Timor-Leste to offer onshore and offshore acreage

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Timor-Leste’s long-awaited licensing round will come into play later this year after the new maritime boundary treaty with Australia is ratified, writes Russell Searancke.

Petroleum officials said offshore and onshore blocks will be offered in the same round, which could start this November or December.

About 10 offshore areas are likely to be reserved while four or five onshore permits will be offered, said Gualdino da Silva, president of the ANPM, Timor-Leste’s national petroleum and minerals regulator.

Most vacant acreage in the joint petroleum development area will be up for grabs, along with sections of the Timor-Leste Exclusive Area (TLEA). After ratification of the boundary treaty, both the JPDA and the TLEA will be 100% owned by Timor-Leste.

"We have a large area to offer. It needs scale to get people interested and to give them all a chance," said da Silva.

A new production sharing contract model being finalised by the ANPM will have a seven-year exploration period, said da Silva.

"There’s no signature bonus, no envelope. What we assess is your technical and financial competence, and your work programme. If you have a good track record and work programme then you’re most welcome in Timor-Leste," he said. There is good prospectivity both onshore and offshore, he added, as well as stranded offshore gas finds.

There were dry offshore wells drilled in the late 2000s in the JPDA but the ANPM believes the area is under-explored. The TLEA has seen only three exploration wells.
This month, Eni is due to spud the first offshore exploration well in Timor-Leste in years, which is being keenly watched because it is targeting the previously-undrilled Triassic play.

"If they discover the deeper interval then it will open up a new offshore play, it's an interval below the Bayu-Undan field and other fields. Everyone is watching this well. We are hoping for a big Easter Egg (from this well)," said da Silva.

The onshore play is also an undrilled province.

"Yes, we have great potential, there are thousands of onshore seeps, but we need to convince the industry scientifically that we do have something," said da Silva.

"So 18 months ago, the government launched a massive airborne geophysical survey. We've completed parts of it and still it's ongoing. We're hoping to have it ready by the end of the year." Timor-Leste currently hosts just one producing field — the ConocoPhillips-operated Bayu-Undan gas and condensate resource, which is mature and facing end of field life in the next five or so years.

There are three active offshore exploration permits and two onshore permits.

Eni operates Block 11-106 in the JPDA and Block E (S-06-04-E) in the TLEA, while national oil company Timor Gap has Block TL-SO-15-01. There are two onshore permits operated by Timor Resources - TL-OT-17-08 and TL-OT-17-09.

The ANPM began work on the licensing round about seven or eight years ago, but a series of political challenges slowed the process. Various legal mechanisms had to be sorted out, as did technical regulations. For the onshore licensing round, parliament needed to approve new land and property laws.

Talks with Australia for a new maritime boundary also delayed the licence round.