studies and derricking the identified prospects. In 2021, ANPM, acting on behalf of the Ministry, and ENI signed a deed of amendment to the PSC for the purpose of extending the term of the PSC until 28 June 2023. For the year 2022 the majority of the expenditure was related to the G&G studies, well preparation and G&A including local content.	Eni Timor-Leste S.P.A	N/A	Oil	-	11-03-2006	28-06-2024
TL-SO-T 19-14	The contract area was previously under the Australian jurisdiction but with the new maritime boundary it became under Timor - Leste new territorial water jurisdiction. After the result of the G&G studies Carnarvon then submitted its application to drill September 2021 and the Approval to Drill (ATD) was granted on 22 December 2021. The Buffalo-10 Well was spudded on 30 September 2021 and the drilling has finished and the result of the drilling shows the hydrocarbon encountered, however there is no commercial discovery. The majority of expenditures reported in Quarter 1 2022 is related to cost of drilling campaign carried forward from the previous year.	Carnarvon Petroleum Timor Unip. Ltd.	N/A	Oil	-	29-08-2019	01-08-2022



License number	Description	Operators	Joint Venture Partners	Extracted Material	Date of application	Effective date	Expiry date
TL-OT-17-08	During 2019 and after the completion of the seismic interpretation, the operator identifying 11 drill-worthy prospects. The Acquisition of the 2D seismic data within PSC TL-OT-17-09 was completed in October 2019 and the processing and interpretation of the seismic data are being done in 2020. On 27 the	Timor Resources Pty Ltd	TIMOR GAP ONSHORE BLOCK, UNIPESSOAL, LDA	Oil & gas	-	26-06-2017	12-07-2026
TL-OT-17-09	October 2021, there was launched the first onshore drilling for PSC TL-OT-17-08 in Feto Kmaus well in Suai, Covalima. ANPM further issue another Approval to Drill (ATD) on 24 December 2021 for Kumbili-1 (Liurai) well. The well was spudded on the 26 December 2021. The drilling is ongoing and is expected to reach the target depth by end of February or March 2022. The majority of expenditure incurred in the year 2022 under both PSCs was related to the drilling of exploration wells activities, G&A including local content.	Timor Resources Pty Ltd	TIMOR GAP ONSHORE BLOCK, UNIPESSOAL, LDA	Oil & gas	-	26-06-2017	26-06-2026
TL-SO-T 19-16	The PSC is presently at the exploration stage and the contractor is focusing on the G&G studies. For the year 2022, the majority of expenditure was related to seismic data reprocessing, geological and geophysical interpretation and studies, G&A including local content.	SundaGas Banda Unipessoal, Lda	TIMOR GAP Chuditch, Unipessoal, Lda	Oil	-	19-12-2019	18-06-2025



License number	Description	Operators	Joint Venture Partners	Extracted Material	Date of application	Effective date	Expiry date
TL-OT-21-17	This onshore PSC was awarded to TIMOR GAP Pualaca Block, Unipessoal, Lda., a subsidiary of Timor-Leste's national oil company TIMOR GAP, E.P. as a sole operator (100%) which was signed on the 7 of December 2021. The PSC is currently entering its first year of first period and focusing on G&G studies. In 2022, the PSC has just concluded its first year of exploration period and TIMOR GAP Pualaca Block has managed to acquire the Full Tensor Gravity (FTG) data over the PSC area.	TIMOR GAP Pualaca Block	N/A	Oil & gas	-	07-12-2021	24-02-2025
TL-OT-22-18	In December 2022, ANPM entered into a PSC contract for block TL-OT-22-18 with Timor Gap Rarahana Block Unipessoal, Lda, a subsidiary of TIMOR GAP, E.P. This contract grants Timor Gap Rarahana Block Unipessoal, Lda permission to begin initial exploration activities, such as G&G studies, the 2D seismic data acquisition and drilling a well in the PSC TL-OT-22-18 block located in the Lautem municipality.	TIMOR GAP Rarahana Unip. Ltd	N/A	Oil & gas	-	01-04-2023	01-04-2026

F. List Of Licenses 2006-2022

2006		
No.	Name of License	License no.
1	Edi Konro - Konro	N/A
2	.Agostinho Gomes	N/A
3	JJ Mcdonalds	N/A
4	JJ Mcdonalds	N/A
5	Tinolina Company Ltd.	No.GMR/2006/XII/002
2007		
No.	Name of License	License no.
1	Carya Timor Leste Lda	No.DNGMR/2007/07/0012
2	JJ Mcdonalds & Sons Engineering Pty. Ltd	N/A
3	Jonize Construction Unip. Lda.	No.GMR/2007/V/004
4	Jonize Construction Unip. Lda	No.DNGMR/2007/07/011
5	Linatet Unip. Lda.	No.DNGMR/2007/07/006
6	Tinolina Company Ltd.	No.GMR/2007/IV/003
7	Top Libert 88 Ltd.	No.GMR/2007/VII/005



2008		
No.	Name of License	License no.
1	Unknown	N/A
2	Unknown	N/A
3	Jonize Construction Unip. Lda	No. DNGMR/2008/VIII/0017

2009		
No.	Name of License	License no.
1	Always Construction Pty. Ltd.	No. 00012/LT/DNGRM/IV/09
2	Always Construction Pty. Ltd.	No. 00012/LT/DNGRM/IV/09
3	Carya Timor-Leste Lda.	No. 00006/LT/DNGRM/II/09
4	Domin Timor Construction Lda.	No. 00010/LT/DNGRM/IV/09
5	Domin Timor Construction Lda.	No. 00011/LT/DNGRM/IV/09
6	East Sunrise Timor-Leste Construction	No. 00003/LT/DNGRM/I/09
7	East Sunrise Timor-Leste Construction	No. 00004/LT/DNGRM/I/09
8	Ensul Esphera Engenharia	No. 00014/LT/DNGRM/V/09
9	Ensul Esphera Engenharia	No. 00018/LT/DNGRM/X/09
10	Excel Construction Material Co. Ltd.	No. 00019/LT/DNGRM/X/09



2009		
No.	Name of License	License no.
11	Jonize Construction Unip. Lda	No. 00005/LT/DNGRM/II/09
12	Linatet Unipessoal Lda	No. 00009/LT/DNGRM/III/09
13	Montana Diak Unip. Lda.	No. 00016/LT/DNGRM/X/09
14	Montana Diak Unip. Lda.	No. 00017/LT/DNGRM/X/09
15	RMS Engineering and Construction Pty. Ltd.	N/A
16	Top Liberty 88 Lda.	No. 00007/LT/DNGRM/II/09
17	Top Liberty 88 Lda.	No. 00008/LT/DNGRM/II/09
18	Top Liberty 88 Lda.	N/A
19	Trans Global Unip. Lda.	No. 00001/LT/DNGRM/XII/08

2010		
No.	Name of License	License no.
1	Always Construction Pty. Ltd.	No. 0001/LT/DNGRM/I/2010
2	Carya Timor-Leste Lda.	No. 0004/LT/DNGRM/II/2010
3	Express Distribution Services III Unip. Lda.	No. 0010/LT/DNGRM/VII/2010
4	Jonize Construction Unip. Lda.	No. 0003/LT/DNGRM/II/2010
5	Linatet Unip. Lda.	No. 0008/LT/DNGRM/VI/2010



2010		
No.	Name of License	License no.
6	Montana Diak Unip. Lda.	No. 0011/LT/DNGRM/XI/2010
7	Montana Diak Unip. Lda.	No. 0014/LT/DNGRM/XI/2010
8	Monte Veadó Ltd.	No. 0009/LT/DNGRM/V/2010
9	RMS Engineering and Construction Pty. Ltd.	No. 0005/LT/DNGRM/II/2010
10	RMS Engineering and Construction Pty. Ltd.	No. 0006/LT/DNGRM/III/2010
11	RMS Engineering and Construction Pty. Ltd.	No. 0007/LT/DNGRM/III/2010
12	Tak Kong Electronic Unip. Ltd.	No. 0002/LT/DNGRM/III/2010
13	Timor Block Building Industry	No. 0012/LT/DNGRM/IX/2010
14	United Tibar Quarry Unip. Lda.	No. 0013/LT/DNGRM/IX/2010
15	Weng Enterprise Group Co. Ltd.	No. 0015/LT/DNGRM/XII/2010

2011		
No.	Name of License	License no.
1	Carya Timor-Leste Lda.	No. 0005/LT/DNGRM/III/2011
2	Ensul Esphera Engenharia	No. 0008/LT/DNGRM/VI/2011
3	Fatuk Candi Jonggrang	No. 0013/LT/DNGRM/XII/2011
4	Jonize Construction Unip. Lda.	No. 0004/LT/DNGRM/III/2011



2011		
No.	Name of License	License no.
5	Libama Comsorsium	No. 0009/LT/DNGRM/X/2011
6	Linatet Unip. Lda.	No. 0003/LT/DNGRM/II/2011
7	Montana Diak Unip. Lda.	No. 0011/LT/DNGRM/XI/2011
8	Montana Diak Unip. Lda.	No. 0012/LT/DNGRM/XI/2011
9	Monte Veado Ltd.	No. 0006/LT/DNGRM/VII/2011
10	RMS Engineering and Construction Pty. Ltd.	No. 0002/LT/DNGRM/I/2011
11	Suai Indah Construction Lda.	No. 0001/LT/DNGRM/I/2011
12	Weng Enterprise Group Co. Ltd.	No. 0014/LT/DNGRM/XII/2011

2012		
No.	Name of License	License no.
1	Carya Timor-Leste Lda.	No. 0007/LT/DNGRM/VI/2012
2	Castelo Fronteira Unip. Lda.	No. 0009/LT/DNGRM/VII/2012
3	Empat Saudara Lda.	No. 0001/LT/DNGRM/II/2012
4	Ensul Esphera Engenharia	No. 0003/LT/DNGRM/III/2012
5	Ensul Esphera Engenharia	No. 0009/LT/DNGRM/VII/2012
6	Jonize Construction Unip Lda.	No. 0006/LT/DNGRM/VI/2012



2012		
No.	Name of License	License no.
7	RMS Engineering & Construction Pty. Ltd.	No. 0002/LT/DNGRM/II/2012
8	Tak-Kong Electronic Unip. Lda.	No. 0012/LT/DNGRM/VIII/2012
9	Timor Block Building Industry	No. 0004/LT/DNGRM/III/2012
10	Timor Block Building Industry	No. 0004/LT/DNGRM/III/2012
11	Yefa Unipessoal Lda.	No. 0008/LT/DNGRM/VI/2012
12	Yefa Unipessoal Lda.	No. 0011/LT/DNGRM/VIII/2012

A.

2013		
No.	Name of License	License no.
1	Empat Saudara Lda.	No. 0009/LT/DNM/VI/2013
2	Libama Comsorsium	No. 0006/LT/DNM/VI/2013
3	Montana Diak Unip. Lda.	No. 0002/LT/DNM/I/2013
4	Montana Diak Unip. Lda.	No. 0003/LT/DNM/I/2013
5	RMS Engineering & Construction Pty. Lda.	No. 0008/LT/DNM/IV/2013
6	Suai Indah Constuction Lda.	No. 0005/LT/DNM/I/2013
7	Weng Enterprise Group Co. Ltd.	No. 0004/LT/DNM/I/2013
8	Yefa Unipessoal Lda.	No. 0007/LT/DNM/IV/2013



2014		
No.	Name of License	License no.
1	Aitula Fuel's Lda.	No. 0010/LT/DNM/XII/2014
2	Aitula Fuel's Lda.	No. 0013/LT/DNM/XII/2014
3	Carya Timor-Leste Lda.	N/A
4	Empat Saudara Lda.	No. 0009/LT/DNM/XII/2014
5	Jonize Construction Unip. Lda.	N/A
6	Jonize Construction Unip. Lda.	N/A
7	Jonize Construction Unip. Lda.	No. 16/2014
8	Libama Consorcio Lda.	No. 0007/LT/DNM/XI/2014
9	Maliana Brother's Lda.	No. 0011/LT/DNM/XII/2014
10	Manoko Unip. Lda.	No. 0014/LT/DNM/XII/2014
11	Montana Diak Unip. Lda.	N/A
12	Montana Diak Unip. Lda.	N/A
13	Nobre Labadain Unip. Lda.	No. 12/2014
14	Suai Indah Construção Lda.	No. 0006/LT/DNM/X/2014
15	TL Cement Lda.	No. 01/2014
16	Uha Cae Lda.	No. 0008/LT/DNM/XI/2014



2014		
No.	Name of License	License no.
17	Weng Enterprise Group Co. Ltd.	N/A
18	Worldview Enterprise Unip. Lda.	No. 15/2014

2015		
No.	Name of License	License no.
1	Aitula Construction Electrical Lda.	No. 28/2015
2	Aitula Construction Electrical Lda.	No. 29/2015
3	Always Construction Unip. Lda.	No. 24/2015
4	Carya Timor-Leste Lda.	No. 15/2015
5	Chongqing International Construction Corporation (CICO)	No. 35/2015
6	Chongqing International Construction Corporation (CICO)	No. 12/2015
7	Chongqing International Construction Corporation (CICO)	No. 11/2015
8	City Development Group Lda.	No. 01/2015
9	Community Housing Ltd.	No. 10/2015
10	CSI Company Lda.	No. 02/2015
11	CSI Company Lda.	No. 03/2015
12	EDS Construction	No. 36/2015



2015		
No.	Name of License	License no.
13	Hoven II Unip. Lda.	No. 32/2015
14	Hoven II Unip. Lda.	No. 33/2015
15	Jonize Unip. Lda.	No. 21/2015
16	Jonize Unip. Lda.	No. 14/2015
17	Jonize Unip. Lda.	No. 09/2015
18	Jonize Unip. Lda.	No. 08/2015
19	King Construction Unip. Lda.	No. 05/2015
20	Libama Consorcio Lda.	No. 25/2015
21	Modena Technic Unip. Lda.	No. 22/2015
22	Montana Diak Unip. Lda.	No. 17/2015
23	Montana Diak Unip. Lda.	No. 18/2015
24	Montana Diak Unip. Lda.	No. 19/2015
25	Monte Veado Lda.	No. 06/2015
26	Nobre Labadain Unip. Lda.	No. 37/2015
27	Shabryca Construction Unip. Lda.	No. 26/2015
28	Shabryca Construction Unip. Lda.	No. 04/2015



2015		
No.	Name of License	License no.
29	Soso Building Unip. Lda.	No. 13/2015
30	Suai Indah Ltd.	No. 38/2015
31	Timor Block Building Industry	No. 16/2015
32	TL Cement Lda.	No. 07/2015
33	Uha Cae Lda.	No. 31/2015
34	Uha Cae Lda.	No. 30/2015

2016		
No.	Name of License	License no.
1	China Nuclear Industry 22nd Construction Lda. (CNI)	No. 02/2016
2	China Nuclear Industry 22nd Construction Lda. (CNI)	No. 03/2016
3	CHONGQING INTERNATIONAL CONSTRUCUTION CORPORATION (CICO)	No. 06/2016
4	CHONGQING INTERNATIONAL CONSTRUCUTION CORPORATION (CICO)	No. 05/2016
5	China Shandong International Company Lda. (CSI)	No. 03/2016
6	China Shandong International Company Lda. (CSI)	No. 04/2016
7	TL Cement	No. 01/2016
8	Worldview Enterprise	No. 03/2016



2016		
No.	Name of License	License no.
9	R.D. Interior Junior Construction	No. 07/2016
10	R.D. Interior Junior Construction	No. 08/2016
11	R.D. Interior Junior Construction	No. 11/2016
12	R.D. Interior Junior Construction	No. 12/2016
13	Sinohydro Corporation Limited, R.P	No. 09/2016
14	Shanghai Construction Group Co., LTD., R.P	No. 13/2016
15	Sinohydro Corporation Limited, R.P	No. 10/2016
16	China Nuclear Industry 22nd Construction Lda. (CNI)	No. 14/2016
17	Shabryca Construction Unipessoal, Lda.	No. 19/2016
18	Jonize Construction Unipessoal, Lda.	No. 24/2016
19	Aspalink, Lda.	No. 20/2016
20	Aspalink, Lda.	No. 21/2016
21	Carya Timor-Leste, Lda.	No. 22/2016
22	Weng Enterprise Group, Co., Ltd.	No. 26/2016
23	Weng Enterprise Group, Co., Ltd.	No. 26/2016
24	City Development Group, Lda.	No. 23/2016



2016		
No.	Name of License	License no.
25	Montana Diak Unipessoal, Lda.	No. 18/2016
26	Montana Diak Unipessoal, Lda.	No. 16/2016
27	Montana Diak Unipessoal, Lda.	No. 17/2016
28	Suai Indah Ltd.	No. 25/2016
29	Montana Diak Unipessoal, Lda.	No. 15/2016

2017		
	Name of License	License no.
1	Ilatun Unipesoal, Lda.	No. 01/2017
2	Sinohydro Corporation Limited, R.P	No. 02/2017
3	Jova Construction Unipessoal Lda.	No. 03/2017
4	R.D. Interior Junior Construction E Hebei Road And Bridge Group, Lda.	No. 04/2017
5	R.D. Interior Junior Construction E Hebei Road And Bridge Group, Lda.	No. 05/2017
6	Sinohydro Corporation Limited, R.P	No. 06/2017
7	Sinohydro Corporation Limited, R.P	No. 07/2017
8	Sinohydro Corporation Limited, R.P	No. 08/2017
9	Chongqing International Construction Corporation, R.P.	No. 09/2017



2017		
	Name of License	License no.
10	Mira Mar Bloco Unipessoal Lda.	No. 10/2017
11	Gorobu Diak Lda.	No. 11/2017
12	Shabryca Construction Unipessoal Lda.	No. 12/2017
13	R.D. Interior Junior Construction E Hebei Road And Bridge Group, Lda.	No. 13/2017
14	R.D. Interior Junior Construction E Hebei Road And Bridge Group, Lda.	No. 14/2017
15	Yefa Unipessoal, Lda.	No. 15/2017
16	Timor Block Building, Lda.	No. 16/2017

2018		
No.	Name of License	License no.
1	Pantarhei Unipessoal. Lda	No. 01/2018
2	Timor Surveying & Mapping. Lda	No. 02/2018
3	Resource Futures PTY LTD	No. 03/2018
4	R.D. Interior Junior Construction E Hebei Road And Bridge Group, Lda.	No. 04/2018
5	R.D. Interior Junior Construction E Hebei Road And Bridge Group, Lda.	No. 05/2018
6	China Harbour Timor, Lda.	No. 06/2018
7	Shanghai Construction Group.,Co.,Ltd.,R.P	No. 07/2018



2018		
No.	Name of License	License no.
8	Shanghai Construction Group.,Co.,Ltd.,R.P	No. 08/2018
9	Shanghai Construction Group.,Co.,Ltd.,R.P	No. 09/2018
10	Shanghai Construction Group.,Co.,Ltd.,R.P	No. 10/2018
11	Shanghai Construction Group.,Co.,Ltd.,R.P	No. 11/2018
12	Shanghai Construction Group.,Co.,Ltd.,R.P	No. 12/2018
13	Shanghai Construction Group.,Co.,Ltd.,R.P	No. 13/2018
14	Shanghai Construction Group.,Co.,Ltd.,R.P	No. 14/2018
15	Yefa Unipessoal, Lda.	No. 15/2018

2019		
No.	Name of License	License no.
1	CBMI Construction. Co & Chongqing Road Engineering (Group) Co, Lda	No. 02/2019
2	CBMI Construction. Co & Chongqing Road Engineering (Group) Co, Lda	No. 03/2019
3	CBMI Construction. Co & Chongqing Road Engineering (Group) Co, Lda	No. 04/2019
4	CBMI Construction. Co & Chongqing Road Engineering (Group) Co, Lda	No. 05/2019
5	CBMI Construction. Co & Chongqing Road Engineering (Group) Co, Lda	No. 06/2019
6	CBMI Construction. Co & Chongqing Road Engineering (Group) Co, Lda	No. 07/2019



2019		
No.	Name of License	License no.
7	CBMI Construction. Co & Chongqing Road Engineering (Group) Co, Lda	No. 08/2019
8	CBMI Construction. Co & Chongqing Road Engineering (Group) Co, Lda	No. 09/2019
9	CBMI Construction. Co & Chongqing Road Engineering (Group) Co, Lda	No. 10/2019
10	CBMI Construction. Co & Chongqing Road Engineering (Group) Co, Lda	No. 11/2019
11	CBMI Construction. Co & Chongqing Road Engineering (Group) Co, Lda	No. 12/2019
12	CBMI Construction. Co & Chongqing Road Engineering (Group) Co, Lda	No. 13/2019
13	King Construction, Lda	No. 14/2019

2020/2021		
No.	Name of License (Note: Updated until 25th of January 2022)	License no.
1	Express Distribution Services & Diverses, Unipessoal, Lda.	No. 01/2021
2	Express Distribution Services & Diverses, Unipessoal, Lda.	No. 02/2021
3	2NJ Morai Civil Construction Unipessoal, Lda.	No. 03/2021
4	Montana Diak, Unipessoal, Lda	No. 04/2021
5	China Harbour Timor, Lda.	No. 05/2021
6	Altelis, Unipessoal, Lda	No. 06/2021



2021/2022		
No.	Name of License (Note: Updated until 25th of January 2022)	License no.
1	Altelis, Unippesoal, Lda.	No. 06/2021
2	China Wu Yi Co., Ltd., R.P	No. 01/2022
3	CBMI Construction. Co & Chongqing Road Engineering (Group) Co, Lda	No. 02/2022
4	CBMI Construction. Co & Chongqing Road Engineering (Group) Co, Lda	No. 03/2022
5	China Railway International Group Co., Ltd., R.P. & COVEC (CRIG - COVEC, VJ)	No. 04/2022
6	China Railway International Group Co., Ltd., R.P. & COVEC (CRIG - COVEC, VJ)	No. 05/2022
7	China Railway International Group Co., Ltd., R.P. & COVEC (CRIG - COVEC, VJ)	No. 06/2022
8	China Railway International Group Co., Ltd., R.P. & COVEC (CRIG - COVEC, VJ)	No. 07/2022
9	Timor General Development Group Co., Lda	No. 08/2022
10	Timor General Development Group Co., Lda	No. 09/2022

2022/2023*		
No.	Name of License (Note: Updated until 26th of July 2023)	License no.
1	China Wu Yi Co., Ltd., R.P.	No. 01/2022
2	CBMI Construction. CO & Chiongqing Road Engineering (Group) Co, Lda	No. 02/2022
3	CBMI Construction. CO & Chiongqing Road Engineering (Group) Co, Lda	No. 03/2022
4	China Railway International Group Co., Ltd., R.P. & COVEC (CRIG - COVEC, VJ)	No. 04/2022



2022/2023*		
No.	Name of License (Note: Updated until 26th of July 2023)	License no.
5	China Railway International Group Co., Ltd., R.P. & COVEC (CRIG - COVEC, VJ)	No. 05/2022
6	China Railway International Group Co., Ltd., R.P. & COVEC (CRIG - COVEC, VJ)	No. 06/2022
7	China Railway International Group Co., Ltd., R.P. & COVEC (CRIG - COVEC, VJ)	No. 07/2022
8	Timor General Development Group Co., Lda	No. 08/2022
9	Timor General Development Group Co., Lda	No. 09/2022
10	Montana Diak, Unipessoal, Lda.	No. 10/2022
11	Starking Raw Material Industry Unip., Lda.	No. 01/2023
12	King Construction, Lda.	No. 02/2023
13	Gerança Unipessoal. Lda	No. 01/R/2023
14	Star Concrete, Lda.	No. 03/2023

* There were 4 licenses awarded regarding 2023 and therefore will be disclosed in 2023 EITI Report

G. Environmental Application Register In 2022

AUTORIDADE NACIONAL DO PETROLEO E MINERAIS MINERAL DIRECTORATE ENVIRONMENT HEALTH AND SAFETY DEPARTMENT ENVIRONMENTAL LICENSE APPLICATION REGISTER YEAR 2022					
No	Environmental License Stage	Proponent	Material Extracted	Location	Status
1	Project Document (PD)	Caiulu Unip.Lda	River Sand	Laclo River, Aldeia Laclo, Suco Dato, P.A Liquisa, Liquisa Municipality	Closed
		Timor Resources Pty.Ltd	Sand Extraction	Karauulun river, Aldeia Raimerlau, P.A Hato Udo, Ainaro Municipality	Closed
		Gali's Bro Unip.Lda	Sand Extraction	Be Foer river, Aldeia Kuncin, Suco Bociolelo, P.A Laulara, Aileu Municipality	Closed
		Asmaber Unip.Lda	Sand Extraction	Aldeia Pisu Leten, Suco Lauhata, P.A Bazartete, Liquisa Municipality	Closed
		Uma Marble Timor.Lda	Marble Exploration	Aldeia Ii- Manu, Suco Uma Caduak, P.A Laclo, Manatuto Municipality	Closed
		Aitula.,Lda	Sand Extraction	Haemanu river, Aldeia Haemanu, Suco Beco, P.A Suai, Covalima Municipality	Closed
		Aitula.,l da	Gravel Extraction	Mola river, Aldeia Zulo Tas, Suco Zulo, P.A Zumalai, Covalima Municipality	Closed
		2	Project Category	Caiulu Unip.Lda	River Sand
Timor Resources Pty.Ltd	Sand Extraction			Karauulun river, Aldeia Raimerlau, P.A Hato Udo, Ainaro Municipality	Closed
Gali's Bro Unip.Lda	Sand Extraction			Be Foer river, Aldeia Kuncin, Suco Bociolelo, P.A Laulara, Aileu Municipality	Closed
Asmaber Unip.Lda	Sand Extraction			Aldeia Pisu Leten, Suco Lauhata, P.A Bazartete, Liquisa Municipality	Closed
Uma Marble Timor.Lda	Marble Exploration			Aldeia Ii- Manu, Suco Uma Caduak, P.A Laclo, Manatuto Municipality	Closed

		Aitula.,Lda	Sand Extraction	I laemanu river, Aldeia Haemanu, Suco Beco, P.A Suai, Covalima Municipality	Closed
		Aitula.,Lda	Gravel Extraction	Mola river, Aldeia Zulo Tas, Suco Zulo, P.A Zumalai, Covalima Municipality	Closed
		Timor General Development Group.Co.,Ltd	Rock Quarry	Mota Kiik river, Aldeia Mota Kiik, Suco Hera, P.A Cristo Rei, Dili Municipality	Closed
3	SEIS and EMP	Xirevo VC Unip.Lda	Rock Quarry	Aldeia Nauner, Suco Ulmera, P.A Bazaretete, Liquisa Municipality	Closed
		Nananiu Unip,Lda	River Quarry	Aldeia latuk Ahu, Suco Raimea, Suco Raimea, P.A Zumalai, Covsalimas Municipality	Closed
		Timor Resources Pty.,Ltd	Sand Extraction	Karau ulun river, Aldeia Raimerlau, P.A Hato Udo, Ainaro Municipality	Closed
		Caiulu Unip.Lda	River Sand	Ladlo River, Aldeia Ladlo, Suco Dato, P.A Liquisa, Liquisa Municipality	Closed
		Gali's Bro Unip.Lda	Sand Extraction	Be Foer river, Aldeia Kuncin, Suco Bociolelo, P.A Iaulara, Ailcu Municipality	Closed
		Asmaber Unip.Lda	Sand Extraction	Aldeia Pisu Leten, Suco Lauhata, P.A Bazartete, Liquisa Municipality	Closed
4	Site Specific Environmental Management Plan (SSEMP)	CRIG - COVEC JV	River Quarry	Craras river, Aldeia Caninuc, Suco bahalaruain, P.A Viqueque, Viqueque Municipality	SSEMP Issued for 2 years
			River quarry	Waibere river, Ladeia Wala Walu, Suco Iou Huno, P.A Ossu, Viqueque Municipality	SSEMP Issued for 2 years
			Sand Extraction	Uatua river, Aldeia Uatua, Suco gariuai, P.A Baucau, Baucau Municipality	SSEMP Issued for 2 years
			Sand Lxtraction	Uaimui river, Aldeia Uaimui, Suco Tequinomata, P.A Laga, Baucau Municipality	SSEMP Issued for 2 years

5	Environmental License Granted in 2022	Shabryca Unip.Lda	Rock Quarry	Aldeia Nauner, Suco Ulmera, P.A Bazaretete, Liquisa Municipality	Issued
		Timor General Development Group.Co.,Ltd	Mountain quarry	Aldeia Mota Ki'ik, Suco Hera, P.A Cristo Rei, Dili Municipality	Issued
		Timor Resources Pty.,Ltd	Sand extraction	Karauulun river, Aldeia Raimerau, P.A Hato Udo, Ainaro Municipality	
		Xirevo VC Unip.Lda	Rock Quarry	Aldeia Nauner, Suco Ulmera, P.A Bazaretete, Liquisa Municipality	Issued
		Timor General Development Group.Co.,Ltd	Sand extraction	Aldeia Mota Ki'ik, Suco Hera, P.A Cristo Rei, Dili Municipality	Issued
6	Environmental License Extension	China Harbour Timor.Lda (CHI)	Rock Quarry	Aldeia Kaitehu, Suco Mota Ulun, P.A Bazartete, Liquisa Municipality	Issued
		King Construction .Lda	Rock Quarry	Aldeia Kaitehu, Suco Mota Ulun, P.A Bazartete, Liquisa Municipality	Issued
		Montana Diak Unip.Lda	Rock Quarry	Aldeia Acanuno, Suco Hera, P.A Cristo Rei, Dili Municipality	Issued

H. Monitoring and Inspection Activities In 2022

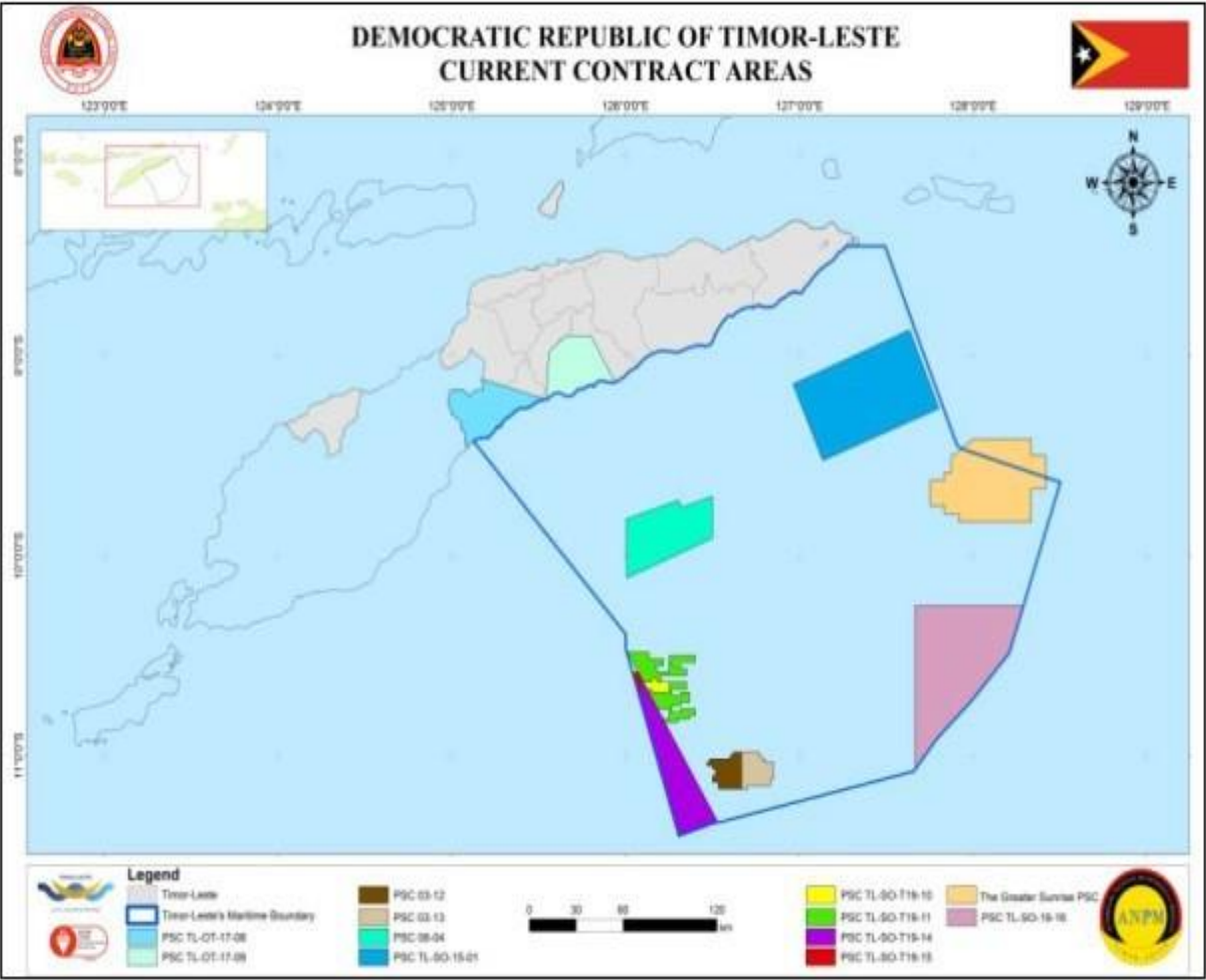
AUTORIDADE NACIONAL DO PETROLEO E MINERAIS MINERAL DIRECTORATE ENVIRONMENT HEALTH AND SAFETY DEPARTMENT MONITORING ACTIVITY PERFORMED IN THE YEAR OF 2022				
No	Proponent	Location	Monitoring Date	Status
1	China Harbour Timor.Lda (CHT)	Aldeia Mota Ikun, Suco Mota Ulun, P.A Bazartete, Liquisa Municipality	10-Aug-22	Monitor the rehabilitation progress of quarry A and B
2	Starking Raw Material Industry Unip., Lda (SRMI)	Raiketan river, Aldiea Gazolo, Suco Belcasacm, P.A Maucatar, Covalima Municipality	18-Aug-22	Regular monitoring for EMP for the environmental extension license
3	Aquarius Construction Unip.Lda	Kaibuti river, Aldiea Piso Kraik, Suco Lauhata,P.A Bazartete, Liquisa Municipality	22-Aug-22	Regular monitoring for EMP for the environmental extension license
4	Pro Frawijaya Unip.Lda	Aldeia Caimeo Lorosae, Suco Dato..A Bazartete, Liquisa Municipality	22-Aug-22	Regular monitoring for EMP for the environmental extension license
5	Timor Resources Pty.Ltd	Karau ulun river, Aldeia raimerlau, Suco Fohoailico, P.A Hatoudo, Ainaro Municipality	17-Aug-22	Regular monitoring for EMP for the environmental extension license

AUTORIDADE NACIONAL DO PETROLEO E MINERAIS
MINERAL DIRECTORATE
ENVIRONMENT HEALTH AND SAFETY DEPARTMENT
INSPECTION ACTIVITY PERFORMED IN THE YEAR OF 2022

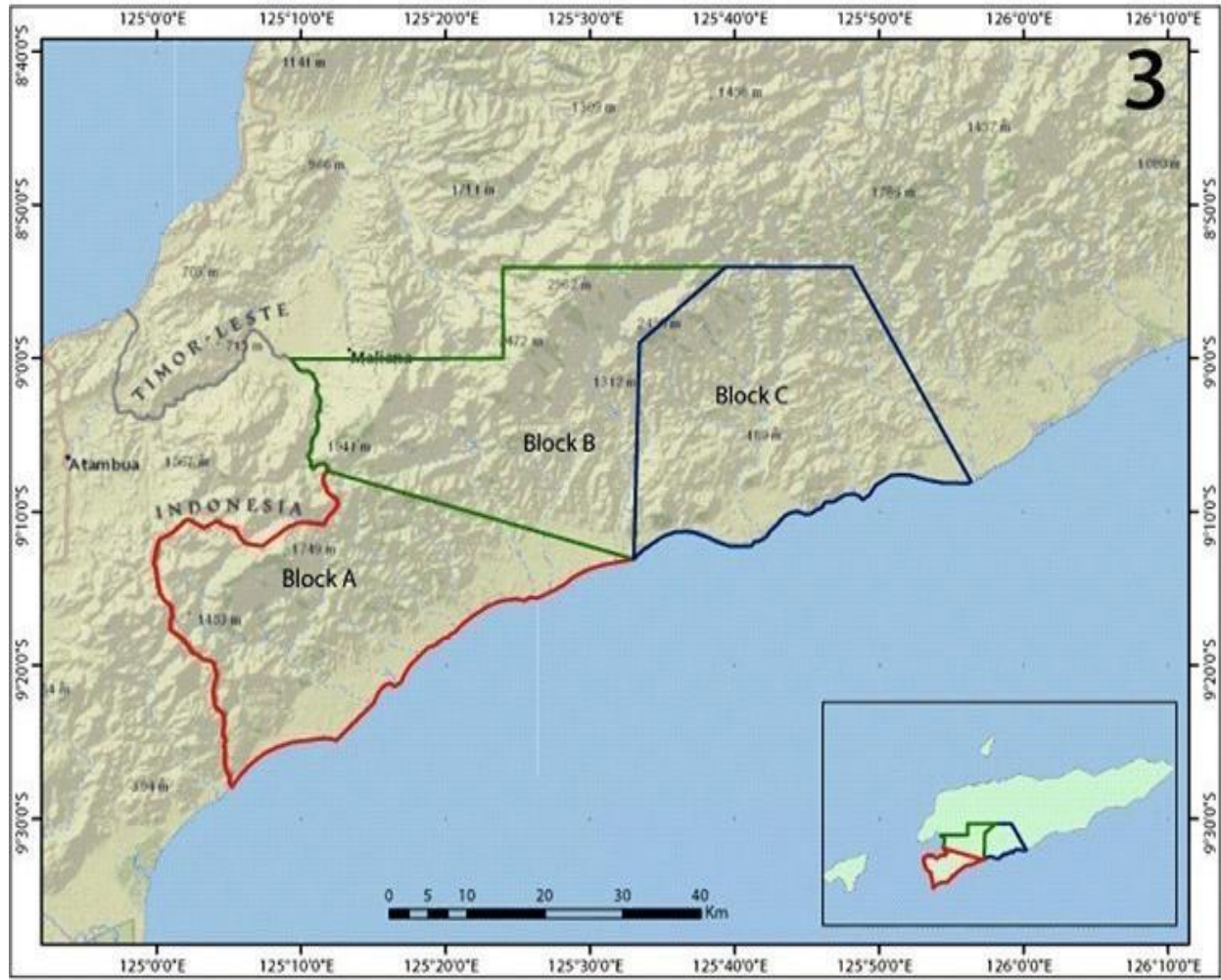
No	Proponent	Location	Monitoring Date	Status
1	Jonized Unip.Lda, Lacu Hu'u Unip.Lda and Alda Magno Unip.Lda	Comoro river, Aldeia Fatunia, Suco Tibar, P.A Bazartete, Liquisa Municipality	8 & 11 July 2022	Random inspection of the utilization of mechanical equipment within non mechanical extraction activity area
2	Inur Behau Unip.Lda, Yefa Unip.Lda & Mira Mar Bloco Unip.Lda	Comoro river, Aldeia Fatunia, Suco Tibar, P.A Bazartete, Liquisa Municipality	13-Jul-22	Random inspection of the utilization of mechanical equipment within non mechanical extraction activity area
3	Weng Enterprise Group.Co.Lda	Comoro river, Aldeia Fatunia, Suco Tibar, P.A Bazartete, Liquisa Municipality	09-Aug-22	Regular inspection was carried out for river normalization issues
4	Somos Amigos S.A	Laclo river, Suco Lauhata, P.A Bazartete, Liquisa Municipality	09-Aug-22	Regular inspection for unlicensed activity have been long carried out
5	China Harbour Timor.Lda (CHT)	Aldeia Mota Ikun, Suco Mota Ulun, P.A Bazartete, Liquisa Municipality	10-Aug-22	inspection for the irregularity operational matters
6	Libama Consorsio and Metalica Unip.Lda	Laclo river, Suco Lauhata, P.A Bazartete, Liquisa Municipality	22-Aug-22	Inspection for unlicensed activity
7	Atrailos Unip.Lda	Laclo river, Aldeia Laclo, Suco Loidahar, P.A Liquisa, Liquisa Municipality	20-Sep-22	Inspection for unlicensed activity
8	Maliana Brother Unip.Lda	Nunura river, Aldeia Holbes, P.A Maliana, Bobonaro Municipality	27-Sep-22	Inspection for unlicensed activity

9	Aitula.Lda	Aipelu river, Suco Loidahar, P.A Liquisa, Liquisa Municipality	12-Oct-22	Random inspection for unlicensed activity
10	Jonize Unip.Lda	Rock Quarry, Aldeia Turliu, Suco Tibar, P.A Bazartete, Liquisa Municipality	13-Oct-22	Random inspection for unlicensed activity
11	Star Concrete Unip.Lda	Aipelu river, Suco Loidahar, P.A Liquisa, Liquisa Municipality	19-Oct-22	Random inspection for unlicensed activity
12	RMS Engineering Pty.Ltd	Processing facilities, Aldeia Moris Foun, Suco Comoro, P.A bazratete, Liquisa Municipality	27-Oct-22	Random inspection for unlicensed activity
13	Montana Diak Unip.Lda	Rock quarry, Aldeia Akanuno, Suco Hera, P.A Criso Rei, Dili Municipality	07-Nov-22	Regular inspection for license purpose
14	Fikikay Unip.Lda	Rock quarry, Aldeia Akanuno, Suco Hera, P.A Criso Rei, Dili Municipality	19-Nov-22	Random inspection for unlicensed activity

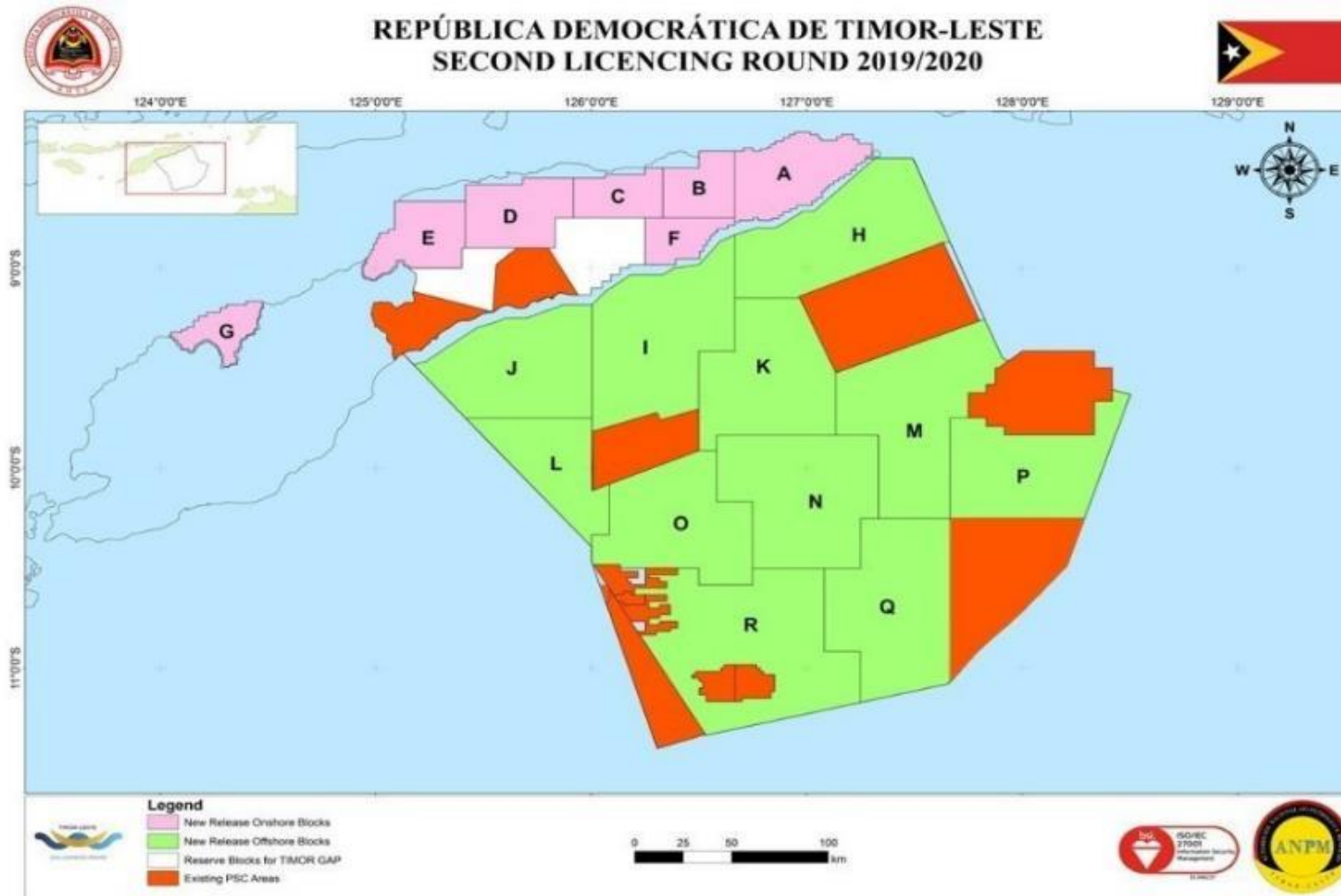
I. Undersea Oil&Gas resources



J. Timor GAP Onshore Blocks



K. New blocks after Decree Law 15/2019



L. Information on conducting external financial audit in the Companies

N	Contractor/Subcontractors	Full name of the entity from the template	Financial statements received	External audit report incorporated	Reference to Financial Statements and the audit report and opinion for 2022	Notes
1	Contractors	Santos NA (19-12) Pty Ltd	Yes	Yes	https://www.santos.com/wp-content/uploads/2023/02/2022-Annual-Report.pdf	Individual FS not available. Only consolidated FS.
2	Contractors	Santos NA Bayu-Undan Pty Ltd	Yes	Yes	https://www.santos.com/wp-content/uploads/2023/02/2022-Annual-Report.pdf	Individual FS not available. Only consolidated FS.
3	Contractors	Santos (JPDA 91-12) Pty Ltd	Yes	Yes	https://www.santos.com/wp-content/uploads/2023/02/2022-Annual-Report.pdf	Individual FS not available. Only consolidated FS.
4	Contractors	Santos NA Emet Pty Ltd	Yes	Yes	https://www.santos.com/wp-content/uploads/2023/02/2022-Annual-Report.pdf	Individual FS not available. Only consolidated FS.
5	Contractors	Santos NA Timor Sea Pty Ltd	Yes	Yes	https://www.santos.com/wp-content/uploads/2023/02/2022-Annual-Report.pdf	Individual FS not available. Only consolidated FS.
6	Contractors	Santos NA (19-13) Pty Ltd	Yes	Yes	https://www.santos.com/wp-content/uploads/2023/02/2022-Annual-Report.pdf	Individual FS not available. Only consolidated FS.
7	Contractors	Sundagas Banda Unipessoal, Lda	Yes	Not applicable	Not applicable	Audit is not applicable
8	Contractors	Carnarvon Petroleum Timor Unip Lda	Yes	Yes	https://carnarvon.com.au/investor-centre/asx-announcements/	
9	Contractors	Timor Resources Pty Ltd	No	No	Not applicable	FS not received
10	Contractors	Tokyo Timor Sea Resources	Yes	Yes	Financial Statements received by email.	
11	Contractors	Inpex Sahul Ltd	Yes	Yes	https://www.inpex.co.jp/english/ir/library/financial_statements.html	Individual FS not available. Only consolidated FS.
12	Contractors	Inpex Timor Sea Ltd	Yes	Yes	https://www.inpex.co.jp/english/ir/library/financial_statements.html	Individual FS not available. Only consolidated FS.
13	Contractors	Eni JPDA 03-13 Ltd	Yes	Yes	Financial Statements received by email.	
14	Contractors	Eni Timor Lesta Spa Account	Yes	Yes	Financial Statements received by email.	
15	Contractors	Eni JPDA 06-105 Pty Ltd	Yes	Yes	Financial Statements received by email.	
16	Contractors	Eni JPDA 11-106 B.V.	No	No	Not applicable	Entity did not response.
17	Contractors	Woodside Energy Pty Ltd	Yes	Yes	https://www.woodside.com/investors/reports-investor-briefings	
18	Contractors	TIMOR GAP PSC 11-106 Unip Lda	Yes	Yes	https://www.timorgap.com/wp-content/uploads/2023/09/AR22_English_Web.pdf	Individual FS not available. Only consolidated FS.
19	Contractors	TIMOR GAP Onshore Block Unip Lda	Yes	Yes	https://www.timorgap.com/wp-content/uploads/2023/09/AR22_English_Web.pdf	Individual FS not available. Only consolidated FS.

N	Contractor/Subcontractors	Full name of the entity from the template	Financial statements received	External audit report incorporated	Reference to Financial Statements and the audit report and opinion for 2022	Notes
20	Contractors	TIMOR GAP Offshore Block Unipessoal	Yes	Yes	https://www.timorgap.com/wp-content/uploads/2023/09/AR22_English_Web.pdf	Individual FS not available. Only consolidated FS.
21	Contractors	TIMOR GAP Chuditch Unipessoal Lda	Yes	Yes	https://www.timorgap.com/wp-content/uploads/2023/09/AR22_English_Web.pdf	Individual FS not available. Only consolidated FS.
22	Contractors	TIMOR GAP Onshore Block B Unip Lda	No	No	Not applicable	Entity did not response.
23	Contractors	TIMOR GAP Onshore Block C Unip Lda	Yes	Yes	https://www.timorgap.com/wp-content/uploads/2023/09/AR22_English_Web.pdf	Individual FS not available. Only consolidated FS.
24	Contractors	Timor Gap Drilling	No	No	Not applicable	Entity did not response.
25	Contractors	TIMOR GAP Greater Sunrise RL	Yes	Yes	https://www.timorgap.com/wp-content/uploads/2023/09/AR22_English_Web.pdf	Individual FS not available. Only consolidated FS.
26	Contractors	TIMOR GAP Greater Sunrise 03-20	Yes	Yes	https://www.timorgap.com/wp-content/uploads/2023/09/AR22_English_Web.pdf	Individual FS not available. Only consolidated FS.
27	Contractors	TIMOR GAP Greater Sunrise 03-19	Yes	Yes	https://www.timorgap.com/wp-content/uploads/2023/09/AR22_English_Web.pdf	Individual FS not available. Only consolidated FS.
28	Contractors	TIMOR GAP Greater Sunrise RL2	Yes	Yes	https://www.timorgap.com/wp-content/uploads/2023/09/AR22_English_Web.pdf	Individual FS not available. Only consolidated FS.
29	Contractors	TIMOR GAP Pualaka Block Unip Lda	Yes	Yes	https://www.timorgap.com/wp-content/uploads/2023/09/AR22_English_Web.pdf	Individual FS not available. Only consolidated FS.
30	Contractors	BU 13 Aust Pty Ltd	Yes	No	Financial Statements received by email.	Audit report was not attached to financial statements
31	Contractors	BU 12 Aust Pty Ltd	Yes	No	Financial Statements received by email.	Audit report was not attached to financial statements
32	Sub-Contractors	Santos NA Timor Leste Pty Ltd	Yes	Yes	https://www.santos.com/wp-content/uploads/2023/02/2022-Annual-Report.pdf	Individual FS not available. Only consolidated FS.
33	Sub-Contractors	Clough Amec Pty Ltd	No	No	Not applicable	Entity did not response.
34	Sub-Contractors	Weatherford Australia Pty limited	Yes	Yes	Financial Statements received by email.	
35	Sub-Contractors	Compass Group (Australia) Pty Ltd	No	No	Not applicable	FS not received
36	Sub-Contractors	SGS AUSTRALIA PTY LTD	Yes	Yes	www.sgs.com/en-au/investors/reports	Individual FS not available. Only consolidated FS.
37	Sub-Contractors	Konnekto Unipessoal Lda	No	No	Not applicable	Entity did not response.
38	Sub-Contractors	Caltech Unipessoal Lda	Not applicable	Not applicable	Not applicable	Audit is not applicable
39	Sub-Contractors	Schlumberger Australia P/L	Not applicable	Not applicable	Not applicable	Audit is not applicable
40	Sub-Contractors	MMA Offshore Vessel Operation Pty	No	No	Not applicable	Entity did not response.

N	Contractor/Subcontractors	Full name of the entity from the template	Financial statements received	External audit report incorporated	Reference to Financial Statements and the audit report and opinion for 2022	Notes
41	Sub-Contractors	Cape Australia Onshore Pty Ltd	Not received	No	Not applicable	FS not received
42	Sub-Contractors	Kotug Maritime Services (Bayu Undan) P/L	No	No	Not applicable	Entity did not response.
43	Sub-Contractors	Rigforce Pty Ltd	Not applicable	Not applicable	Not applicable	Audit is not applicable
44	Sub-Contractors	Babcock offshore Service	No	No	Not applicable	Entity did not response.
45	Sub-Contractors	Labrador Petro Management	Yes	Yes	Financial Statements received by email.	
46	Sub-Contractors	Laloran Marine Services	Not applicable	Not applicable	Not applicable	Audit is not applicable
47	Sub-Contractors	Atlas Programmed	No	No	Not applicable	Entity did not response.

M.Information on anti-corruption policy

Entity	Responsiveness	Anti-corruption policy	Link
Santos NA (19-12) Pty Ltd	Responsive	Publicly available	https://www.santos.com/wp-content/uploads/2022/06/SMS-POL-COC-PD02-Anti-Corruption-and-Sanctions-Compliance-Procedure.pdf
Santos NA Bayu-Undan Pty Ltd	Responsive	Publicly available	https://www.santos.com/wp-content/uploads/2022/06/SMS-POL-COC-PD02-Anti-Corruption-and-Sanctions-Compliance-Procedure.pdf
Santos (JPDA 91-12) Pty Ltd	Responsive	Publicly available	https://www.santos.com/wp-content/uploads/2022/06/SMS-POL-COC-PD02-Anti-Corruption-and-Sanctions-Compliance-Procedure.pdf
Santos NA Emet Pty Ltd	Responsive	Publicly available	https://www.santos.com/wp-content/uploads/2022/06/SMS-POL-COC-PD02-Anti-Corruption-and-Sanctions-Compliance-Procedure.pdf
Santos NA Timor Sea Pty Ltd	Responsive	Publicly available	https://www.santos.com/wp-content/uploads/2022/06/SMS-POL-COC-PD02-Anti-Corruption-and-Sanctions-Compliance-Procedure.pdf
Santos NA (19-13) Pty Ltd	Responsive	Publicly available	https://www.santos.com/wp-content/uploads/2022/06/SMS-POL-COC-PD02-Anti-Corruption-and-Sanctions-Compliance-Procedure.pdf
Sundagas Banda Unipessoal, Lda	Non-responsive	No response	
Carnarvon Petroleum Timor Unip Lda	Responsive	Not available	
Timor Resources Pty Ltd	Non-responsive	No response	
Tokyo Timor Sea Resources	Responsive	Not available	
Inpex Sahul Ltd	Responsive	Publicly available	https://www.inpex.co.jp/english/company/policy.html
Inpex Timor Sea Ltd	Responsive	Publicly available	https://www.inpex.co.jp/english/company/policy.html
Eni JPDA 03-13 Ltd	Responsive	Publicly available	https://www.eni.com/content/dam/enicom/documents/ita/governance/codice-etico/eni-code-of-ethics.pdf
Eni Timor Lesta Spa Account	Responsive	Publicly available	https://www.eni.com/content/dam/enicom/documents/ita/governance/codice-etico/eni-code-of-ethics.pdf
Eni JPDA 06-105 Pty Ltd	Responsive	Publicly available	https://www.eni.com/content/dam/enicom/documents/ita/governance/codice-etico/eni-code-of-ethics.pdf
Woodside Energy Pty Ltd	Non-responsive	No response	
TIMOR GAP PSC 11-106 Unip Lda	Non-responsive	No response	
TIMOR GAP Onshore Block Unip Lda	Non-responsive	No response	
TIMOR GAP Offshore Block Unipessoal	Non-responsive	No response	
TIMOR GAP Chuditch Unipessoal Lda	Non-responsive	No response	
TIMOR GAP Onshore Block C Unip Lda	Non-responsive	No response	
TIMOR GAP Greater Sunrise RL	Non-responsive	No response	

Entity	Responsiveness	Anti-corruption policy	Link
TIMOR GAP Greater Sunrise 03-20	Non-responsive	No response	
TIMOR GAP Greater Sunrise 03-19	Non-responsive	No response	
TIMOR GAP Greater Sunrise RL2	Non-responsive	No response	
TIMOR GAP Pualaka Block Unip Lda	Non-responsive	No response	
BU 13 Aust Pty Ltd	Responsive	Publicly available	https://sk-inc.com/en/m/esg/ethics.aspx#corruption-prevention-policy
BU 12 Aust Pty Ltd	Responsive	Publicly available	https://sk-inc.com/en/m/esg/ethics.aspx#corruption-prevention-policy
Santos NA Timor Leste Pty Ltd	Responsive	Publicly available	https://www.santos.com/wp-content/uploads/2022/06/SMS-POL-COC-PD02-Anti-Corruption-and-Sanctions-Compliance-Procedure.pdf
Weatherford Australia Pty limited	Responsive	Publicly available	https://www.weatherford.com/documents/corporate-documents/weatherford-code-of-conduct/weatherford-code-of-business-conduct-english/
Compass Group (Australia) Pty Ltd	Responsive	Publicly available	https://www.compass-group.com/content/dam/compass-group/corporate/Who-we-are/Policies/group_business_integrity_policy_may2024.pdf https://www.compass-group.com/content/dam/compass-group/corporate/Who-we-are/Policies/Code-of-Business-Conduct-English.pdf
SGS AUSTRALIA PTY LTD	Responsive	Publicly available	https://www.sgs.com/-/media/sqscorp/documents/corporate/code-of-integrity/sqs-compliance-code-of-integrity-english-uk.cdn.en-AU.pdf
Caltech Unipessoal Lda	Non-responsive	No response	
Schlumberger Australia P/L	Non-responsive	No response	
Cape Australia Onshore Pty Ltd	Non-responsive	No response	
Rigforce Pty Ltd	Non-responsive	No response	
Labrador Petro Management	Responsive	Not available	
Laloran Marine Services	Non-responsive	No response	

N. Timor GAP subsidiaries information

Subsidiary	TIMOR GAP, E.P. interest		Managing director
	2022	2021	
TIMOR GAP PSC 11-106, Unipessoal, Lda	100%	100%	Samuely Franky Beram Araujo
TIMOR GAP Oil & Gas Marine and Logistics, Unipessoal, Lda	100%	100%	Not in scope.
TIMOR GAP OFFSHORE BLOCK, Unipessoal, Lda	100%	100%	Noemia Pinto Guterres
TIMOR GAP ONSHORE BLOCK, Unipessoal, Lda	100%	100%	Norberta Soares da Costa
TIMOR GAP ONSHORE BLOCK B, Unipessoal, Lda	100%	100%	No answer from entity.
TIMOR GAP ONSHORE BLOCK C, Unipessoal, Lda	100%	100%	Fidelia da Gloria M. de Sousa
TIMOR GAP Drilling & Services, Unipessoal, Lda	100%	100%	No answer from entity.
TIMOR GAP Chuditch, Unipessoal, Lda	100%	100%	Ivonio Freitas
TIMOR GAP GREATER SUNRISE RL2, Unipessoal, Lda	100%	100%	Bonaventura Mangubali
TIMOR GAP GREATER SUNRISE RL, Unipessoal, Lda	100%	100%	Bonaventura Mangubali
TIMOR GAP GREATER SUNRISE 03-19, Unipessoal, Lda	100%	100%	Bonaventura Mangubali
TIMOR GAP GREATER SUNRISE 03-20, Unipessoal, Lda	100%	100%	Bonaventura Mangubali
South Horizon Offshore Services, Lda	100%	51%	Not in scope.
TIMOR GAP Seismic Services, Unipessoal, Lda	60%	60%	Not in scope.
TIMOR GAP Pualaca, Unipessoal, Lda	100%	100%	Lamberto Fernandes
TIMOR GAP Rarahana Block, Unipessoal, Lda	100%	-	Not in scope.
Weststar-GAP Aviation, Unipessoal, Lda	45%	-	Not in scope.

O. Coordinates of Mining licenses

Company Name	: China Wu Yi.,Ltd.,R.P	
Location	: Mountain Quarry, Aldeia Nauner, Suco Ulmera, Posto Administrativo Bazartete, Municipio Liquica	
Geographic Coordinate	:	
Vertices	Easting	Northing
1	767602.53	9051411.37
2	767601.87	9051411.37
3	767476.67	9051340.05
4	767493.67	9051438.37

Company Name	: CBMI Construction. Co& Chongqing Road Engineering (Group) Co,Lda.	
Location	: Aldeia Waimui , Suco Tequinomata, Administrative Post of Laga, Baucau Municipality	
Geographic Coordinate	:	
Vertices	Easting	Northing
A	233872.956	9061673.419
B	233929.4808	9061713.366
C	234119.7304	9061504.345
D	234271.1828	9061475.431
E	234250.017	9061416.593
F	234069.4799	9061458.779

Company Name	:	China Railway International Group Co.,Ltd.,R.P & COVEC (CRIG-COVEC,JV)	
Location	:	Aldeia Uatu-Wa, Suco Sical,Postu Administrativu Baucau, Baucau Municipality.	
Geographic Coordinate	:		
Vertices		Easting	Northing
A		219857	9051621
B		219818	9051641
C		219876	9051815
D		219950	9051940
E		220041	9051978
F		220054	9051903
G		219996	9051898
H		219996	9051852
I		219864	9051714
J		219885	9051700

Company Name	:	China Railway International Group Co.,Ltd.,R.P & COVEC (CRIG-COVEC,JV)	
Location	:	Aldeia Waibere , Suco Loihuno, Postu Administrativu Osso, Viqueque Municipality	
Geographic Coordinate	:		
Vertices		Easting	Northing
A		211278	9024316
B		211278	9024368
C		211367	9024320
D		211425	9024197
E		211437	9024250
F		211430	9024197
G		211342	9024032
H		211298	9023972
I		211292	9023986
J		211364	9024134
K		211362	9024222
L		211319	9024314

Company Name	:	China Railway International Group Co.,Ltd.,R.P & COVEC (CRIG-COVEC,JV)	
Location	:	Aldeia Caninuc, Suco Bahalarauain, Viqueque Municipality	
Geographic Coordinate	:		
Vertices		Easting	Northing
A		202514	9015641
B		202661	9015859
C		202743	9015787
D		202596	9015588

Company Name	:	Timor General Development Group Co.,Lda	
Location	:	Aldeia Mota QiikSuco Hera, P.A Cristo Rei, Dili Municipality	
Geographic Coordinate	:		
Vertices		Easting	Northing
A		794364	9052223
B		794422	9052243
C		794506	9052083
D		794449	9052049

Company Name	:	Montana Diak Unipessoal, Lda	
Location	:	Aldeia Akanunu, Suco Hera, P.A Cristo Rei, Dili Municipality.	
Geographic Coordinate	:		
Vertices		Easting	Northing
1		791290.3	9052687
2		791509.8	9052687
3		791510.9	9052570
4		791531.7	9052569
5		791531.7	9052569
6		791549.2	9052505
7		791549.3	9052416
8		791607.5	9052414
9		791607.5	9052349
10		791884	9052349
11		791884	9052179
12		791981.1	9052179
13		791979.7	9051903
14		791280.3	9051890
15		791280.1	9052057
16		791185.9	9052056
17		791185.8	9052150
18		791162	9052150
19		791162.5	9052313
20		791183.9	9052314
21		791183.9	9052410
22		791237	9052410
23		791237.1	9052484
24		791288	9052484