



EITI Timor-Leste 2021 Reconciliation Report



Message from Timor-Leste Multi Stakeholders Working Group

Timor-Leste EITI Multi-Stakeholders Group (MSG) today, 31 March 2024 published its 14th EITI Reconciliation Report which covers information or data from extractive companies operating in Timor-Leste and Timor-Leste government bodies and agencies for Fiscal Year 2021.

A key part of EITI requires extractives companies to disclose their payments to the government and for the reconciliation of these payments with government receipts from these extractive companies. This 'reconciliation' process occurs every year, and for this 2021 Reconciliation Report, like last year it was done by Ernst & Young Audit & Associados - SROC, SA as an Independent Administrator. This report adheres requirements from 2019 EITI Standard.

This 14th EITI Report is published following the validation of implementation of the 2019 EITI standard in July 2022. Following the validation in 2022, Multi-Stakeholders Group (MSG) has been working tirelessly to address gaps and recommendations found during the validation. The Independent Administrator has been working closely with the MSG to assist MSG on addressing findings of validation and making necessary improvement on the sector governance and transparency based on EITI standards.

As in the previous year, Timor-Leste Multi- Stakeholder Group remains committed to improving its EITI performance in Timor-Leste and continues to address all challenges in implementing the EITI requirements through this report by disclosing information disaggregated by reporting entities, revenue types and project level(s) reporting.

In this reporting period, most of the reporting entities are relatively the same from the last report, with additional information on mining sector. Based on the agreed materiality threshold, there are twenty-seven (27) operators (include subsidiaries) and sixteen (16) subcontractors on scope that have reported for this report, along with relevant government entities.

Finally, the Timor-Leste MSG would like to thank all parties that were involved in this 2021 report.

Sincerely,

Industries

Government

Civil Society

TIMOR GAP E.P.

List of abbreviations

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

¹ Note: 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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An aerial photograph of an offshore oil rig in the middle of a vast, blue ocean. The rig is a complex of steel structures, including two tall derrick towers. A smaller support vessel is visible to the left of the rig. The sky is filled with soft, white clouds, and the water has a deep turquoise hue.

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 fourteenth EITI report, covering the period from 1 January to 31 December 2021. 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 2021, the Timor-Leste Petroleum Fund reported oil & gas cash entries of USD 720 million. After considering additional cutoff adjustments from ANPM, the MSWG concluded that the revenue collected from Oil & Gas by Timor-Leste in 2021 amounted to USD 729 million, which was subsequently used for the purposes of reconciliation. Please refer to Section 3.5 "Revenue generated from extractive sector" to observe the reconciliation between revenues reported by the PF and the Govt entities on the EITI templates.

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

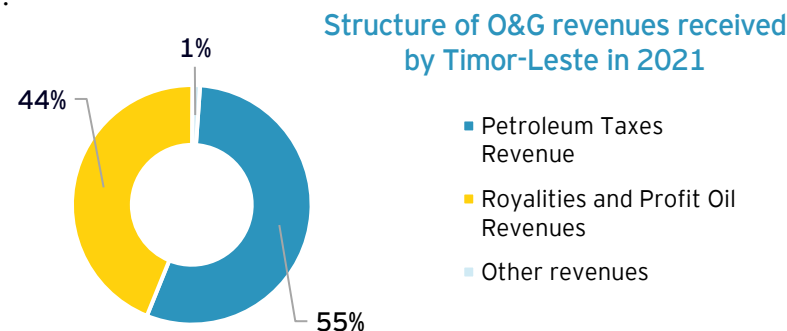
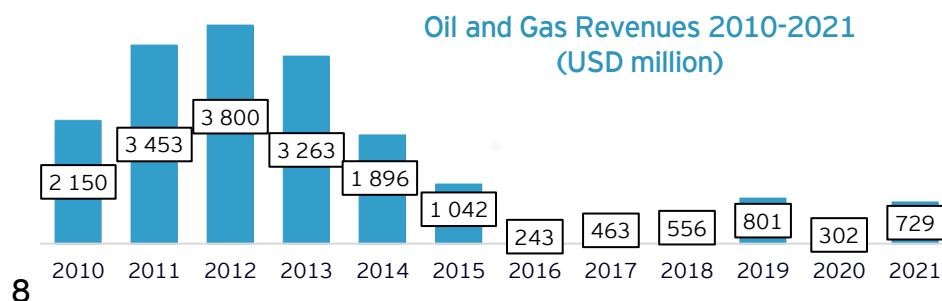
The oil and gas revenues have been increasing since 2016. However, the global economic landscape, including petroleum-related activities in the Timor Sea, was significantly disrupted by the COVID-19 pandemic in 2020. During 2021, economic activity was weakened by the new COVID-19 outbreak and the impact of Cyclone Seroja. Despite the early success in containing the spread of COVID-19, the recent surge in cases combined with floods in early April resulted in only a modest economic recovery if we ignore oil-related economic activities.

Total petroleum revenues collected during 2021 increased from USD 302 million to USD 729 million. This revenue is comprised of

USD 400 million from petroleum taxes, USD 318,5 million from royalties and oil and gas profits, and USD 10,5 million from other payables, including pipeline fees and other fees collected from contract services and development fees. Royalties and profit oil revenues in 2021 were over 128% higher than the previous year mainly due to higher prices and a slight increase in production (2021: USD 318,5 million; 2020: USD 140 million). The average oil price in 2021 was USD 70.7/b, nearly USD 30/b higher than the previous year's average. Meanwhile, oil and gas production slightly increased from 35.6 million BOE in 2020 to 36.1 million BOE in 2021. The total production from 2004 to 2021 was 935 million BOE. For more detail, please refer to Section 3.4.1 "Production in BOE".

For 2021, petroleum taxes revenue soared more than 174% over the previous year, rising from USD 146 million in 2020 to USD 400 million. This significant increase was propelled by substantial growth in Corporate Income Tax and Additional Profit Tax receipts.

The first graph shows historical data on revenues from the past eleven 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 second figure, it is displayed the structure of the cash flows received from Petroleum activities in 2021.



Executive Summary

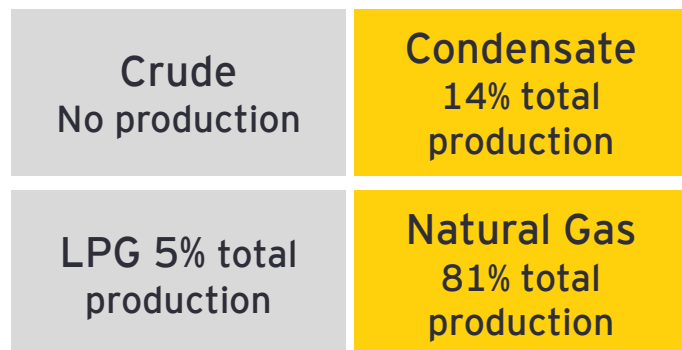
1.2 Production

In 2021, 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.

Production **in USD** ('000) by commodity²:

Commodity	2021	2020	Variation	Variation (%)
Crude oil	-	-	-	0%
Condensate	306 368	158 837	147 531	93%
Natural Gas	1 830 686	541 598	1 289 088	238%
LPG	112 981	66 190	46 791	71%
Total	2 250 035	766 625	1 483 410	193,5%

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



² Source: Template provided by ANPM with 2021 data & Extractive companies' template.

³ [ANPM Annual Report 2021 - Chapter 2.5 marketing performance](#)

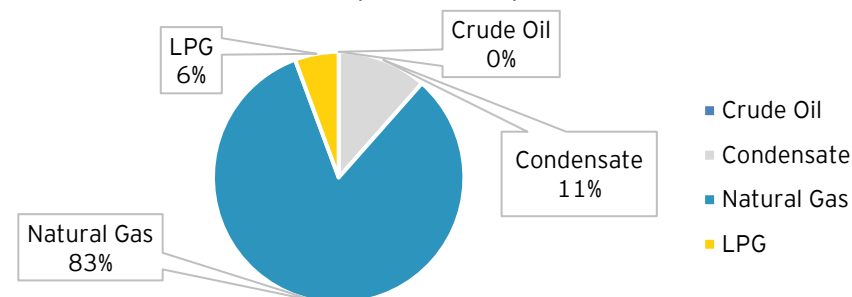
⁴ There is a discrepancy in LNG volume between the ANPM's template and the data on the ANPM website due to the usage of different conversion factors. For reconciliation with extractive entities, we used the ANPM data submitted in the template. For more detail, please refer to Section 3.4.1.

The higher prices since the pandemic have significantly contributed to revenues received by the government. Oil prices increased due to rising COVID-19 vaccination rates, reduced pandemic restrictions, and growing economic activities, as their impact in demand growth was faster than on supply. The international LPG market is growing rapidly due to cost-effectiveness and clean energy³.

Production **in volume**⁴ ('000) by company and commodity:

Extractive Company	Commodity		
	Condensate	Natural gas	LPG
Santos ⁵	2 157 700	15 761 395	1 050 959
SK (BU 12 & BU 13)	692 846	4 728 458	346 668
Inpex	473 916	3 406 533	232 362
ENI	457 583	3 289 127	224 354
TTSR	383 111	2 753 820	187 840
Total	4 165 156	29 939 333	2 042 183

Production **in volume** ('000) by commodity:



⁵ 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%.

Executive Summary

1.3 Reconciliation Process

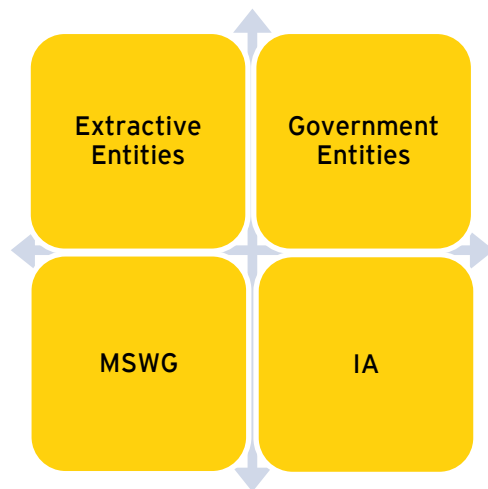
EY was engaged to carry out a scoping study in order to set out the EITI reconciliation scope which was used for the 14th report and to produce the draft of the data collection report. This assignment was the first step to start the reconciliation process.

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 2021 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.

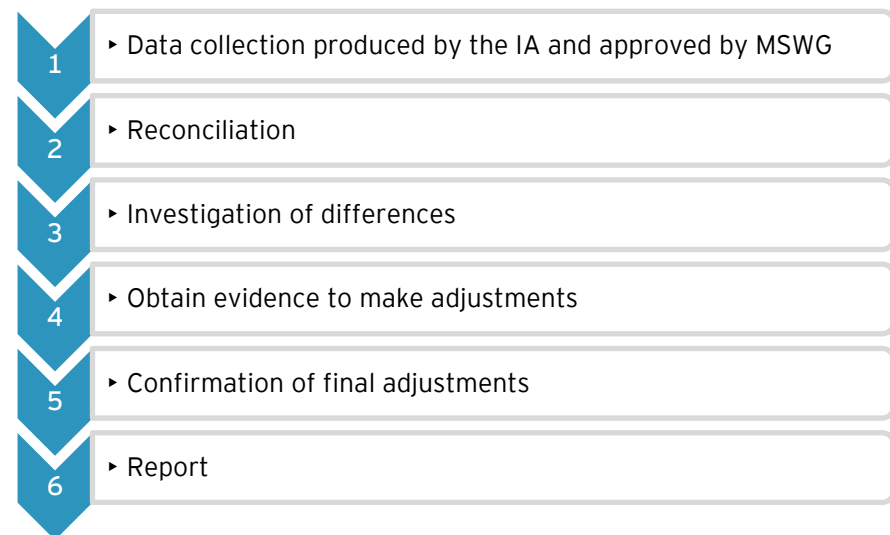


After data collection EY started the reconciliation process. Entities not responsive were reported to TL EITI secretariat and new efforts for contact were made to obtain information.

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 the following:

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 MSWG, the entities in scope were selected as follows (please see Annex A for Companies in the Oil & Gas Sector).

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

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
ADDITIONAL PROFIT TAX

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

OIL & GAS ENTITIES IN SCOPE CONTRACTORS	
BU-12 Australia Pty Ltd	Inpex Timor Sea Ltd
BU-13 Australia Pty Ltd	SundaGas Banda Unipessoal, Lda
Carnarvon Petroleum Timor Unip Lda	TIMOR GAP Onshore Block, Unipessoal, Lda
Santos NA Emet Pty Ltd	TIMOR GAP GREATER SUNRISE 03-19, Unip Lda
Santos NA (19-12) Pty Ltd	TIMOR GAP Greater Sunrise RL, Unip Lda da
Santos NA (19-13) Pty Ltd	TIMOR GAP Greater Sunrise RL2, Unip Lda
Santos NA Timor Sea Pty Ltd	TIMOR GAP Greater Sunrise 03-20, Unip Lda
Santos NA Bayu-Undan Pty Ltd	TIMOR GAP Offshore Block, Unip Lda
Santos (JPDA 91-12) Pty Ltd	TIMOR GAP PSC 11-106 Unip Lda
Eni JPDA 03-13 Ltd	TIMOR GAP Onshore Block Unip Lda
Eni JPDA 06-105 Pty Ltd	Timor Resources Pty Ltd
Eni JPDA 11-106 B.V	Tokyo Timor sea Resources Pty Ltd
Eni Timor Leste S.P.A	Woodside Energy Pty Ltd
Inpex Sahul Ltd	

Executive Summary

1.4 Scope (Revenue and Entities)

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 2021. 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:

OIL & GAS ENTITIES IN SCOPE SUB-CONTRACTORS	
Konnekto Unipessoal Lda	MMA Offshore Vessel Operation Pty
Brunel Energy Pty Ltd	Noble Services International Limited
Caltech Unipessoal Lda	Noble Contracting II GMBH
Cameron Services International Pty Ltd	Rigforce Pty Ltd
Cape Australia Onshore Pty Ltd	Santos NA Timor Leste Pty Ltd
Clough Amec Pty Ltd	Schlumberger Australia P/L
Normant Driff AS Timor, Unipessoal Lda	SGS AUSTRALIA PTY LTD
Oceanering Aust Pty Ltd	Sodexo Timor Unip Lda

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

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
ADDITIONAL PROFIT TAX

Based on the selection made we have concluded that the 2021 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:

Revenues generated in 2021	Total	Amount (Millions USD)	
		Scope	%Scope
Total Tax Revenue Reported by MoF	400	399	99,87%
Total Non-Tax Revenue reported by ANPM - Royalties and O&G profits	319	319	100,00%
Total Non-Tax Revenue reported by ANPM - Fees	5	5	100,00%
Total Non-Tax Revenue reported by BCTL	6	6	100,0%
Total revenue reported by Govt entities	730	729	99,93%
Other fees duplicated by entities on reporting (see note below)	-1	-1	100,00%
Total O&G revenue Timor-Leste	729	728	99,93%
Total Revenue Contractors	721	721	100%
Total Revenue Subcontractors	8	7	93,48%

After the reconciliation process between the government entities, it was determined that MoF reported amounts of development fees from ANPM. 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



Revenues generated in 2021	Total	Amount (Millions USD)	
		Scope	%Scope
Total Tax Revenue Reported by MoF	392	392	100,00%
Total Non-Tax Revenue reported by ANPM - Royalties and O&G profits	319	319	100,00%
Total Non-Tax Revenue reported by ANPM - Fees	5	5	100,00%
Total Non-Tax Revenue reported by BCTL	6	6	100,00%
Total revenue reported by Govt entities	722	722	100,00%
Other fees duplicated by MoF on reporting	-1	-1	100,00%
Total Revenue Contractors	721	721	100,00%

Revenues generated in 2021	Total	Amount (Millions USD)	
		Scope	%Scope
Total Tax Revenue Reported by MoF	8	7,5	93,48%
Total Revenue Subcontractors	8	7,5	93,48%

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.

An aerial photograph of a large offshore oil and gas platform in the middle of a vast, blue ocean. The platform is a complex of steel structures, including two tall derrick-like towers. A smaller support vessel is visible to the left of the platform. The sky is a pale blue with some light clouds.

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.

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.

In 2019, the 2019 EITI Standard was published, replacing the 2016 EITI Standard, aiming to be more inclusive, detailed, and clear.

On June 12th, 2023, the EITI launched an amended EITI Standard. The new standard includes several new and refined provisions to strengthen EITI disclosures and governance. EITI implementing countries will be assessed against the 2023 EITI Standard from 1 January 2025.

Specifically for Timor-Leste, the preparation of the first report under this new standard is expected to refer to the 2022 fiscal year and be issued by the end of 2024. Current EITI Report for year 2021 will be prepared according to the 2019 EITI standard and international professional standards.

Implementing and managing EITI's objectives in Timor-Leste

In Timor-Leste (TL), 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 a draft of the law has been formulated, it has not been widely consulted due to continuous reforms in country.

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 and prepare the reconciliation of the 14th Report covering the year 2021.

The previous annual EITI Reports cover the period of January 1st, 2008, until December 31st, 2020:

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	EY
2015	December 2017	1,042	
2016	June 2019	243	
2017	December 2019	463	
2018	December 2020	556	
2019	March 2022	801	
2020	December 2022	302	

Furthermore, the Secretariat has been producing Annual Progress Reports since 2011 to clarify and evaluate the progress on fulfilling the requirements of the EITI Standard and on following the recommendations of IA.

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.

The International Secretariat's Validation of Timor-Leste emphasizes that MSG has mainly focused on conventional EITI report practicalities and thus, other areas like outreach, dissemination, follow-up on EITI recommendations, and annual review of EITI outcomes and impact have been neglected. The annual TL-EITI work plan has shown minor change since the last validation and lacks clear alignment with national priorities from all three constituencies. Furthermore, the few efforts made to disseminate EITI findings since 2018 and the lack of a well-defined open data policy for TL-EITI also poses issues. The outcome is that EITI data is not openly published, making the Independent Administrator's work limited to the preparation of EITI summary data files. The challenges include a need for the MSG to strengthen planning and mechanisms for following up on EITI recommendations, and to ensure these recommendations result in meaningful policy and practical reforms.

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 deficiencies⁶.

⁶ Source: [Timor-Leste 2022 Validation Report](#)



3

Overview of Timor-Leste extractive industries in 2021 – 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 2021 - Oil & Gas

3.1 Overview of Government Revenue

Timor-Leste economy still heavily reliant on oil and gas

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.

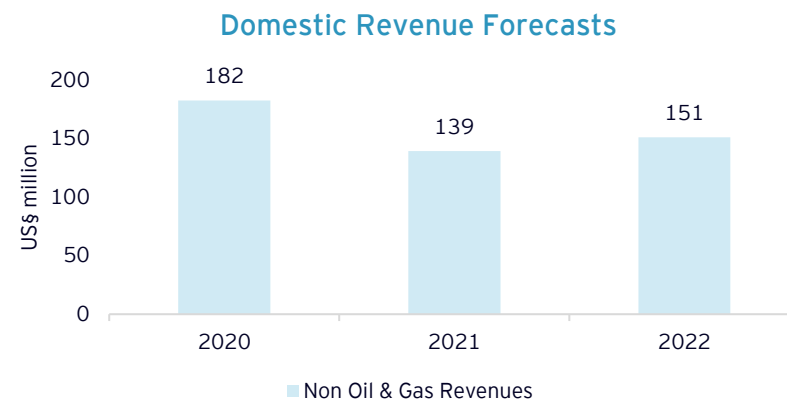
In 2021 the petroleum revenues contributed around USD 720 million to the Fund, while the investment return was USD 1,144 million over the year. A total of USD 1,147.9 million was withdrawn to finance the Government's expenditure. The Section 4.6 provides more details on these flows. These are amount presented below as reported by PF in Annual Report for 2021. Please see Section 3.5 for a reconciliation between revenue reported by the government entities in the EITI templates and the Petroleum Fund.

Million USD	2019	2020	2021
PF Revenue	756	326	720
PF Investment return	2,101	1,773	1,144
Total PF revenue	2,857	2,099	1,864

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

Regarding domestic revenues (Non-Oil & Gas revenues), these are expected to rise in 2022, in contrast to the sharp decline experienced in 2021. This was due to Electricity of Timor-Leste (EDTL) and Bee Timor-Leste becoming State Owned Enterprises and therefore being excluded from the General State Budget. However, the economic downturn associated with the continuation of the COVID-19 global pandemic has also exerted downward pressure.

The forecasts predict an 8% rise in domestic revenue collections in 2022 as the economy rebounds from the COVID-19 induced recession (see graph below). 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. Based on the State Budget 2022, future years are projected to continue this rise in tax revenues, on average 5% per annum, driven by new tax reforms.



Overview of Timor-Leste extractive industries in 2021 - Oil & Gas

3.2 Gross Domestic Product (GDP) - Timor-Leste

Changes in Oil Compilation

As an introductory note, it is important to mention that from September 2019, there was a change in oil compilation. In 2018, 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, due to the new Maritime Boundary Treaty ratified in August 2019 (for more detailed information, please refer to Section 3.4 of the report), JPDA and the respective projects are now considered as resident entities. This means that from September 2019 onwards, the oil sector is now included in the GDP data compilation.

To facilitate the interpretation of the comparative data disclosed (for 2019 and earlier), the information is kept with segregation between oil and non-oil components.

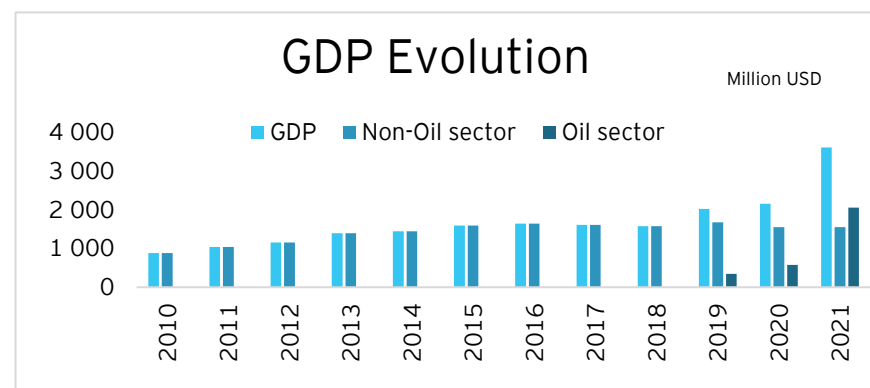
Additionally, note that the amounts presented are in current prices, which means that the value of the price is estimated on a period basis to which the observation relates⁷.

GPD⁸

The Gross Domestic Product in 2021, at current prices, was USD 3,621.2 million in 2021, constituted by USD 1,558.8 million for non-oil industry and 2,062.4 million for oil industry.

The Gross Domestic Product was significantly increased in 2021 by 68% mainly due to oil sector. Compared to 2020, there was an increase by USD 1481,2 million in oil industries, a result of the higher price. The average oil price in 2021 was \$70.7/b, nearly \$30/b higher than the previous year's average.

In comparison to 2020, non-oil industries experienced a slight decrease of 1.2%, falling from USD 1,577.2 million in 2020 to USD 1,558.8 million. This decrease in the non-oil GDP for 2021 was primarily due to an increase in Final consumption by 3.2% (USD 67.5M), coupled with a decrease in Gross fixed capital formation by 11.6% (USD 28.5M), a continued decline in non-oil-sector Inventories by 60.5% (USD 31.6M), and a significant increase in Non-oil exports by 152.7% (USD 34.2M). However, this was offset by an increase in the import of goods and services USD 60M.



⁷ Source: [TIMOR-LESTE NATIONAL ACCOUNTS 2002-2021](#)

⁸ 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 2020 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.

Overview of Timor-Leste extractive industries in 2021 - Oil & Gas

3.2 Gross Domestic Product (GDP) - Timor-Leste

GNI

From 2012 to 2020, GNI consistently exceeded Gross Domestic Product (GDP). However, a significant drop in GNI has been noticed starting 2021. When compared to 2020, GNI decreased from USD 2,387 million to USD 1,888 million, marking a 20.8% decline, equivalent to USD 498 million. Breaking down the components, Non-Oil Gross National Income at current prices decreased from USD 2,058.3 million in 2020 to USD 1,660.0 million in 2021. Similarly, Oil Gross National Income at current prices also decreased from USD 328.5 million in 2020 to USD 228.2 million in 2021. This reduction in GNI growth during 2021 can be attributed to a decrease in the income receivable from non-resident units.⁹

GNI	2020	2021	Var	Var (%)
Oil sector	329	228	-100	-30,5%
Non-oil sector	2 058	1 660	-398	-19,4%
Total	2 387	1 888	-498	-20,8%

⁹ Source: [TIMOR-LESTE NATIONAL ACCOUNTS 2002-2021](#)

¹⁰ Source: <https://oec.world/en/profile/country/tls>

Exports and Imports

In 2021 Timor-Leste was the 176th largest export economy in the world.¹⁰

In 2021, Timor-Leste exported USD 2,314 million and imported over USD 1,314 million, resulting in a positive trade balance. However, it is important to note that these figures are significantly influenced by the oil sector. The oil industry constituted the majority of exports (up to 97,6%) in 2021 and also represented a substantial portion of imports (36,5% in 2021). Taking this into account, and although the overall trade balance appears positive, the situation is different if we remove the oil sector from the calculation. As per the TL National Accounts 2021, the trade balance of the non-oil sector was consistently negative from 2000-2021 when considering the influence of the Oil Compilation. So, despite the overall positivity shown in the trade balance, the reality of trade in Timor-Leste, when stripped of the oil sector, is indeed negative. The trade balance, excluding the oil sector, was negative for the last nine years, underscoring the disproportional impact of the oil sector on the country's trade balance. More details are presented in the next slide as well.¹¹

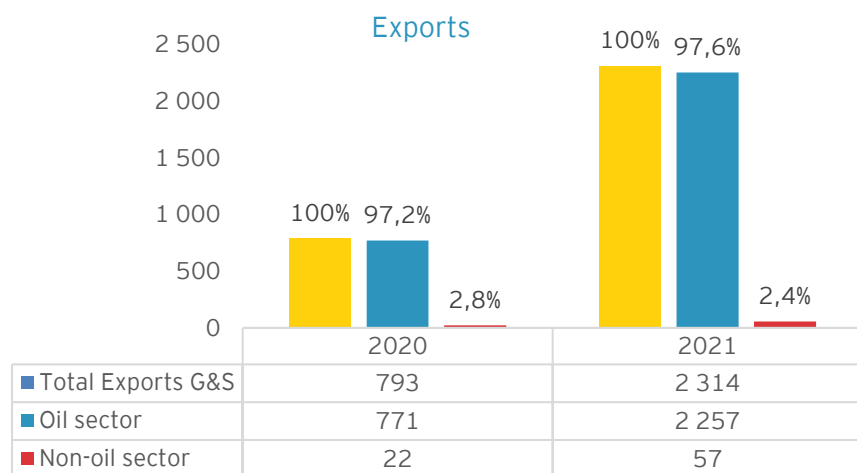
¹¹ Source: [TIMOR-LESTE NATIONAL ACCOUNTS 2002-2021](#)

Overview of Timor-Leste extractive industries in 2021 - Oil & Gas

3.3 Extractive Industry

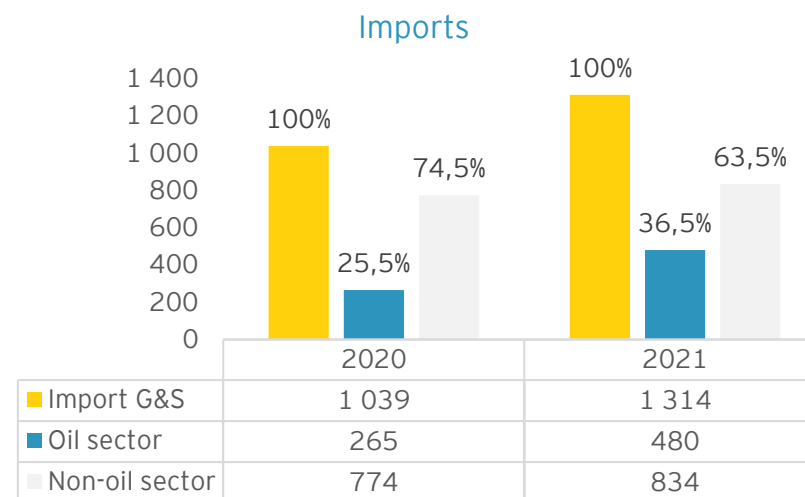
Exports

Compared to 2020, the oil sector exports saw a sharp increase of 193% from USD 771 million to USD 2,257 million in 2021. Regarding non-oil sector, the exports of goods and services, at current prices increased by approximately 153% from USD 22.4 million to USD 56.6 million. The main reason behind this positive growth was a rise in coffee exports (97.4%).



Imports

In 2021 the total of imports, including oil and non-oil industry imports also increased by 26,4% from USD 1,039 million to USD 1,314 million. Imports in the oil sector amounted to USD 480 million. Regarding non-oil sector, the imports, at current prices, increased by approximately 7.7% from USD 774 million to USD 834 million. This was mainly due to increase imports in mineral products and machinery/electrical goods¹².



¹² Source: [TIMOR-LESTE NATIONAL ACCOUNTS 2002-2021](#)

Overview of Timor-Leste extractive industries in 2021 - Oil & Gas

3.4 Production

Fields

In 2021, as well as in 2020 and 2019, 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 the period of 2021 there were twelve (12) active PSCs within the Timor-Leste Onshore and Offshore Territory and in the Sunrise Special Regime Area. These twelve (12) PSCs comprised of the Bayu-Undan production field with two (2) unitized PSCs, the temporarily suspended Kitan PSC that is located within the Timor-Leste Offshore territory, 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 F 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. In 2021, the BU had 18 operating wells, the field has 3 producing wells of 3 R2P wells, 3 infill wells and 11 existing producing wells.

For the 2021 reporting period, the total of wet gas production was 227.78 BCF (239 BCF in 2020) with average production rate of 18,981 MMscf per month. The cumulative gas export to Darwin LNG was 179.64 BCF with monthly export rate of 14,970 MMscf. The combined liquid production (Condensate and LPG) was 6.21 MMbbls (6.19 MMbbls in 2020) with mean production rate of 517,278 barrel per month.

Also, during 2021 an injector well has been brought online occasionally for swing production for the purpose of pipeline management in the event of change of DLNG operating mode (half vs full mode).

On May 26, 2021, Santos, the operator of the Bayu-Undan Joint Venture, kick-started the phase 3C infill drilling program at the Bayu-Undan field, located offshore Timor-Leste. After commencing

the drilling process in July 2021, the first well started delivering gas. The drilling of the second well began in June, eventually yielding its first gas by October 2021. The successful drilling of a third well followed, which is currently being prepared for production. As a result of the operations from the first two production wells, more than 40,000 barrels of oil equivalent (BoE) can now be produced¹³.

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 and ENI (Contractor Operator) are analyzing the method and time for the final field abandonment and evaluate the field redevelopment options.¹⁴

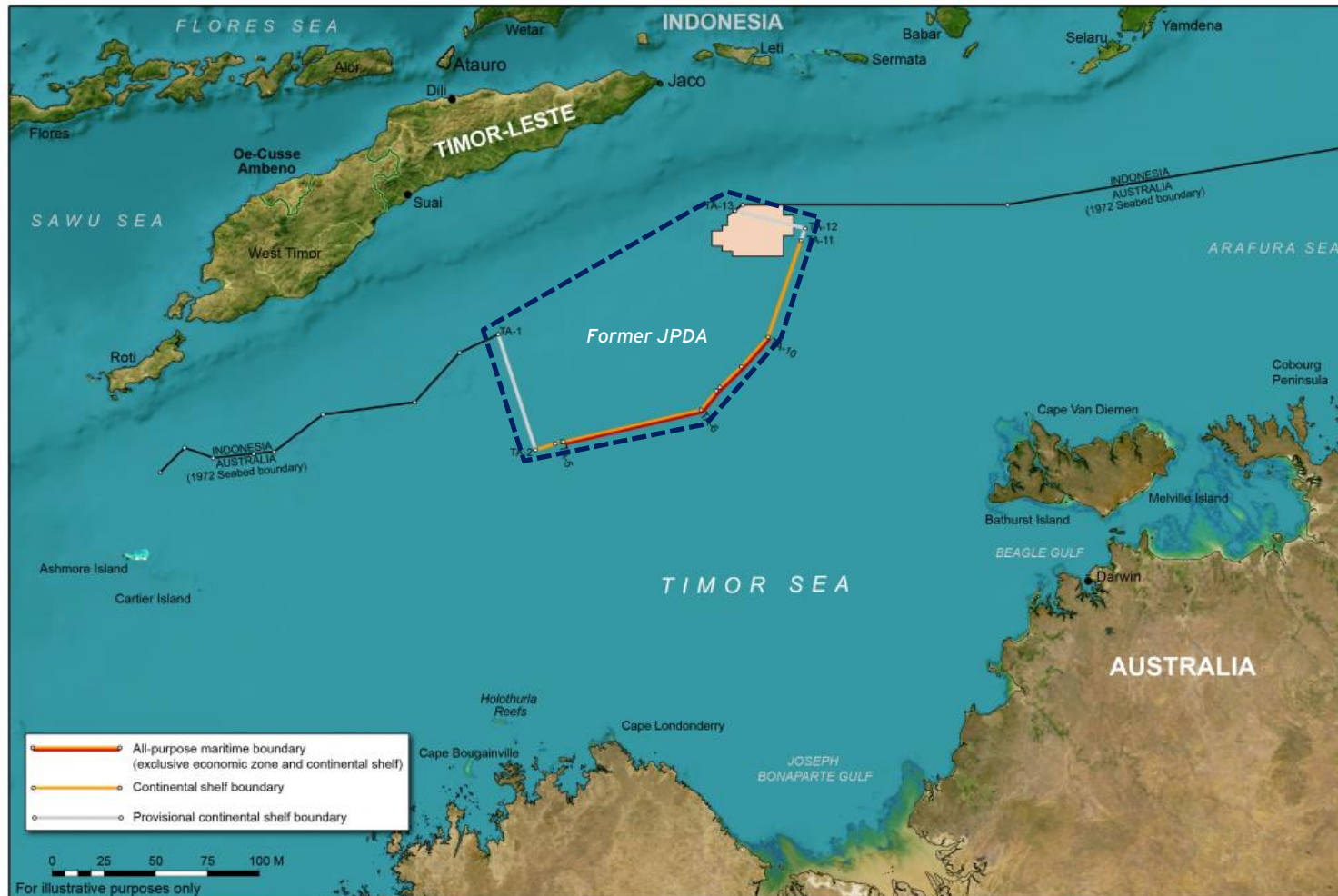
¹³ Source: [ANPM ANNUAL REPORT 2021](#)

¹⁴ Source: [ANPM ANNUAL REPORT 2021](#)

Overview of Timor-Leste extractive industries in 2021 - Oil & Gas

3.4 Production

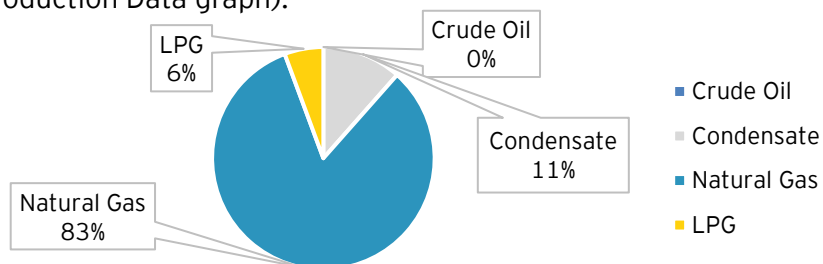
Map of the Greater Sunrise fields (Source: Maritime Boundary Office)



Overview of Timor-Leste extractive industries in 2021 - Oil & Gas

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 increased from 35.6 million barrels of oil equivalent in 2020 to 36.1 million barrels of oil equivalent in 2021 (see Production Data graph).



Commodity (BOE Thousands)	Production	Exports
Crude	-	-
Condensate	4 165	4 165
Natural Gas (LNG)*	29 939	29 939
LPG	2 042	2 042
Total	36 146	36 146

*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 36.1 BOE equivalent, differing from the 37.2 BOE presented on the website.

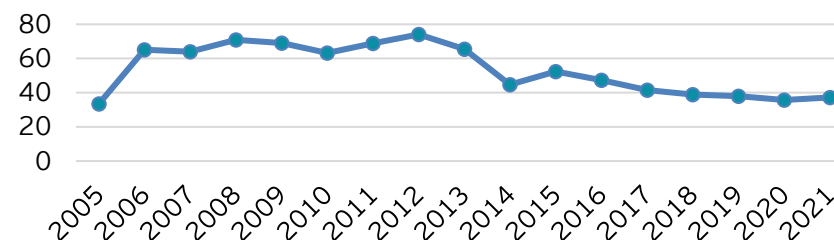
¹⁵ Sources: [ANPM website - JPDA Production, Barrels of Oil Equivalent \(BOE\)](#) & Template provided by ANPM with 2021 data

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. 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 accessible¹⁵.

Total Production million BOE



Commodity (BOE Thousands)	2021	2020	Variation	Variation (%)
Crude	-	-	-	-
Condensate	4 165	4 063	102	2,5%
Natural Gas	29 939	29 449	490	1,7%
LPG	2 042	2 123	-81	-3,8%
Total	36 146	35 635	511	1,4%

Overview of Timor-Leste extractive industries in 2021 - Oil & Gas

3.4.2 Production in USD

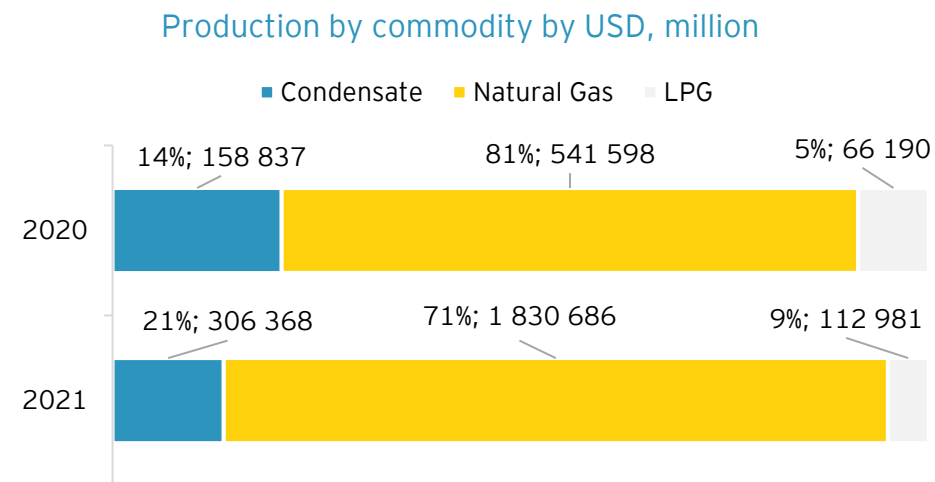
The information below presents production values by commodity. The production and exports in USD ('000) in 2021 were as follows:

Commodity	Production	Exports
Crude oil	-	-
Condensate	306 368	306 368
Natural Gas	1 830 686	1 830 686
LPG	112 981	112 981
Total	2 250 035	2 250 035

The variation of production values between 2021 and 2020 was as follows¹⁶:

Commodity	2021	2020	Variation	Variation (%)
Crude oil	-	-	-	0%
Condensate	306 368	158 837	147 531	93%
Natural Gas	1 830 686	541 598	1 289 088	238%
LPG	112 981	66 190	46 791	71%
Total	2 250 035	766 625	1 483 410	193,5%

The chart below illustrates the breakdown of commodity production in USD terms. In 2021, the proportion of commodities produced remained consistent. Natural Gas (LNG) is the most significant commodity.



¹⁶ Sources: Template provided by ANPM with 2021 data

Overview of Timor-Leste extractive industries in 2021 - Oil & Gas

3.5 Revenue generated from extractive sector

In 2021 the revenue significantly rose compared to 2020, though they have yet to surpass their pre-COVID-19 levels. The revenues generated from the Oil & Gas Sector, including the amount received from subcontractors, amounted to USD 729 million in 2021. This value represents an increase of USD 427 million, or 141%, compared to 2020.

The profit from oil and royalty revenue is an effect of production and prices. Oil and gas production slightly increased from 35.6 million barrels of oil equivalent (BOE) in 2020 to 36.1 million BOE in 2021¹⁷. The average oil price in 2021 was \$70.7/b, nearly \$30/b higher than the previous year's average. Therefore, revenue in 2021 was higher by over 128% (USD 178,5 million) than the previous year, a result of significantly higher prices and slightly increased production.

Additionally, tax revenue increased by 174% (USD 254 million) due to substantial growth in Corporate Income Tax and Additional Profit Tax receipts.

Revenue	2021	%	2020	%	Variation	%
Tax revenue	400	55%	146	48%	254	174%
Royalties and Oil profit	318,5	44%	140	46%	178,5	128%
Other fees	10,5	1%	16	5%	-5,5	-34%
Total	729	100%	302	100%	427	141%

The operator's royalties and profit shares are collected by ANPM, as the Designated Authority. 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 below presents the petroleum-related receipts reported by the government's designated authorities in the EITI templates during 2021. A reconciliation between the data from the Petroleum Fund Annual Report and the government's templates is provided further along in the report.

Extractive sector revenues (USD million)	2021	2020	Var	Var (%)
Revenues generated from Oil & Gas extractive activities (Operators):	721	297	424	143%
<i>Direção Nacional de Receitas Petrolíferas e Minerais (DNRPM) receipts</i>	391	141	250	177%
<i>Autoridade Nacional do Petróleo e Minerais (ANPM) receipts - Royalties and O&G profits</i>	319	140	179	128%
<i>Autoridade Nacional do Petróleo e Minerais (ANPM) receipts - Fees</i>	5	5	0	0%
<i>Banco Central de Timor-Leste (BCTL) receipts</i>	6	11	-5	-45%
Revenues generated from Oil & Gas related activities (Subcontractors):	8	5	3	60%
<i>Direção Nacional de Receitas Petrolíferas (DNRP) receipts</i>	8	5	3	60%
Total revenues generated from Oil & Gas Sector	729	302	427	141%
Total revenues generated from Mining Sector	2	3	-1	-33%
Revenues generated from Extractive Sector	731	305	426	140%

¹⁷ There is a discrepancy in LNG volume between the 2021 Petroleum Fund Annual Report and the ANPM data submitted in the template due to the usage of different conversion factors. For more detail, please refer to the Section 3.4.1.

Overview of Timor-Leste extractive industries in 2021 - Oil & Gas

3.5 Revenue generated from extractive sector

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

Revenues generated in 2021	USD million
Total Tax Revenue Reported by MoF	400
Total Non-Tax Revenue reported by ANPM - Royalties and O&G profits	319
Total Non-Tax Revenue reported by ANPM - Fees	5**
Total Non-Tax Revenue reported by BCTL	6
Total revenue reported by Govt entities	730
Other fees duplicated by MoF on reporting	-1*
Total revenue reported by Govt entities	729
Revenues generated from Mining Sector	2
Revenues generated from Extractive Sector	731

Notes: *During the reconciliation process, it was noted that the Ministry of Finance reported amounts of approximately 1 million in relation to development fees also collected by ANPM. Once the reconciliation process was completed, these duplicate amounts were deducted from the revenues reported by the Ministry of Finance. This adjustment was also taken into account when reconciling the amounts disclosed by the Petroleum Fund.

** In EITI template submitted by ANPM, fees were reported totaling USD 4,7 million collected from extractive entities. However, the Petroleum Fund partially recorded these fees as a tax-payer receipts adjustment under Article 6.1 (e), amounting to USD 3,5 million and USD 1,2 million as tax-revenue. For further

¹⁸ Source: [Timor Leste Petroleum Fund Annual Report 2021.pdf \(ifswf.org\)](https://ifswf.org)

reconciliation, these amounts are presented considering the reclassification into Non-Tax Revenue reported by ANPM. In addition, for reconciliation purposes with PF, amounts in the tables presented have been rounded to the nearest million.

Reconciliation between 2021 Petroleum Fund Annual report and data submitted by Govt's entities in EITI template

The Petroleum Fund Annual Report stated that the total revenue collected from petroleum in 2021 was USD 720 million. The revenues included USD 401 million in petroleum taxes and USD 310 million in royalties and profit from oil and gas, and USD 9 million of other payments. These collections were in accordance with Articles 6.1 (a), (b), and (e) of the Petroleum Fund Law, respectively.

However, when we considered the additional cutoff adjustments from ANPM (cash transfers that were reported in a different period), we concluded that the revenue collected from Oil & Gas by Timor-Leste in 2021 amounted to USD 729 million and USD 2 million from the mining sector. The reconciliation is presented below:

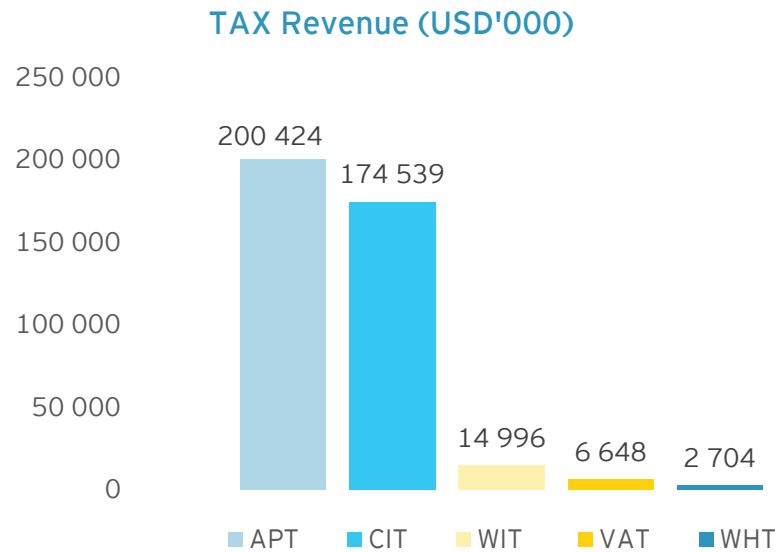
Revenues reported by Petroleum Fund in 2021	USD million
Article 6.1 (a) receipts	401
Article 6.1 (b) receipts	310
Article 6.1 (e) receipts	9
Amount reported by Petroleum Fund	720
Cash ANPM 01-01-2021 ¹⁸	-5
Cash ANPM 31-12-2022	14
Revenues generated from Mining Sector	2
Revenues generated from Extractive Sector Reconciled	731

Overview of Timor-Leste extractive industries in 2021 - Oil & Gas

3.5.1 Tax Revenue and Non-Tax Revenue

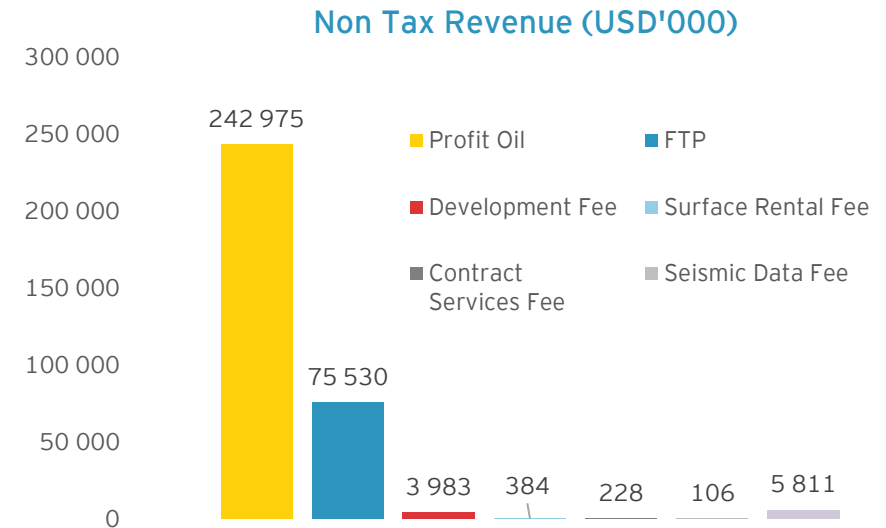
The charts below describe the tax and non-tax revenue.

The most significant Tax Revenue in 2021 is APT, followed by the income tax.¹⁹ The composition of tax revenue has remained the same compared to 2020.



¹⁹ Source: Template provided by MoF with 2021 data

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 below²⁰.



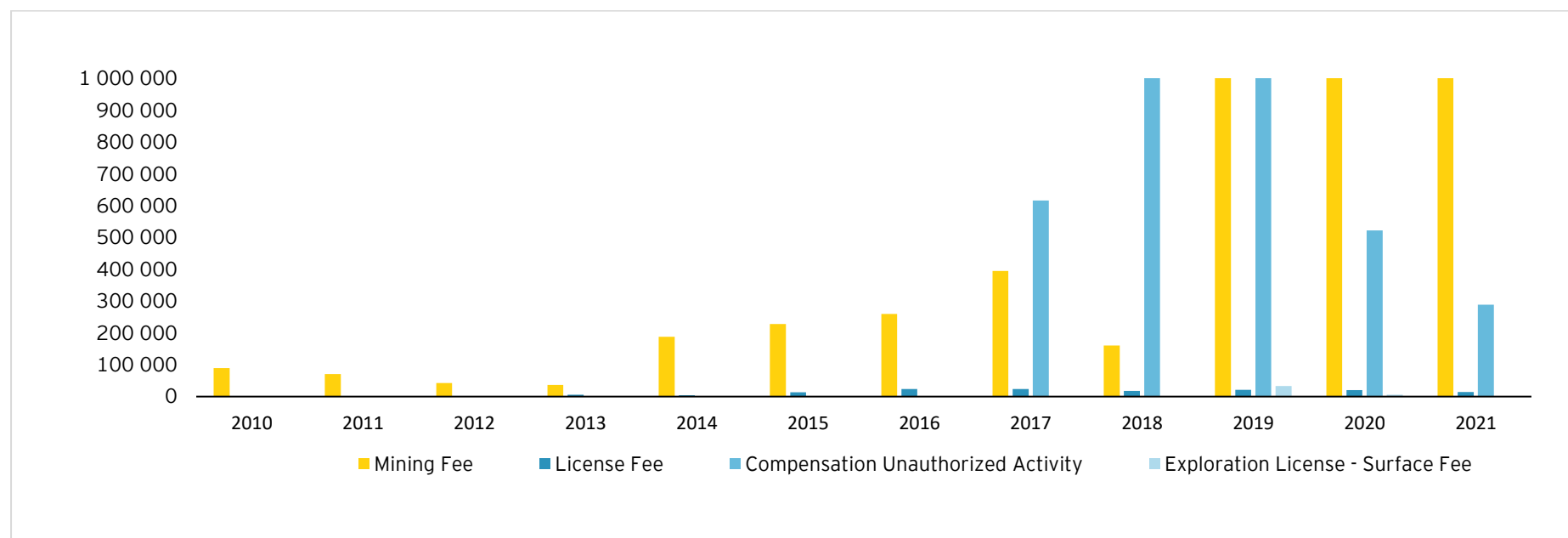
²⁰ Source: Template provided by ANPM with 2021 data

Overview of Timor-Leste extractive industries in 2021 - Oil & Gas

3.5.2 Mining

In 2021 the mining revenue decreased from USD 2,815,329.56 to USD 1,973,877.26 (Annex C and Annex D present all mineral payments during 2021 and 2020, respectively). That was due to only 17 mining licenses being issued in 2021, compared with 33 in 2020.

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.²¹ In the report, we refer to ANP and ANM collectively as ANPM, because in 2021, 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.



²¹ Source: <http://www.anpm.tl/mineral/fees-collected-from-mineral-operator/>

Overview of Timor-Leste extractive industries in 2021 - Oil & Gas

3.6 Contribution of the Oil & Gas sector to Timor-Leste employment - ANPM overview

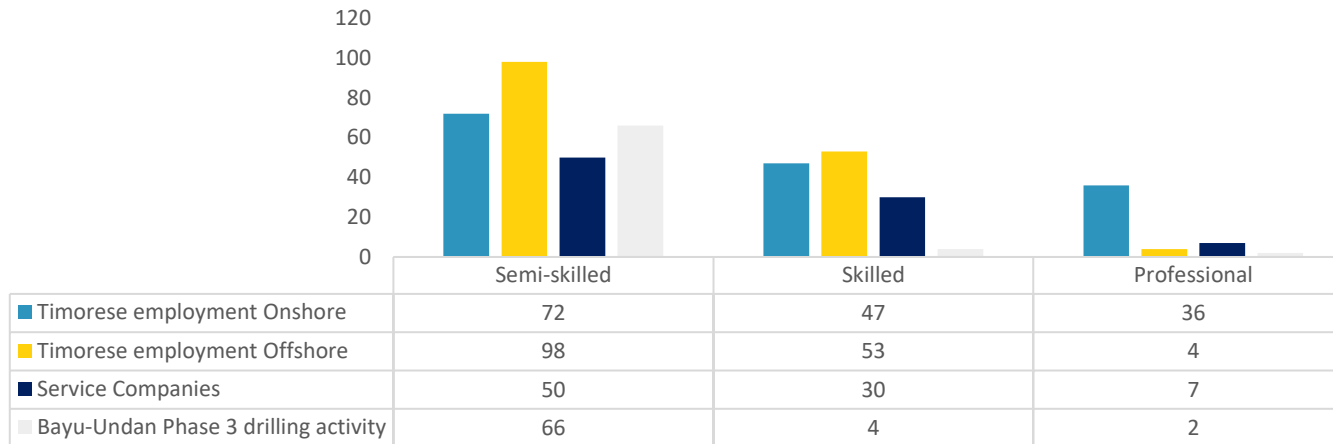
The 2019 EITI Standard includes requirements related to the contributions of the extractive sector, specifically the reporting of employment in these industries, both in absolute terms and as a percentage of total employment. This information should be differentiated by gender, company, and occupational level.

To meet this requirement, 33 of 43 companies in scope of 2021 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 2021.

In the Bayu-Undan operation in 2021, there were 469 Timor-Leste Nationals and Permanent Residents employed. This total includes 155 or 33% employed offshore, another 155 or 33% employed onshore, 87 or 19% employed through service companies, and 72 or 15% involved in phase 3C drilling activities. The chart below further breaks down the categories of TLN employment in the BU operation for during 2021.²²

The next table presents TLN employment category in Bayu-Undan operation in 2021.

TLN Employment in Bayu-Undan Operation in 2021



²² Source: [ANPM ANNUAL REPORT 2021](#)

Overview of Timor-Leste extractive industries in 2021 - Oil & Gas

3.6 Contribution of the Oil & Gas sector to Timor-Leste employment - 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 2021, 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):

Entity		National		Expats		Note
		Male	Female	Male	Female	
Eni JPDA 03-13 Ltd Branch	Contractors	-	-	-	-	In order to administering the Eni's PSCs, three (3) Timor-Leste Nationals were employed under Eni JPDA 06-105 Pty Ltd in Eni Timor-Leste Dili office.
Eni JPDA 06-105 Pty Ltd	Contractors	1	2	-	-	
Eni JPDA 11-106 B.V.	Contractors	-	-	-	-	
Eni Timor Leste S.P.A	Contractors	-	-	-	-	
Santos NA Emet Pty Ltd	Contractors	-	-	-	-	All Nationals are employed by Santos NA Timor Leste Pty Ltd including those employees provided to Santos NA (19-12) Pty Ltd to work on offshore rosters
Santos NA (19-12) Pty Ltd	Contractors	-	-	134	-	
Santos NA (19-13) Pty Ltd	Contractors	-	-	-	-	
Santos NA Timor Sea Pty Ltd	Subcontractors	-	-	-	-	
Santos NA Bayu-Undan Pty Ltd	Contractors	-	-	-	-	
Santos (JPDA 91-12) Pty Ltd	Contractors	-	-	-	-	
Sundagas Banda Unipessoal, Lda	Contractors	1	-	-	-	
TIMOR GAP Onshore Block Unip Lda	Contractors	-	2	-	-	According to the EITI Templates submitted by TIMOR GAP's subsidiaries, it is reported that 9 individuals were employed in 2021. However, considering TIMOR GAP E.P (the parent company), the total number of employees associated with the Upstream Business Unit, which oversees exploration activities, rises to a total of 32 employees in 2021. For further details, please refer to the clarification note found below the table.
TIMOR GAP Onshore Block B Unip Lda	Contractors	-	1	-	-	
TIMOR GAP Greater Sunrise 03-19	Contractors	1	-	-	-	
TIMOR GAP Greater Sunrise RL	Contractors	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 Resources Pty Ltd	Contractors	101	24	54	3	There are 80 national males, 20 national females, 50 expat males and 1 expat female from Greater Sunrise who have contracts lasting between three and nine months (Short-Term Workforce).
Woodside Energy Pty Ltd	Contractors	1	-	-	-	
Rigforce Pty Ltd	Subcontractors	22	2	-	-	

Entity		National		Expats		Note
		Male	Female	Male	Female	
Santos NA Timor Leste Pty Ltd	Subcontractors	30	4	1	-	
SGS AUSTRALIA PTY LTD	Subcontractors	-	-	8	1	
Cape Australia Onshore Pty Ltd	Subcontractors	3	-	10	-	
Total		165	35	207	4	
Carnarvon Petroleum Timor Unip Lda	Contractors	-	-	-	-	
Caltech Unipessoal Lda	Subcontractors	-	-	-	-	
BU12 Australia P/L	Contractors	-	-	-	-	
BU13 Australia P/L	Contractors	-	-	-	-	
Inpex Sahul Ltd	Contractors	-	-	-	-	The entity reported that there were no employees
Inpex Timor Sea Ltd	Contractors	-	-	-	-	
Tokyo Timor Sea Resources	Contractors	-	-	-	-	
Brunel Energy Pty Ltd	Subcontractors	-	-	-	-	
Konnekto Unipessoal Lda	Subcontractors	-	-	-	-	
Cameron Services International Pty Ltd	Subcontractors	-	-	-	-	
Clough Amec Pty Ltd	Subcontractors	-	-	-	-	
Normant Driff AS Timor, Unipessoal Lda	Subcontractors	-	-	-	-	
MMA Offshore Vessel Operation Pty	Subcontractors	-	-	-	-	Entity did not respond
Noble Services International Limited	Subcontractors	-	-	-	-	
Noble Contracting II GMBH	Subcontractors	-	-	-	-	
Schlumberger Australia P/L	Subcontractors	-	-	-	-	
Sodexo Timor Unip Lda	Subcontractors	-	-	-	-	
Oceaneering Aust Pty Ltd	Subcontractors	-	-	-	-	
TOTAL		165	35	207	4	

Note: TIMOR GAP employed a total of 141 individuals, including consultants, in 2021. Additional clarification from TIMOR GAP detailed the following employee distribution:

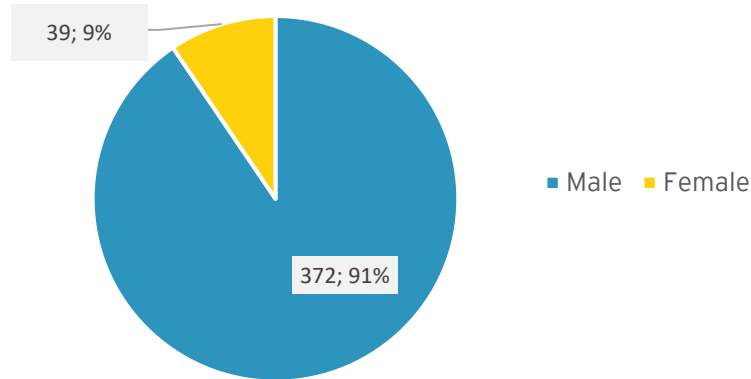
- Suai Airport Jet Avtur staff - 2 employees
- Suai Fuel Station staff - 11 employees
- Tasi Mane Project staff (Covalima Office) - 3 employees
- Remaining workforce (TIMOR GAP Head Offices) - 125 employees

Associated with the offshore and onshore exploration activities, the Upstream Business Unit has 32 assigned employees, which includes

individuals from TIMOR GAP subsidiaries. Please note that these employees from the Upstream Unit are considered part of the 125 employees stationed at the head office in Dili. The gender distribution in the Upstream Unit in 2021 reveals a breakdown of 11 females and 21 males.

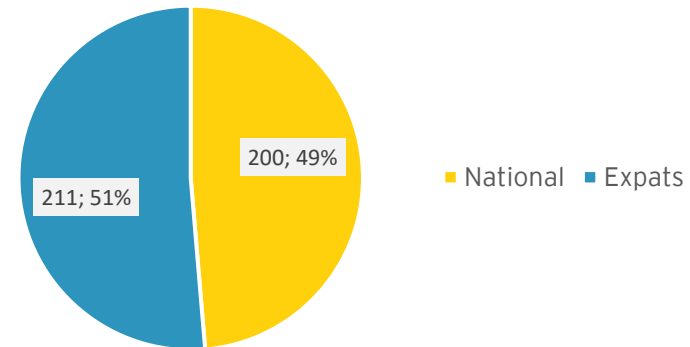
The total number of women is 39, which is about 9% of the employed in 2021.

Employment by gender



Percentage distribution of employees by Timor-Leste Nationals and Non-residents is presented below.

Non-resident and Timor-Leste resident employees



The information on employment in the extractive industry provided in the ANPM 2021 Annual Report differs from the data provided by companies. This difference of 35 employees is mainly due to 10 subcontractors not responding (about 20 employees were not disclose) as well as some cutoff differences between data reported by stakeholders and the data submitted in the templates (15 employees).

TL Employments reported by extractive companies and subcontractors:	434
<i>including</i>	
<i>EITI Templates submmited</i>	<i>411</i>
<i>TIMOR GAP E.P. (see Note above)</i>	<i>23</i>
TL Employments reported collected by ANPM	469

An aerial view of a large offshore oil rig in the Timor Sea. The rig is a complex of steel structures with multiple towers and cranes, supported by several legs in the water. The sea is a deep blue-green color, and the sky is a pale blue with some light clouds. A smaller red and white supply vessel is visible in the lower left corner.

Regulatory Framework Extractive industries in 2021

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 N°13/2005) 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 2021

4.1 News in regulatory framework of Timor-Leste extractive industry

Launching the first onshore drilling campaign. On 27th October 2021, Prime Minister of RDTL, Taur Matan Ruak officially launched the first onshore drilling for PSC TL-OT-17-09 in Feto Kmaus well in Suai, Covalima. This drilling campaign is the first drilling campaign in onshore area of Timor-Leste, 50 years from the last well drilled in onshore Timor after Timor-Leste gained its independence in 2002.

Phase 3c infill drilling program. On 26th May 2021, Santos as operator of the Bayu-Undan Joint Venture announced the phase 3C infill drilling program commenced at the Bayu-Undan field, in the Timor-Leste offshore water. The drilling of the first well delivered gas in July 2021. While the drilling of the second well started in June, the first gas of the second well was delivered in October 2021. Third well was subsequently drilled and successful in which it is now on ongoing preparation for production. Thus, from the two first production wells, Timor-Leste can now produce more than 40,000 barrels oil equivalent (BoE). Following the acquisition of ConocoPhillips's assets in Northern Australia and Timor-Leste in May 2020, Santos became the new operator of the Bayu-Undan Joint Venture with a 68.4% interest. In May 2021, Santos Limited 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%.

Signing of carbon capture storage agreement. 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.

Signing of Pualaca PSC in 2021. On 7th December 2021, ANPM and Timor Gap Pualaca Block Unipessoal, Lda signed a new Production Sharing Contract (PSC) for PSC 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 JV member (100%). The PSC is currently entering its first year of first period and focusing on G&G studies.

Subsequent events. Several new contracts were signed post-2021. We did not add them to the list of PSCs (see Annex F) because they were not within the scope of the 2021 EITI Report. Nonetheless, we believe it is crucial to note the recently signed PSCs, as they emphasize the current operational activities in the country.

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 petroleum activities, such as the 2D seismic data survey and drilling a well in the PSC TL-OT-22-18 block located in the Lautem municipality. The goal is to explore the potential for oil and gas. The contract is set to last for three years.

In December 2023, Autoridade Nacional do Petróleo (former ANPM) 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.

Regulatory Framework Extractive Industries in 2021

4.2 Timor-Leste Exclusive Area Legal (TLEA)

TLEA refers to the Territory of Timor-Leste as defined by the Petroleum Act (Law No.13/2005 as amended from time to time) of the Democratic Republic of Timor-Leste. This Law applies to petroleum operations in the territorial sea, including its exclusive economic zone and continental shelf where, by International Law, Timor-Leste has sovereign rights for the purposes of resource exploration.

The relevant legal framework for petroleum operations that fall under the Autoridade Nacional do Petróleo e Minerais (ANPM) mandate and the existing petroleum contracts is as the following:

Legislation

- Petroleum Activities Law (Law No.13/2005) - First Amendment by Law No.1/2019 of 18th January and Second Amendment by Law No.6/2019 of 4th December;
- Autoridade Nacional do Petróleo (ANP) (Decree Law No.20/2008) - First Amendment by Decree-Law No.1/2016 of 9th February and second amendment by Decree-Law No.27/2019 of 27th August;
- 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).

Production Sharing Contracts

- PSC TL-SO-T 15-01
- PSC S-06-04 (Contract Area E)
- PSC TL-OT-17-08 (Block A) and amendment
- PSC TL-OT-17-09 (Block C) and amendment
- PSC TL-T-19-14
- PSC TL-SO-19-16
- PSC TL-OT-21-17

Petroleum Activities Law (Law N°13/2005)

Pursuant to international law, Timor-Leste has sovereign rights for the purpose of exploring, exploiting, and managing its natural resources, including Petroleum resources. The Petroleum Activities Law no. 13/2005 applies to petroleum operations in the territorial sea, including its exclusive economic zone and continental shelf where, by International Law, Timor-Leste has sovereign rights for the purposes of exploring, exploiting, and managing its natural resources, including Petroleum resources. Timor-Leste has entitled to all Petroleum resources existing in the subsoil of its territory, both onshore and offshore. The objective of the Law on Petroleum activities (the Law) is to provide as many benefits to Timor-Leste and its people as possible by establishing a regulatory regime that will allow petroleum companies to develop such petroleum resources.

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

Regulatory Framework Extractive Industries in 2021

4.2 Timor-Leste Exclusive Area Legal (TLEA)

The Petroleum resources owned by Timor-Leste are a strategic component of its economy, have a 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 is complemented with 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 first amendment to the law (No. 1/2019) 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 on 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 2021

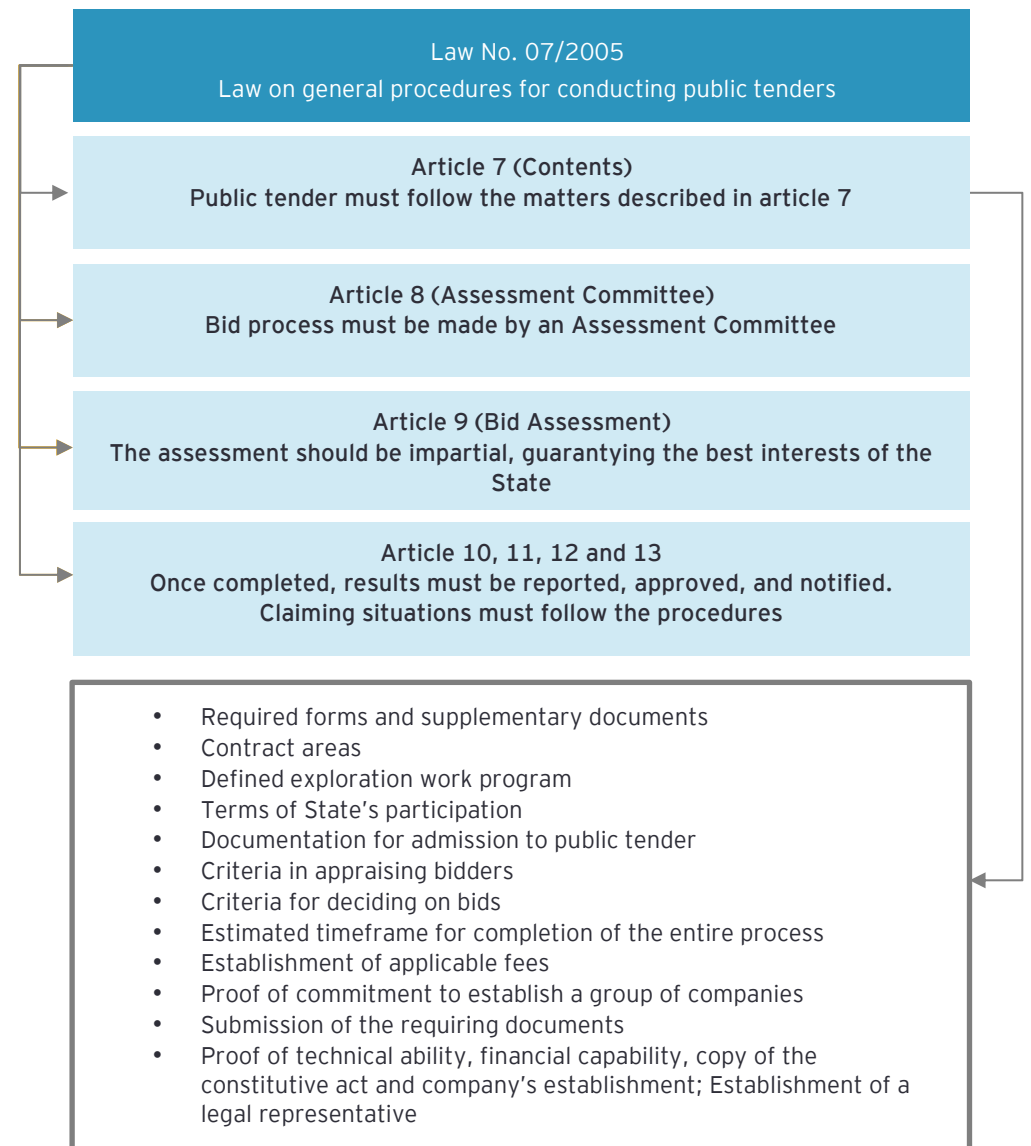
4.2 Timor-Leste Exclusive Area Legal (TLEA)

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

Law No. 13/2005, of September 2nd (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 provide as many benefits to Timor-Leste and its population as possible, by establishing a regulatory regime for petroleum companies.

The Decree Law 7/2005 establishes the conditions on how the Ministry will proceed on authorizing petroleum activities, it states the State participation in petroleum activities and also how are they developed. Transparency and Public information are equally addressed, where misleading information will be penalizing as it is also declared.

The companies and/or groups of companies, shall be selected on the basis of 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.



Regulatory Framework Extractive Industries in 2021

4.2 Timor-Leste Exclusive Area Legal (TLEA)

Decree-Law No. 20/2008

The Decree-Law No. 20/2008, of 19th June, which created the Autoridade Nacional do Petróleo (ANP), entrusted the same entity with, amongst others, the responsibility for regulating and supervising the sectors/industries pertaining to the petroleum and natural gas and their derivatives in the country, thus acting as the Country's regulatory authority.

Under Decree Law No. 1/2016 of 9th February, the 1st amendment of Decree-Law No. 20/2008 of 19th June, the public institution Autoridade Nacional do Petróleo e Minerais (ANPM) is responsible for managing and regulating petroleum and mining activities in Timor-Leste area, both offshore and onshore and in the Joint Petroleum Development Area (JPDA) in accordance with the Decree Law on the establishment of the ANPM, the Timor-Leste Petroleum Activities Law, the Timor Sea Treaty and the Mining Code.

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

The Decree Law regulates the petroleum operations of the offshore petroleum resources, aiming to achieve efficient exploration and exploitation practices and preventing waste and pollution.

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

The purpose of this Decree Law is to regulate petroleum operations relating to onshore petroleum resources onshore, in accordance with Article 31 of Law No. 13/2005 (Petroleum Activities Law).

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.

Regulatory Framework Extractive Industries in 2021

4.3 Former Joint Petroleum Development Area Legal Framework (JPDA)

We will provide information on what was previously in place under JPDA, as we believe it still had some influence on the 2021 data.

The Timor Sea Treaty between the Government of Timor-Leste and the Government of Australia was signed in 2002. The Treaty established the Joint Petroleum Development Area (JPDA) in the Timor Sea, enabling the exploration and exploitation of the petroleum resources in the JPDA for the benefits of the people of Timor-Leste and Australia.

The applied legislation for JPDA operation is the following²³:

- 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 F, specifically regarding undersea oil and gas resources.

²³ Sources: [ANPM website - JPDA Production, Barrels of Oil Equivalent \(BOE\)](#)
Source: [ANPM ANNUAL REPORT 2021](#)

Regulatory Framework Extractive Industries in 2021

4.4 Specific agreements with Australia regarding Oil & Gas Exploration

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 I). 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 2021

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 a percentage of the fields.

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 2021

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

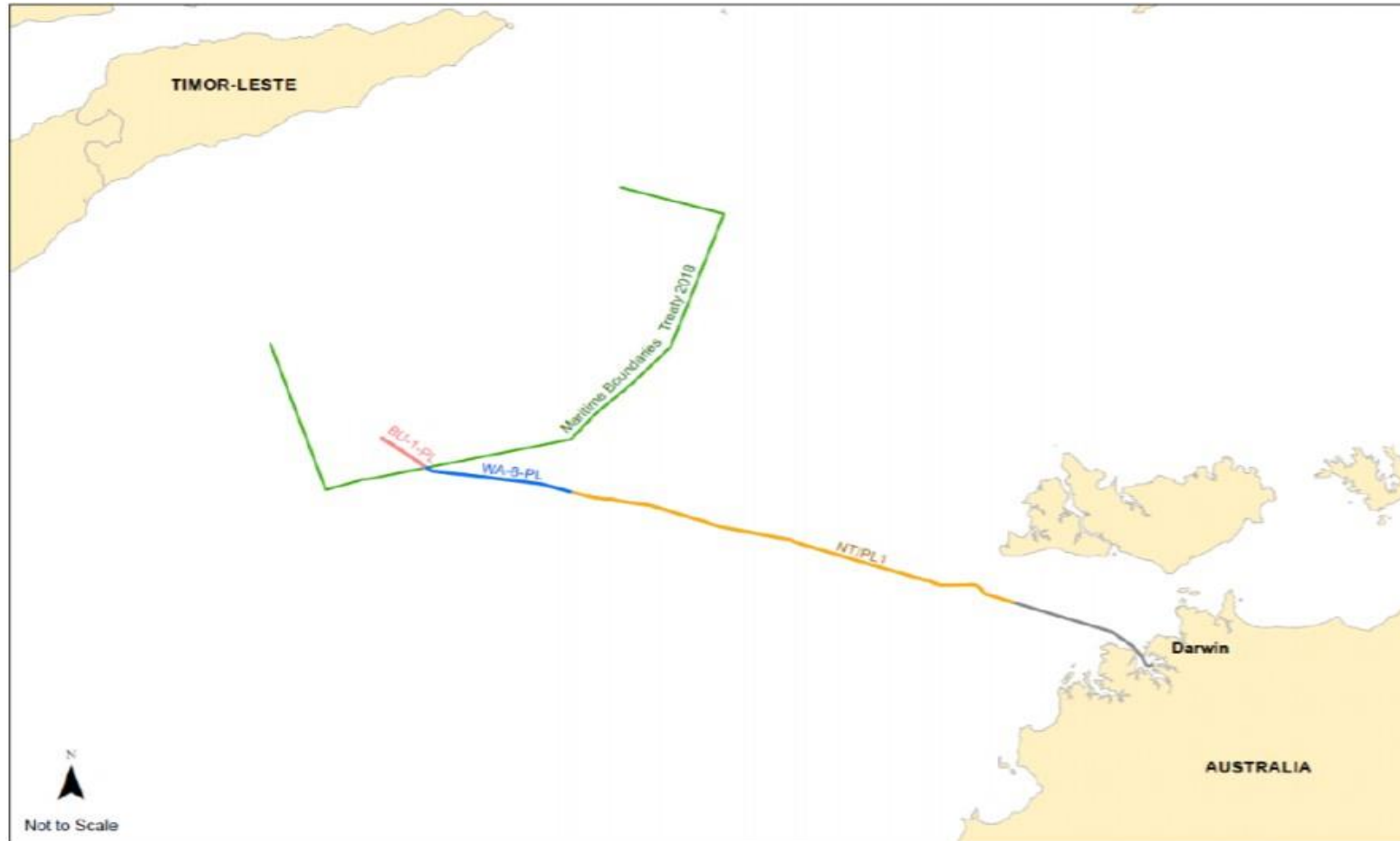
According to the Resolution No. 15/2019 of 27th August, the JPDA Area became 100% Timor-Leste Exclusive Jurisdiction and regulated by ANPM. Furthermore, it is required to have a “cooperation between the ANPM, DIIS and NOPSEMA in relation to the safe and efficient regulation of the Bayu-Undan Gas Field, 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. ANPM 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 2021

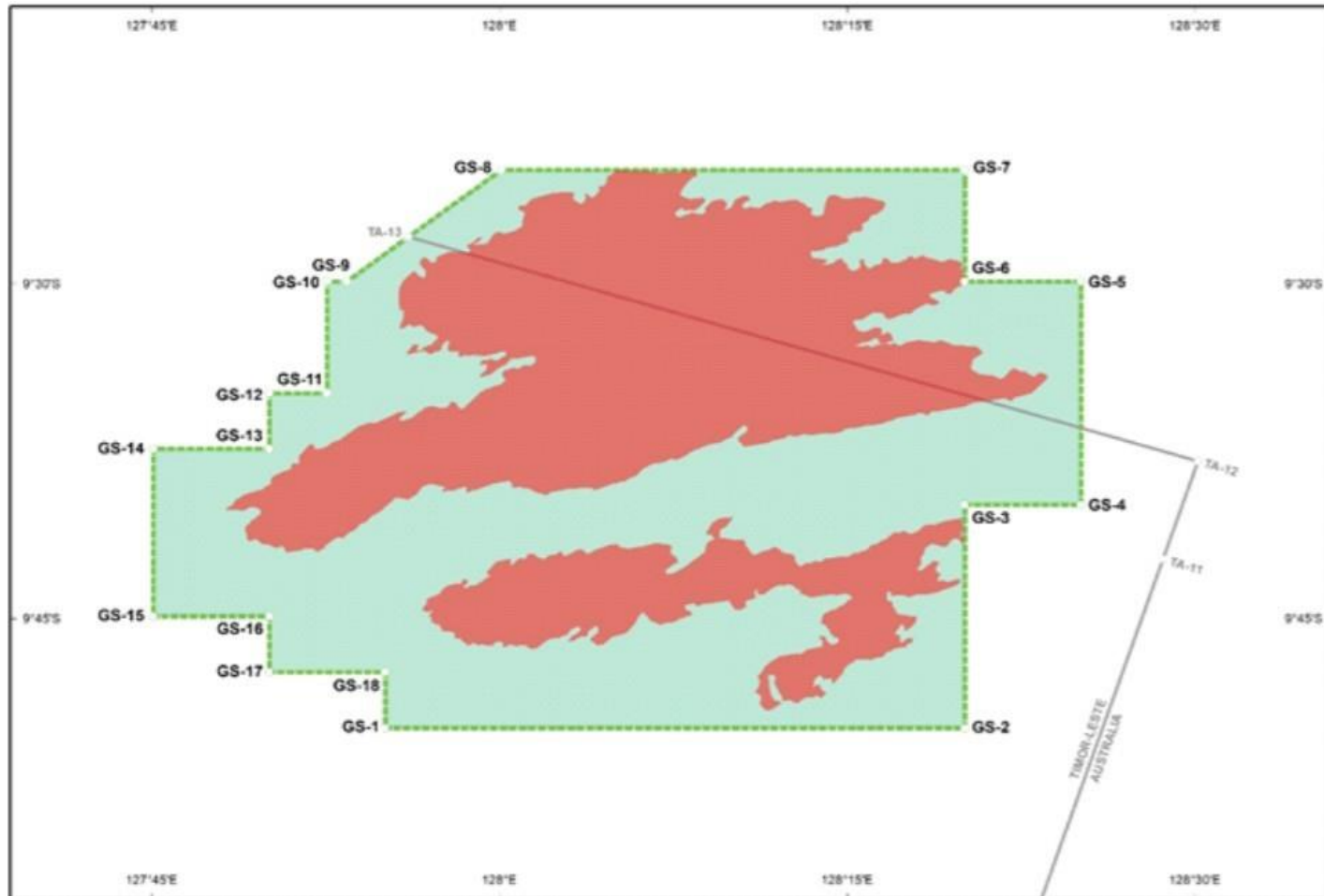
4.4 Specific agreements with Australia: Maritime Boundaries - Parliament Resolution 15/2019²⁵



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 2021

4.4 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 2021

4.5 ANPM

4.5.1 Autoridade Nacional do Petróleo e Minerais (ANPM)

Autoridade Nacional do Petróleo e Minerais (ANPM) is a Timor-Leste public institution, created under Decree Law No. 1/2016 of February 9th (1st amendment of Decree-Law No.20/2008 of June 19th).

The decree-Law No. 20/2008, of 19 June, which created the Autoridade Nacional do Petróleo (ANP), entrusted the same entity with, amongst others, the responsibility for regulating and supervising the sectors/industries pertaining to the petroleum and natural gas and their derivatives in the country, thus acting as the Country's regulatory authority.

Under Decree Law No. 1/2016 of 9th February, the 1st amendment of Decree-Law No. 20/2008 of 19th June, the public institution Autoridade Nacional do Petróleo e Minerais (ANPM) was known to be responsible for managing and regulating petroleum and mining activities in Timor-Leste area, both offshore and onshore and in the Joint Petroleum Development Area (JPDA) in accordance with the Decree Law on the establishment of the ANPM, the Timor-Leste Petroleum Activities Law, the Timor Sea Treaty and the Mining Code.

Furthermore, under the Decree Law No. 27/2019, there was a second amendment to the original Law. This amendment relates to Timor-Leste and Australia definitive delimitation of maritime borders between the two States through the Treaty (Resolution No. 15/2019) and also implied delimitation on ownership, jurisdiction and management of oil resources in the Timor Sea.

Therefore, when the Resolution No.15/2019 enters into force, ANPM will see its function of designated authority for the purposes of the Greater Sunrise Special Regime Area and holding its function of the Former JPDA, which became part of Timor-Leste Exclusive jurisdiction.

Hence, ANPM will be responsible for managing and regulate petroleum and mining activities in Timor-Leste Exclusive Jurisdiction, which includes the Former JPDA and the Greater Sunrise Special Regime Area, in accordance with the Decree Law (that established ANPM) and the following laws and regulations:

- Timor-Leste Petroleum Activities Law - First Amendment by Law No.1/2019 of 18th January and Second Amendment by Law No.6/2019 of 4th December;
- Resolution No. 15/2019 rectifying the Timor Sea Treaty;
- All new laws introduced with the rectification of the Maritime Boundary Treaty in August 2019;
- Other resolutions prior to August of 2019;
- Petroleum Mining Code including subsidiary legal frameworks for Greater Sunrise Special Regime Area;

However, a more recent change has been introduced during 2023. With the entry into force of the Decree-Law No.62/2023 of 6th September 2023, the 3rd amendment of Decree-Law No. 20/2008 of 19th June 2008 (the Amended Decree-Law), ANPM has now been renamed to the Autoridade Nacional do Petróleo (ANP).

Regulatory Framework Extractive Industries in 2021

4.5.2 Autoridade Nacional do Petróleo (ANP) - after 2023

Following the entry into force of the Decree-Law No.62/2023 of 6th September 2023, the 3rd amendment of Decree-Law No. 20/2008 of 19th June 2008 (the Amended Decree-Law), the Autoridade Nacional do Petróleo e Minerais (ANPM) has been renamed to the Autoridade Nacional do Petróleo (ANP).

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 will be undertaken to notify all the parties of the respective changes.

Council of Minister also approved the Decree-Law on establishment of Autoridade Nacional dos Minerais /National Authority for Minerals (ANM) with its competencies as regulator of the mineral resources sector in scrupulous compliance with the provisions set out in the Mining Code.

With this approval, ANPM no longer exist, when this decree-law has been promulgated by President of Republic and Published in Journal da República; and ANPM will be divided to ANP (Autoridade Nacional Petróleo) and ANM (Autoridade Nacional dos Minerais). For the purpose off the current report, we maintained the

references to ANPM since during 2021 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 2021

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 reserve²⁷.

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).

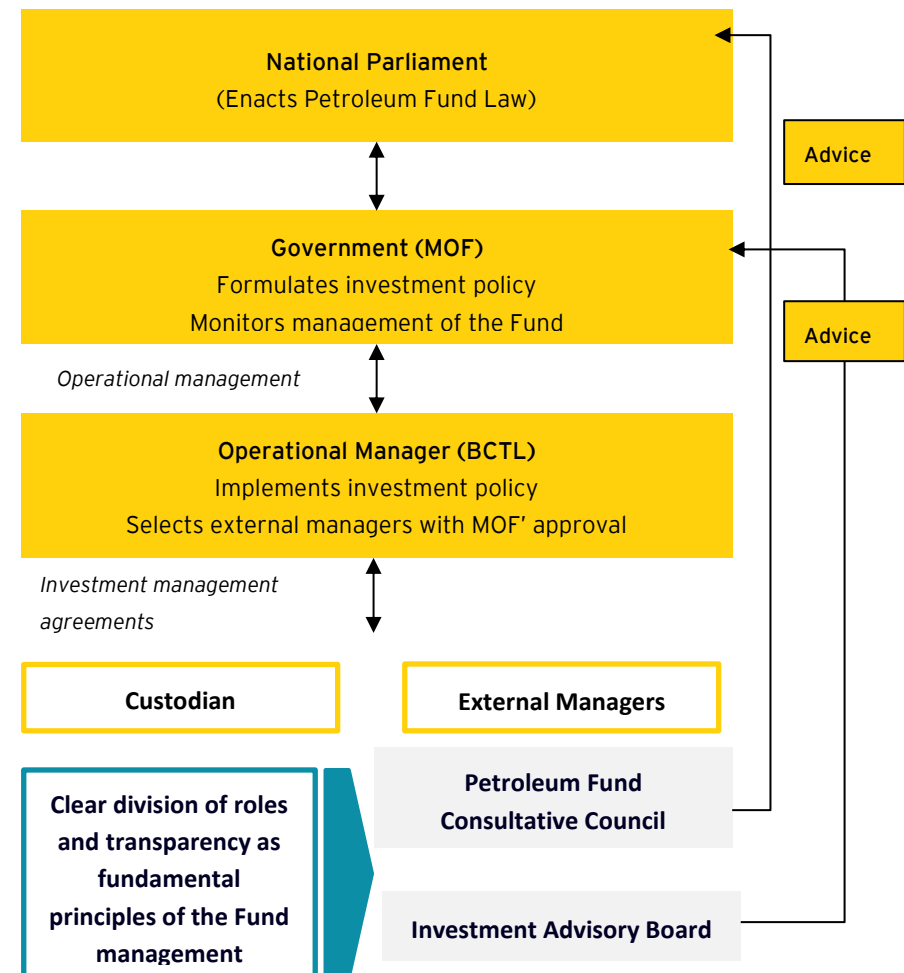
The Petroleum Fund Law:

- 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

²⁷ Source: [Timor Leste Petroleum Fund Annual Report 2021.pdf \(ifswf.org\)](https://www.ifswf.org/)

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)



Regulatory Framework Extractive Industries in 2021

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 amount of the transfers is guided by the Estimated Sustainable Income (ESI), set at 3% of total Petroleum Wealth.

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.

Based on a good management and a prudent investment policy (as the fulfilment of the ESI) it was possible to have a steady increase through the years of the Market value of the fund even noticing that the petroleum receipts have decreased after 2012 result from the decreases on the oil prices.

Petroleum Fund Balance²⁸

The Fund's balance increased by USD 716.1 million in 2021 to end the year at USD 19,621 million. The petroleum revenues contributed around USD 720 million to the Fund, while the investment return was USD 1,144 million over the year.

The total withdrawals from the Petroleum Fund for the Financial Year 2021 were USD 1,147.9 million which was USD 600.0 million higher than the Estimated Sustainable Income (ESI) amount of USD 547.9 million projected for the year²⁹. This is a slight increase from the ESI in 2020 due to the increase in the Petroleum Fund balance. The following sections provide more details on these flows.

²⁸ The amounts presented in this chapter are as reported by the PF in the Annual Report for 2021. Please refer to section 3.5 for a reconciliation between the revenue reported by the entities on the templates and the PF.

²⁹ Source: [Timor Leste Petroleum Fund Annual Report 2021.pdf \(ifswf.org\)](#)

Regulatory Framework Extractive Industries in 2021

4.6 Petroleum Fund

Withdrawals

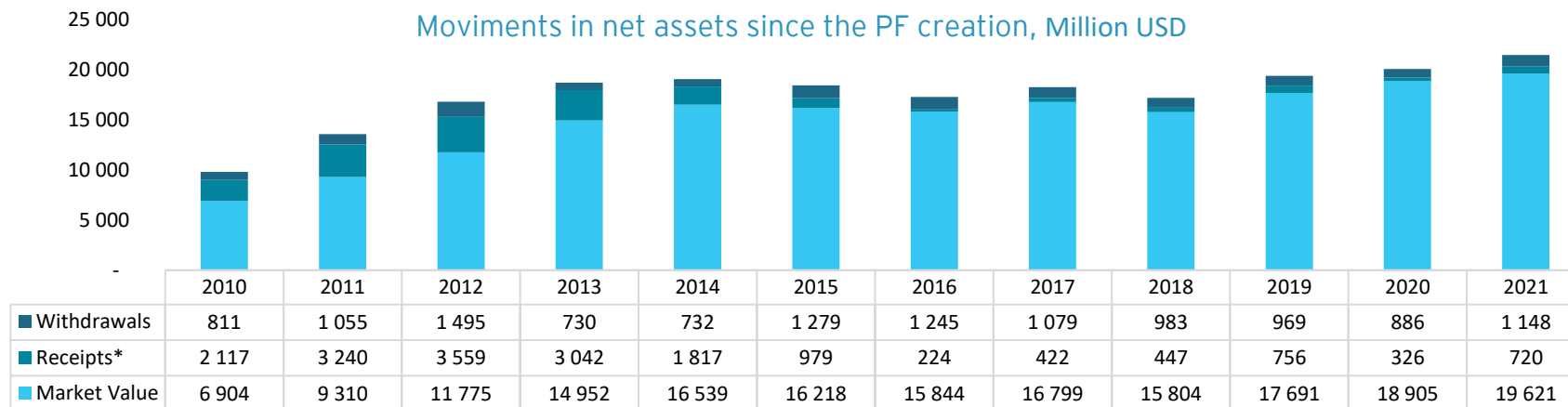
The withdrawals from the Petroleum Fund are the amounts that finance almost all Government's General State Budget. The Parliament approved withdrawal from the Petroleum Fund of USD 1,377.6 million. In April 2021, the Parliament approved the Government's proposed rectification Budget 2021 that related to COVID-19, including subsidies to higher education students, employment support and subsidy of electricity bills. The total withdrawal from the Fund remained as in the original approved budget. The rectified budget was promulgated in May 2021. In total, the Government withdrew USD 1,147.9 million from the Fund during 2021, which was 83% of the authorized amount in the 2021 Budget Law.

Withdrawals in 2021 were USD 600.0 million higher than the USD 547.9 million ESI published in the final 2021 Budget Book,

averaging 5% of the PF, instead of the defined 3%. Despite the increase observed in Timor-Leste in 2021, which is substantiated by the record-breaking performance of the investment market on stock exchanges, the dependence on PF withdrawals remains a concern.

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 2021 there was not tax refunds regarding previous year³⁰.



³⁰ Source: [Timor Leste Petroleum Fund Annual Report 2021.pdf \(ifswf.org\)](https://www.ifswf.org/Timor-Leste-Petroleum-Fund-Annual-Report-2021.pdf)

*The amounts presented for receipts considers petroleum tax, royalties, and profit Oil&Gas

Regulatory Framework Extractive Industries in 2021

4.6 Petroleum Fund

Petroleum Fund performance in 2021

In 2021, the Petroleum Fund recorded a 6.25% total return, driven by a 22.7% return in the equity portfolio. The fixed interest portfolio detracted from performance with a -2.25% return, while the loan to Timor Gap gave a 13.9% return.

The Fund has observed a rise in annualized return to 4.9% since its origin, supported by robust performance in recent years. While the fixed interest portfolio has returned 2.5% per annum since 2005, the equity allocation has generated 11.6% annually following its launch in 2010.

The Fund's annualized real return since its beginning is 2.9%, factoring in US inflation. After equities achieved the strategic allocation weight of 40% in 2014, the real return has been 3.8% per annum, surpassing the theoretical goal under the perpetual fund model.

Regulatory Framework Extractive Industries in 2021

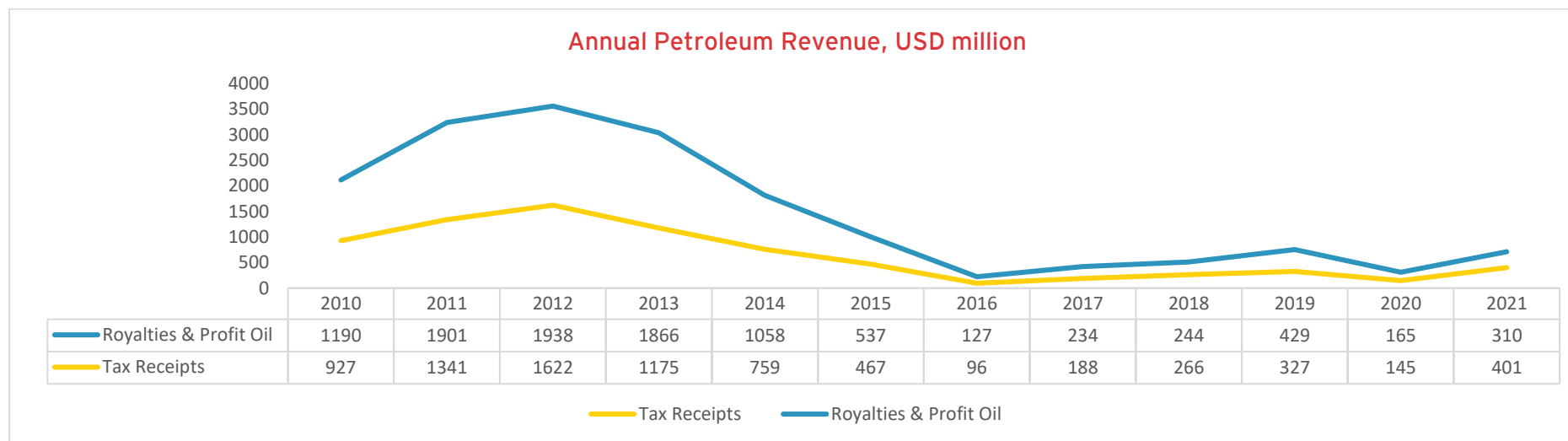
4.6 Petroleum Fund

The total of petroleum revenues collected during 2021 was USD 720 million. The revenues included USD 401 million in petroleum taxes and USD 310 million in royalties and profit from oil and gas, and USD 9 million of other payments.

Oil and gas production increased slightly from 35.6 million BOE in 2020 to 36.1 million BOE in 2021³¹. Revenue in 2021 was over 120% higher than the previous year because of the higher price and production. The average oil price in 2021 was USD 70.7/b, nearly USD 30/b higher than the previous year's average. Total production from 2004 to 2021 was 935 million BOE.

The production level was maintained at similar levels over the past few years by the successful execution of the Bayu Undan infill well in 2018. There were 7 condensate cargoes and 4 LPG cargoes sold in 2021, the same numbers as in 2020.

The total fund receipts since inception was USD 23,922 billion which compose of art. 6.1(a) receipts USD 10,251 billion, art. 6.1(b) receipts USD 13,371 billion, art. 6.1(e) other receipts USD 95 million, and transferred from the Govt. USD 205 million. Please see the table below which demonstrates the annual petroleum revenue since 2010.



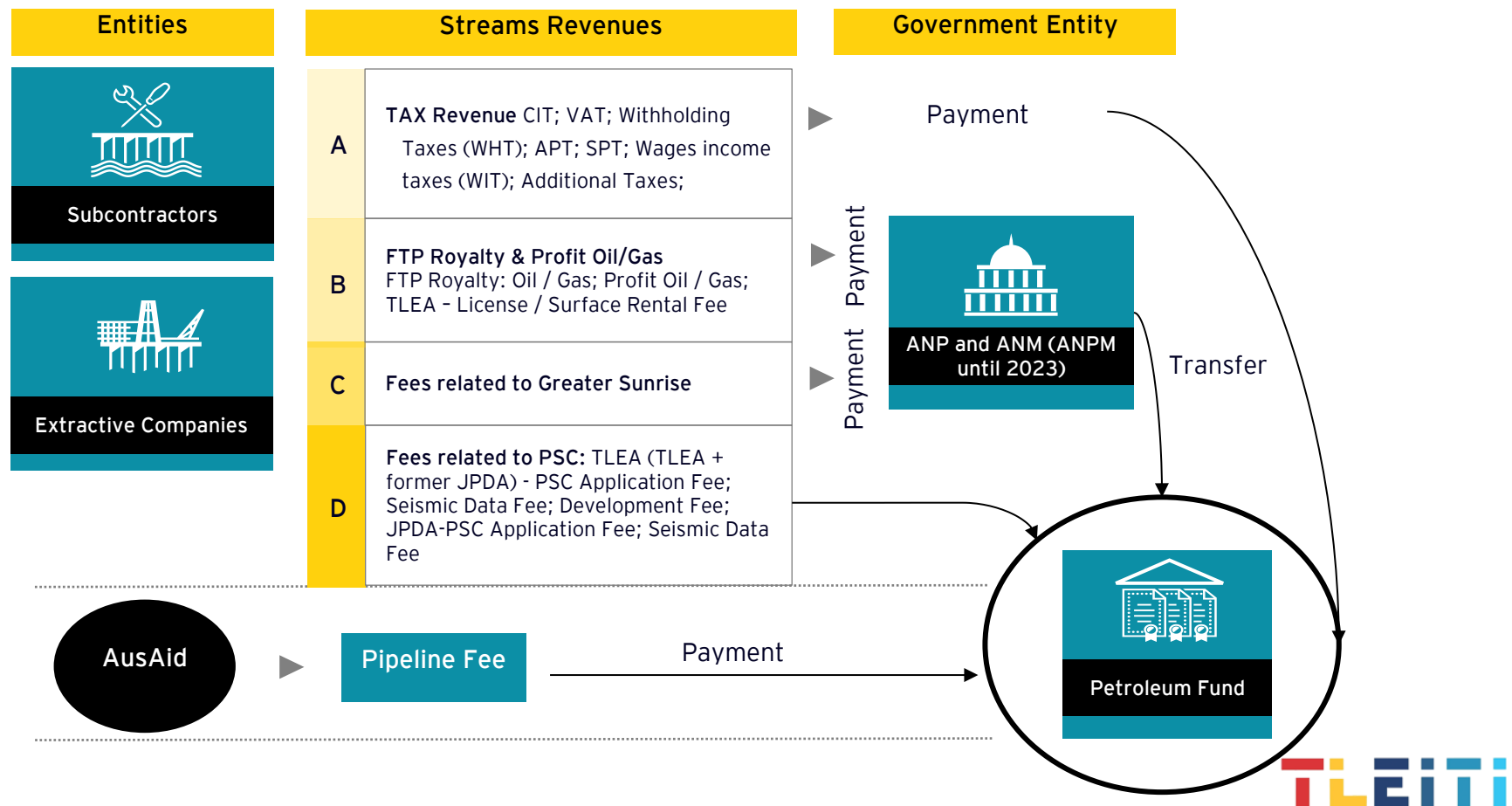
³¹ The data presented in accordance with ANPM template 2021. There is a discrepancy in LNG volume between the 2021 Petroleum Fund Annual Report and the ANPM data submitted in the template due to the usage of different conversion factors. For more detail, please refer to the Section 3.4.1.

Regulatory Framework Extractive Industries in 2021

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) represent the government and regulate the market, collecting fees and transferring them to the Petroleum Fund.

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.



Regulatory Framework Extractive Industries in 2021

4.8 State Owned Enterprise (SOE's)

The Petroleum Act (Law No 2005/13) - Article 22 "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. Its main objective is to act on behalf of the State in conducting business within the Oil and Gas sector³².

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 2020 Annual Report.

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

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, 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 Geopexplorer 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 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

³² Source: [Timor Gap 2021 Annual Report & Accounts](#)

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 G 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.

Additionally, 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 a government grant of 65,739,700 USD during the year ended 31 December 2021 (2020: 15,227,966 USD).
- Besides depending on the government grant to cover most project expenses, the company also generated income from EDTL, E.P. fuel supply trading business and from fuel sales from Suai Petrol station which recorded total combined sales of 20,665,059 USD (2020: 147,914 USD). The EDTL, E.P. fuel supply trading business is primarily new business for TIMOR GAP for the year 2021.
- On a group basis, the operating profit/loss for the year ended 31 December 2021 stood at -26,152,277 USD (2020: -698,142,082 USD). The Profit/ (Loss) on group basis is further reduced by the total of income tax and deferred tax expense of -257,686 USD (2020: -832,628 USD)³³.

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."³⁴

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.

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.

³³ Source: [Timor Gap 2021 Annual Report & Accounts](#)

³⁴ Source: [LAW No. 13/2005 ON PETROLEUM ACTIVITIES](#)

Regulatory Framework Extractive Industries in 2021

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 standards 2019 require 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 website³⁵.

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 chosen³⁶.

Consequently, ANPM discloses the documents needs to apply to a license or bidding, and the list of licenses and contracts on the following websites³⁷.

³⁵ 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/>

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

ANPM 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 site³⁸.

Other Notes

During the process for awarding licenses, the entities must start by applying to obtain the license. Following the application, ANPM 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 ANPM 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 ANPM, with updated information about the sector.

³⁶ Source: EITI Standard 2019

³⁷ 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/ipda2/> & <http://www.anpm.tl/tlea/>

³⁸ Source: <http://web.anpm.tl/webs/anptlweb.nsf/pgRequest>

Regulatory Framework Extractive Industries in 2021

4.10 Civil Society's perspective

During the period of 2021, the fiscal year of this EITI report, the civil society organizations in Timor-Leste (CSO) have limited access to carry out their activities due to COVID-19 restriction imposed by the Government. In addition to the COVID-19 impact, heavy rains across Timor-Leste from 29 March to 4 April resulted in flash floods and landslides across all 13 municipalities, with the capital Dili and surrounding low-lying areas worst affected. The disaster affected over 31,000 households, 82 per cent of them in Dili municipality. Businesses were adversely affected, and unemployment increased.³⁹

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.

³⁹ <https://matadalaninstitute.blogspot.com/>

An aerial view of a large offshore oil rig in the middle of a vast, blue ocean under a clear sky. The rig is a complex of steel structures with several tall derrick-like towers. A smaller support vessel is visible to the left of the rig.

Tax Regime

According to the requirement 2.1 of the EITI Standard 2019, 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 TLEA - Timor-Leste Exclusive Area

MBT (Timor-Leste Exclusive Jurisdiction + former JPDA)

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 USD10 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.

Tax Regime

5.1 TLEA - Timor-Leste Exclusive Area

MBT (Timor-Leste Exclusive Jurisdiction + former JPDA) - continued

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

5.2 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). See article 8 on Law 5/2019.

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 F 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, 70%, to Timor and 30% 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 Regimen 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

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

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).

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%.

An aerial photograph of an offshore oil and gas platform in the ocean. The platform is a complex structure with multiple levels, including a large derrick and various support structures. It is surrounded by a smaller support vessel. The water is a deep blue-green, and the sky is a clear, light blue with some light clouds.

Overview of Timor-Leste extractive industries in 2021 - Mining

6

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 2021 - Mining

6.1 TLEA - Timor-Leste Exclusive Area

ANM (formerly known as ANPM) is the responsible for managing and regulating the mineral sector in territory of Timor-Leste in accordance with Decree Law on the establishment of the ANM, Law No. 12/2021 of 30th June, on the Mining Code.

Regarding the regulation on mining, in 2008, the government approved the Ministerial Diploma No. 1/2008 of 30 July, on specific rules for the licensing of extraction activities of mineral masses (mines and quarries) and its mining at an industrial scale. This ministerial diploma was amended twice in:

- Ministerial Diploma 1/2009, of August 12th, 2009;
- Ministerial Diploma 2/2014, of February 19th, 2014.

The 1st amendment 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.

The 2nd amendment introduced the forms for licensing purposes, covering the extraction activities of mid and large-scale minerals.

The ministerial diploma nº1/2008 is no longer applicable as it has been revoked by the Ministerial Diploma No. 64/2016 of November 16th.

The new Ministerial Diploma improves requirements for licensing and introduces principals that are more aligned with the draft Mining Code.

Applicable legislation⁴⁰:

⁴⁰ Source: <http://www.mj.gov.tl/jornal/?q=node/4914>
Source: <http://www.anpm.tl/mineral/>

- 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.

Ministerial Diploma No. 64/2016 of November 16th

The Timor-Leste Ministerial Diploma No. 64/2016 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.

Overview of Timor-Leste extractive industries in 2021 - Mining

6.1 TLEA - Timor-Leste Exclusive Area

Ministerial Diploma No. 64/2016 of November 16th - continued

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.

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

On June 30, 2021, Law No. 12/2021 was issued, approving the mining code for Timor-Leste territory. The government aims to:

- 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.

The Mining Code was approved by Parliament and promulgated by President of the Democratic Republic of Timor-Leste during the year being Law No. 12/2021 of 30 June 2021. Whilst the Law was to enter into force by 30 December 2021 (being within 180 days after its Publication date of 30 June 2021), Decree Law on Regulation for Mining code or auxiliary laws and regulation to operationalize the Mining Code are yet to be formalized and accordingly, the new Decree Laws are yet to come into effect.

Prior to Mining code comes into force on 1 January 2022, all mining activities was regulated by the old Ministerial Diploma.

On June 8, 2022, Decree Law No. 43/2022 was issued, establishing the constitution of a national mining company, called Companhia Mineira de Timor-Leste, S.A.

CMTL, S.A., a public limited company fully owned by the State, aims for equal participation in the mining sector. Governed by statutes from the Government, it focuses on a balanced distribution of powers. The company's primary objective is to engage in diverse mining activities, including exploration, exploitation, and commercialization, while also offering complementary services and consultancy in the sector.

Overview of Timor-Leste extractive industries in 2021 - Mining

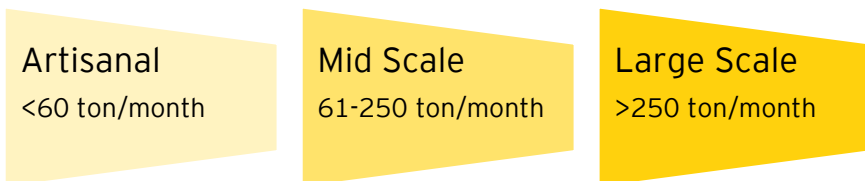
6.2 License process

Current Legislation: Ministerial Diploma No.64/2016 of November 16th

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.

The classification of the artisanal, medium, and large scale and the license fees are as illustrated below.



Licensee Fee - Art. 7

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

Licensing fees for new/extension requests according to article 7

Activity	Fee (USD)
Artisanal	No tax
Prospecting	500
Exploration	1.500
Mining/Extraction (Medium scale)	500
Mining/Extraction (large scale)	1.500

Mining / Extraction Fee - Art. 8

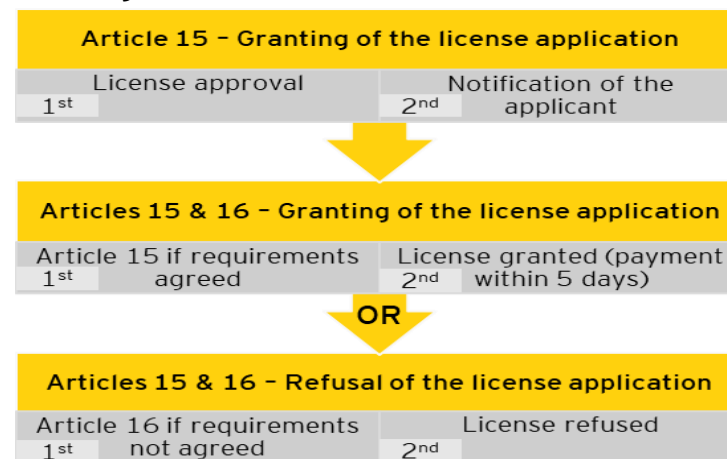
The mining exploration fee according to total ton mined classification are as follows:

Jornal da República

	MATERIAIS DE CONSTRUÇÃO (em USD/ton exploradas)		MATERIAIS DE TRANSFORMAÇÃO (em USD/ton exploradas)			RÓCHAS ORNAMENTAIS (em USD/ton exploradas)	
	Outros ?16mm	Areia (dimensão =16mm)	Calcário	Argila	Gesso	Calcário, Granito e Mármore	Outros previstos no artigo 28
Artisanal	0.00	0.00	N/A	N/A	N/A	N/A	N/A
Escala Média							
Grande Escala	3.00	2.00	0.75	0.50	0.75	8.00	7.00

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:



Overview of Timor-Leste extractive industries in 2021 - Mining

6.3 Environmental Legislation

Decree Law No. 5/2011

In the light of the new requirement, 6.4, of the 2019 EITI Standard, it is vital to analyze the position of Timor-Leste regarding the environmental legislation.

The Decree Law No.5/2011 was published to disclose the creation of environmental licensing for preventing negative impacts on the environment instead of later fighting its effects.

This statute establishes the Environmental Licensing System conceived as an additional system for responding to the need to prevent the negative environmental impacts resulting from complex projects and meets the social and economic reality of East Timor. Furthermore, the system envisages the granting of environmental licenses and monitoring thereof as a logical consequence of the process for the environmental assessment of projects, thus creating an integrated process and a simplified procedure for preventing negative environmental impacts and controlling pollution from the projects.

Additionally, the 2019 EITI Standard requires that the environmental payments are disclosed.

Decree Law No. 26/2012

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.

Overview of Timor-Leste extractive industries in 2021 - Mining

6.4 Mining activity in Timor-Leste

Number of licenses

From 2006 to 2021, the number of licenses recorded by the ANPM have been fluctuated. There was a significant increase verified in 2015 and 2016 comparing to the following years. This was justified by the introduction of the 2nd amendment and the new regulation which made the adjustments in the licensing application process easier and better guided. See more details on licenses in Annex E.

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

Revenue

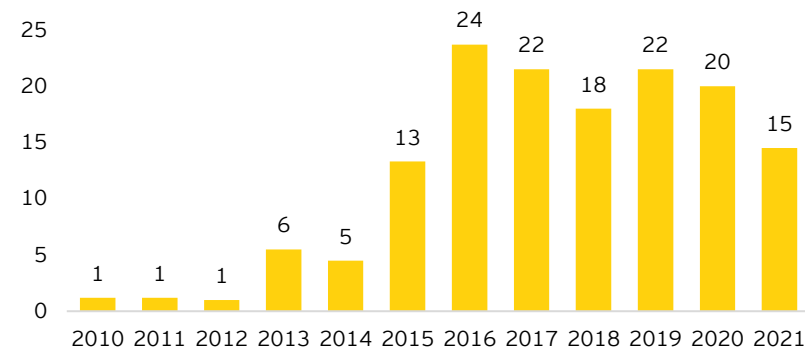
Since 2014, the revenue obtained from the extraction and the license fees in mineral sector has been evolving as indicated in the following graph. This is mainly justified by the legislation and the several controls implemented by the Ministry of Petroleum and Minerals, with the 2021 decrease influenced by the pandemics.

In 2021, the total mineral amount collected by ANPM was lower than the previous year, from USD 2,815,329 in 2020 to USD 1,973,877. Revenue collections for the year of 2021 decreased mainly from the collection of mining fee, which fell from USD 2,267,129 in 2020 to USD 1,669,916. In 2021 the license fee and the compensation unauthorized activity decreased by USD 5,500 and USD 233,268, respectively.

Source: [Statement of petroleum revenue receipt and payments for the year ended 31 December 2021](#)

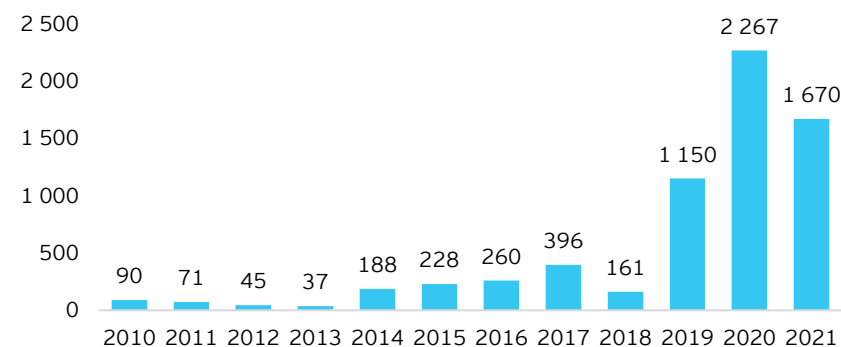
Thousand dollars

License Fee

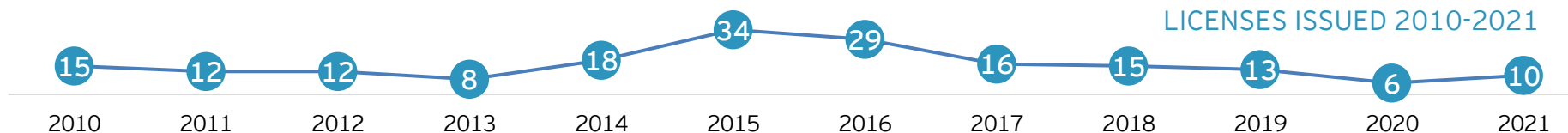


Thousand dollars

Mining Fee



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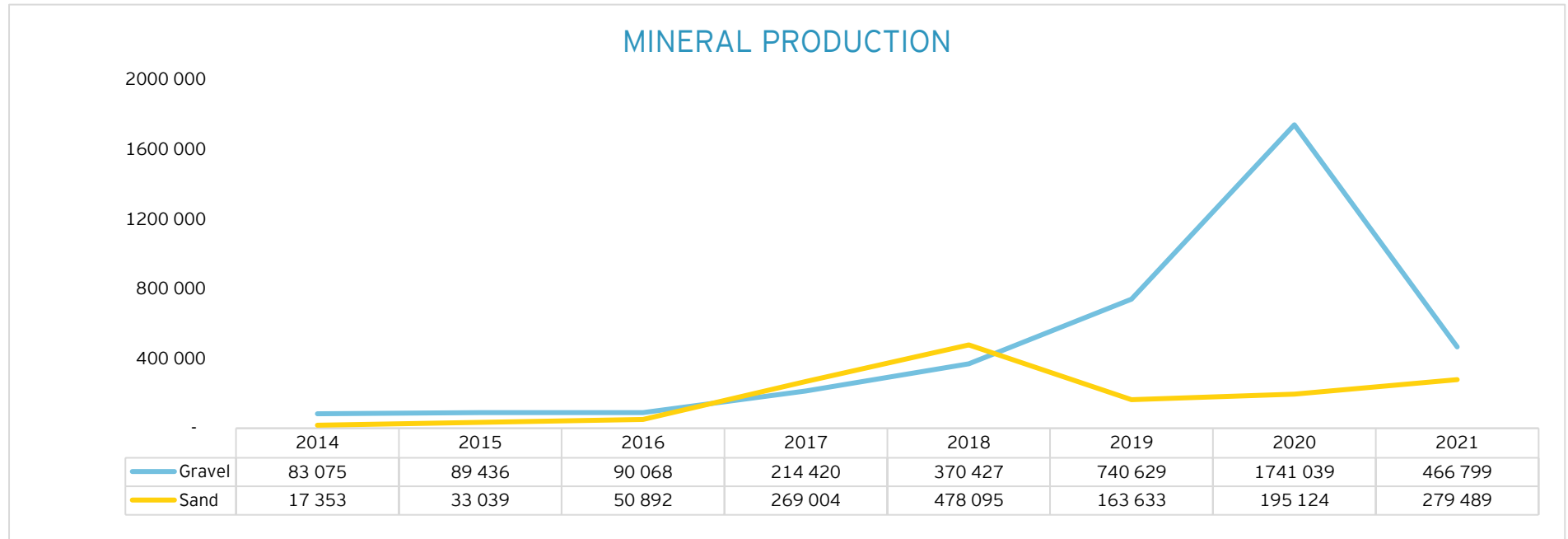


Overview of Timor-Leste extractive industries in 2021 - Mining

6.4 Mining activity in Timor-Leste

Production

The production in 2021 of construction material extracted was 746,288.91 tons, including of 466,799.44 tons of gravel and 279,489.47 tons of sand. The quantity of construction material production for 2021 is decreased significantly compared to the 2020 production due to COVID-19 situation and mandatory confinement announce by the Government⁴¹.



⁴¹ Source: [ANPM ANNUAL REPORT 2021](#)

Overview of Timor-Leste extractive industries in 2021 - Mining

6.4 Mining activity in Timor-Leste

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 60Ton / month of construction materials. To define the classification on whether it is artisanal or not should also consider:

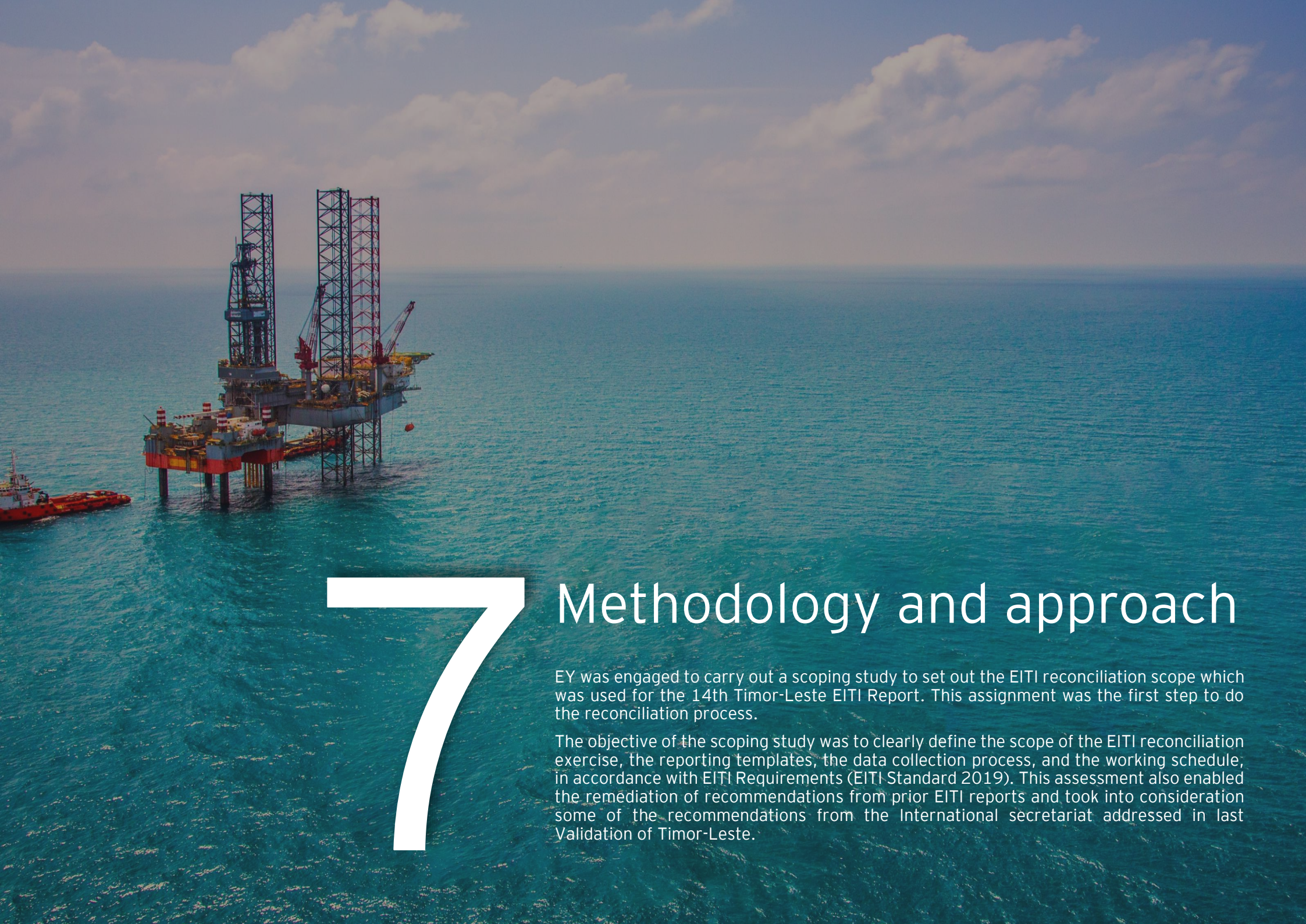
- If the activity is conducted on pure manual mining without any updated machinery to support the activity (artisanal);
- If the method of extraction uses updated machinery such as tractor and excavator, then and even knowing that the quantity is less than 60 ton/month is subject to license and fee payment.

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 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 14th 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 2019). 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

The scope of the 14th report is the 2021 fiscal year. A materiality threshold defined by the MSWG, includes all revenue streams above 100,000 USD and companies that have made payments (to the material revenues streams) above the same amount in 2021. This threshold permits to capture approximately 99% of the revenues received by the Government from petroleum activities in 2021.

Specifically, 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.

In accordance with the information received from the government entities as well as information from open sources concerning the receipt of tax and non-tax payments in 2021, the basis for determining the scope of the report was accomplished.

Since last year, the IA has been pushing to improve the beneficial owner and PEP data disclosed in the report, due to the limitations in the country in terms of making this data publicly available. To do this, IA have been trying to push contractors and subcontractors to provide information regarding these two topics. In 2021, in addition to receiving information from the contractors, we received information from two subcontractors who provided data using the EITI template. For more details on the status of collected data regarding BO and PEP, please refer to Section 9.1.

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 2020 Report. The MSWG have defined materiality in terms of a minimum value of payments to the government (100,000 USD).

Sectors

In 2021, Timor-Leste generated a total revenue of USD 731 million including mineral revenue. However, USD 2 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 0.27% 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 does not 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, we suggest that the report's focus should be on the Oil and Gas sector. The mining sector, in contrast, can be treated as Artisanal Small-scale Mining (ASM) and covered under option 2, which provides an overview of ASM activity, production, and exports, 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:

OIL & GAS ENTITIES IN SCOPE - CONTRACTORS		
BU-12 Australia Pty Ltd BU-13 Australia Pty Ltd Carnarvon Petroleum Timor Unip Lda Santos NA Emet 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	ENI JPDA 03-13 Ltd ENI JPDA 06-105 Pty Ltd Eni JPDA 11-106 B.V Eni Timor Leste S.P.A Inpex Sahul Ltd Inpex Timor Sea Ltd SundaGas Banda Unipessoal, Lda Timor Resources Pty Ltd Tokyo Timor sea Resources Pty Ltd	TIMOR GAP Onshore Block, Unipessoal, Lda TIMOR GAP GREATER SUNRISE 03-19, Unipessoal, Lda TIMOR GAP Greater Sunrise RL, Unipessoal, Lda TIMOR GAP Greater Sunrise RL2, Unipessoal, Lda TIMOR GAP Greater Sunrise 03-20, Unipessoal, Lda TIMOR GAP Offshore Block, Unipessoal, Lda TIMOR GAP PSC 11-106 Unip Lda TIMOR GAP Onshore Block Unip Lda Woodside Energy Pty Ltd
OIL & GAS ENTITIES IN SCOPE - SUB-CONTRACTORS		
Konnekto Unipessoal Lda Brunel Energy Pty Ltd Caltech Unipessoal Lda Cameron Services International Pty Ltd Cape Australia Onshore Pty Ltd Clough Amec Pty Ltd	Normant Driff AS Timor, Unipessoal Lda Oceaneering Aust Pty Ltd MMA Offshore Vessel Operation Pty Noble Services International Limited Noble Contracting II GMBH	Rigforce Pty Ltd Santos NA Timor Leste Pty Ltd Schlumberger Australia P/L SGS AUSTRALIA PTY LTD Sodexo Timor Unip Lda
GOVERNMENT ENTITIES		OTHER (PIPELINE FEE)
Direção Nacional de Receitas Petrolíferas e Minerais (DNRPM) Autoridade Nacional do Petróleo e Minerais (ANPM) Petroleum Fund (PF)	Banco Central de Timor-Leste (BCTL) TIMOR GAP E.P. (SOE)	AusAid

Methodology and approach

7.2 Materiality thresholds for company disclosures

Revenue Streams

Government revenues from the extractive industries consist of:

- Non-tax Revenues
- Tax Revenues

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

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:

OIL & GAS REVENUES STREAMS	
NON-TAX REVENUE	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 to Contract area acquired based on fix amount and size /km in TLEA. CSF are recognized when the right to receive the contract service fee has been established and can be measured reliably.
	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 Fee - Exploration fee calculated using the area of surface explore multiplied by an agreed rate per hectare. Seismic Data Fee - Fees based on the data acquired from the inventories system that collect all the relevant 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.

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.

Specific information requests were maintained in the reporting templates to address the EITI requirements and maintain the score issued by EITI's International secretariat on last validation.

Methodology and approach

7.4 Data assurance

Assurance Method in the Public Sector

There are government entities (as ANPM 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, ANPM, 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

Transportation

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. LNG continues to be sold under a long-term sale agreement (SPA) between Darwin LNG and Tokyo Gas (TG) and JERA. Natural gas is transported to Darwin, Australia, via a pipeline, where it is liquefied at an onshore processing plant in Darwin and then sold as LNG to customers such as Tokyo Electric (TE) and JERA.

Darwin and then sold as LNG to customers such as Tokyo Electric (TE) and JERA. Article 8 (b) of the 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".

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 (payment made by AusAID) and not a transportation revenue. No other payments related to transportation, made by contractors or subcontractors, were identified.

Infrastructure Provision and Barter Arrangement

For oil and gas, as previously referred, 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.

Based on the responses received we have concluded that in Timor-Leste the concept of barter arrangements for all practical purposes does not exist (confirmed by the information posted on the reporting templates received by all entities).

However, there are Local Commitments (mandatory and voluntary) that are presented in Section 11.

Sub-national Payments and Transfers

As prior reports, based on the procedures done for the scoping study report and, taking into consideration the actual structure of Timor-Leste governance (all centralized), no sub-national payments and transfers were detected.



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 2021;
- To reconcile the data from extractive companies and government authorities on each type of payments for each company in 2021;
- 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:

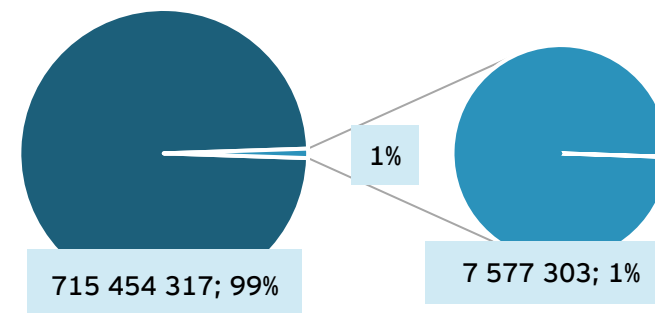
Revenues generated in 2021 as per templates (Millions USD)	Total	Scope	
Total Non-Tax Revenue - Royalties and O&G profits	319	319	100%
Total Non-Tax Revenue - Fees	5	5	100%
Total Tax Revenue Contractors	392	392	100%
Total Revenue Contractors	716	716	100%
Total Tax Revenue Subcontractors	8	7,5	93,48%
Other fees (BCTL)	6	6	100%
Total	730	729	99,93%
Amount duplicated by MoF paid directly to ANPM	-1	-1	-
Total	729	728	99,93%

Notes: During the reconciliation process, it was noted that the Ministry of Finance reported duplicate amounts of approximately 1 million in relation to development fees also collected by ANPM. Once the reconciliation process was completed, these duplicate amounts were deducted from the revenues reported by the Ministry of Finance. For more detail, refer to the Section 8.2.2.

The amounts reported by the government entities (MoF, ANPM⁴² and BCTL) and the entities were reconciled as per section 8.2 to 8.5.

Based on the chart above, 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.

Total Oil&Gas revenue in USD



- Oil & Gas extractive activities
- Oil & Gas supported activities

⁴² In the report, we refer to ANP and ANM collectively as ANPM, because in 2021, 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 27 companies that have payments on petroleum activities to Government entities (DNRPM, ANPM, BCTL and Petroleum Fund), all the entities are in scope (accumulated payments above the threshold). The payments from these entities represent USD 715,454,317 million of the total revenue.

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

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	APT	Withholding Tax on Services	Total Tax Revenue reported by Government
BU 12 Aust Pty Ltd	-	-	-	26 211 126	31 232 419	-	57 443 545
BU 13 Aust Pty Ltd	-	-	-	15 088 721	17 797 665	-	32 886 386
Carnarvon Petroleum Timor Unip Lda	111 884	179 847	-	-	-	-	291 731
Eni JPDA 03-13 Ltd	-	-	-	844 111	23 412 219	-	24 256 330
Eni JPDA 06-105 Pty Ltd	56 684	1 415	-	-	-	-	58 099
Eni JPDA 11-106 B.V	81 995	-	-	-	-	-	81 995
Eni Timor Leste S.P.A	4 322	5 664	-	-	-	-	9 986
Inpex Sahul Ltd	-	-	-	23 037 006	25 675 286	-	48 712 292
Inpex Timor Sea Ltd	-	11 611	-	-	-	-	11 611
Santos NA Emet Pty Ltd	-	-	-	1 549 997	2 098 398	-	3 648 395
Santos NA (19-12) Pty Ltd	8 974 672	953 467	6 715 828	31 461 889	26 120 266	-	74 226 123
Santos NA (19-13) Pty Ltd	-	-	-	10 721 025	12 083 544	-	22 804 569
Santos NA Timor Sea Pty Ltd	-	-	-	16 388 399	17 021 079	-	33 409 478
Santos NA Bayu-Undan Pty Ltd	-	-	-	15 818 623	14 145 613	-	29 964 236
Santos (JPDA 91-12) Pty Ltd	-	-	-	26 394 479	23 917 128	-	50 311 607
Sundagas Banda Unipessoal, Lda	7 126	26 013	-	-	-	-	33 138
TIMOR GAP Onshore Block Unip Lda	25 680	-	-	-	-	-	25 680
TIMOR GAP Onshore Block B Unip Lda	188	-	-	-	-	-	188
TIMOR GAP Greater Sunrise 03-19	1 249	-	-	-	-	-	1 249
TIMOR GAP Greater Sunrise RL	5 938	-	-	-	-	-	5 938

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	APT	Withholding Tax on Services	Total Tax Revenue reported by Government
TIMOR GAP Greater Sunrise RL2	-	-	-	-	-	-	-
TIMOR GAP Greater Sunrise 03-20	1 249	-	-	-	-	-	1 249
TIMOR GAP Offshore Block Unipessoal	74 161	8 987	-	-	-	-	83 148
TIMOR GAP PSC 11-106 Unip Lda	19 204	415	-	-	-	-	19 619
Timor Resources Pty Ltd	276 690	77 136	-	-	-	-	353 826
Tokyo Timor Sea Resources	-	-	-	6 762 803	6 920 550	-	13 683 353
Woodside Energy Pty Ltd	27 925	2 195	-	-	-	-	30 120
Total	9 668 967	1 266 750	6 715 828	174 278 179	200 424 165	-	392 353 891

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:

Entities	FTP	Profit Oil	Contract Services Fee	Development Fee	Surface Rental Fee	Seismic Data Fee	Total Non-Tax Revenue reported by Government
BU 12 Aust Pty Ltd	-	29 139 736	-	-	-	-	29 139 736
BU 13 Aust Pty Ltd	-	16 391 101	-	-	-	-	16 391 101
Carnarvon Petroleum Timor Unip Lda	-	-	-	-	-	-	-
Eni JPDA 03-13 Ltd	-	27 622 879	-	-	-	-	27 622 879
Eni JPDA 06-105 Pty Ltd	-	-	-	325 000	-	-	325 000
Eni JPDA 11-106 B.V	-	-	68 164	-	-	-	68 164
Eni Timor Leste S.P.A	-	-	-	-	154 000	-	154 000
Inpex Sahul Ltd	-	26 184 618	-	-	-	-	26 184 618
Inpex Timor Sea Ltd	-	-	-	-	-	-	-
Santos NA Emet Pty Ltd	-	-	-	-	-	-	-
Santos NA (19-12) Pty Ltd	-	-	160 000	3 658 200	-	-	3 818 200
Santos NA (19-13) Pty Ltd	-	-	-	-	-	-	-
Santos NA Timor Sea Pty Ltd	-	-	-	-	-	-	-
Santos NA Bayu-Undan Pty Ltd	-	-	-	-	-	-	-
Santos (JPDA 91-12) Pty Ltd	75 529 799	121 705 836	-	-	-	-	197 235 634
Sundagas Banda Unipessoal, Lda	-	-	-	-	-	-	-
TIMOR GAP Onshore Block Unip Lda	-	-	-	-	-	-	-
TIMOR GAP Onshore Block B 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	-	-	-	-	110 370	-	110 370
TIMOR GAP PSC 11-106 Unip Lda	-	-	-	-	-	-	-
Timor Resources Pty Ltd	-	-	-	-	120 060	-	120 060
Tokyo Timor Sea Resources	-	21 930 664	-	-	-	-	21 930 664
Woodside Energy Pty Ltd	-	-	-	-	-	-	-
Total	75 529 799	242 974 833	228 164	3 983 200	384 430	106 369	323 100 426

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:

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	APT	Withholding Tax on Services	Contract Services Fee	Total	Notes
Carnarvon Petroleum Timor Unip Lda	- 78 628	110 942	-	-	-	-	-	32 314	1)
Sundagas Banda Unipessoal, Lda	435	74 643	-	-	-	-	-	75 078	2)
Eni JPDA 03-13 Ltd	-	-	-	457 953	- 457 953	-	-	-	3.1)
Eni JPDA 06-105 Pty Ltd	-	- 1 415	-	-	-	1 415	-	-	3.2)
Eni JPDA 11-106 B.V	-	- 13 831	- 68 164	-	-	13 831	-	- 68 164	3.3)
Eni Timor Leste S.P.A	- 4 322	- 5 664	-	-	-	9 986	-	-	3.4)
	- 4 322	437 044	- 68 164	457 953	- 457 953	25 231	-	- 68 164	
Santos NA Emet Pty Ltd	-	-	-	- 16 427	-	-	-	- 16 427	4.1)
Santos NA (19-12) Pty Ltd	-	-	-	- 1 750 000	-	-	-	- 1 750 000	4.2)
Santos (JPDA 91-12) Pty Ltd	-	-	-	- 1 074 535	1 750 000	-	-	675 465	4.3)
	-	-	-	- 2 840 962	1 750 000	-	-	- 1 090 962	5)
Timor Resources Pty Ltd	- 7 339	7 339	-	-	-	-	-	-	
Tokyo Timor Sea Resources	-	-	-	- 1 006 117	1 006 117	-	-	-	6)
Inpex Sahul Ltd	-	-	-	- 607 446	607 446	-	-	-	7)
Woodside Energy Pty Ltd	-	-	-	-	-	-	320 000	320 000	8)
Total	- 89 855	629 969	- 68 164	- 4 454 525	2 905 610	25 231	320 000	-731 734	

Notes:

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

The adjustments correspond to: - Tax payments for October 2021 that the Government did not report in its template; Incorrect classification by type of tax and incorrect allocation by the Government.

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

The adjustment corresponds to tax payments obligation for April 2021, the Government reported this amount as for Babcock/Konnekto which is paying agent of Sundagas Banda Unipessoal, Lda.

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 adjustments correspond to: - Incorrect classification by type of tax; - The adjustment corresponds to one payment related to fee (non-tax payment) considered as VAT

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

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

4.1) The adjustment corresponds to amount of CIT that that the Government did not report.

4.2) The adjustment corresponds to reclassification of amount of tax within Santos Group - payment for Santos JPDA91-12 Final 2020 APT

4.3) The adjustment corresponds to fees what were collected by ANPM, MoF should not report this amount as tax revenue according to the process established.

5) Adjustments on the amount reported by the Government for Timor Resources Pty Ltd

The adjustment corresponds to incorrect classification by type of tax.

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

The adjustment corresponds to incorrect classification by type of tax.

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

The adjustment corresponds to incorrect classification by type of tax.

8) Adjustments on the amount reported by the Government for Woodside Energy Pty Ltd

The adjustment corresponds to payments of contract service fee for Contract Service Fee for JPDA 03-19 and 03-20 that the Government did not report in its template. Note, that this payment is recognised as ANP's revenue (former ANPM).

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 twenty-eight extractive companies in scope, all contractors sent the templates with the 2021 data. The detail by company of the **tax-revenue** amounts reported by the entities is represented as follows:

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	APT	Withholding Tax on Services	Total Tax Revenue reported by Entities
BU 12 Aust Pty Ltd	-	-	-	26 211 126	31 232 419	-	57 443 545
BU 13 Aust Pty Ltd	-	-	-	15 088 746	17 797 690	-	32 886 436
Carnarvon Petroleum Timor Unip Lda	30 893	293 232	-	-	-	-	324 125
Eni JPDA 03-13 Ltd	-	-	-	1 302 064	22 954 266	-	24 256 330
Eni JPDA 06-105 Pty Ltd	56 684	-	-	-	-	1 415	58 099
Eni JPDA 11-106 B.V	-	-	-	-	-	13 831	13 831
Eni Timor Leste S.P.A	-	-	-	-	-	9 986	9 986
Inpex Sahul Ltd	-	-	-	22 429 560	26 282 732	-	48 712 292
Inpex Timor Sea Ltd	-	11 611	-	-	-	-	11 611
Santos NA Emet Pty Ltd	-	-	-	1 533 569	2 098 398	-	3 631 967
Santos NA (19-12) Pty Ltd	8 974 672	953 467	6 715 828	29 711 889	26 120 267	-	72 476 124
Santos NA (19-13) Pty Ltd	-	-	-	10 721 024	12 083 544	-	22 804 568
Santos NA Timor Sea Pty Ltd	-	-	-	15 611 491	17 797 986	-	33 409 477
Santos NA Bayu-Undan Pty Ltd	-	-	-	15 818 622	14 145 613	-	29 964 235
Santos (JPDA 91-12) Pty Ltd	-	-	-	25 319 943	25 667 128	-	50 987 071
Sundagas Banda Unipessoal, Lda	6 765	101 251	-	-	-	-	108 016
TIMOR GAP Onshore Block Unip Lda	25 956	-	-	-	-	-	25 956
TIMOR GAP Onshore Block B Unip Lda	188	-	-	-	-	-	188
TIMOR GAP Greater Sunrise 03-19	104	-	-	-	-	-	104
TIMOR GAP Greater Sunrise RL	8 539	-	-	-	-	-	8 539
TIMOR GAP Greater Sunrise RL2	104	-	-	-	-	-	104
TIMOR GAP Greater Sunrise 03-20	104	-	-	-	-	-	104
TIMOR GAP Offshore Block Unipessoal	66 440	-	-	-	-	-	66 440
TIMOR GAP PSC 11-106 Unip Lda	9 629	-	-	-	-	-	9 629
Timor Resources Pty Ltd	271 240	82 585	-	-	-	-	353 826
Tokyo Timor Sea Resources	-	-	-	5 756 686	7 926 667	-	13 683 353
Woodside Energy Pty Ltd	26 845	3 095	-	-	-	-	29 940
Total	9 478 164	1 445 242	6 715 828	169 504 720	204 106 709	25 231	391 275 896

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:

Extractive Companies	FTP	Profit Oil	Contract Services Fee	Development Fee	Surface Rental Fee	Seismic Data Fee	Total Non-Tax Revenue reported by Entities
BU 12 Aust Pty Ltd		28 980 599	-	-	-	-	28 980 599
BU 13 Aust Pty Ltd		16 553 238	-	-	-	-	16 553 238
Carnarvon Petroleum Timor Unip Lda	-	-	-	-	-	-	-
Eni JPDA 03-13 Ltd	-	27 622 879	-	-	-	-	27 622 879
Eni JPDA 06-105 Pty Ltd	-	-	-	325 000	-	-	325 000
Eni JPDA 11-106 B.V	-	-	68 164	-	-	-	68 164
Eni Timor Leste S.P.A	-	-	-	-	154 000	-	154 000
Inpex Sahul Ltd	-	26 184 618	-	-	-	-	26 184 618
Inpex Timor Sea Ltd	-	-	-	-	-	-	-
Santos NA Emet Pty Ltd	-	-	-	-	-	-	-
Santos NA (19-12) Pty Ltd	-	-	160 000	3 658 200	-	-	3 818 200
Santos NA (19-13) Pty Ltd	-	-	-	-	-	-	-
Santos NA Timor Sea Pty Ltd	-	-	-	-	-	-	-
Santos NA Bayu-Undan Pty Ltd	-	-	-	-	-	-	-
Santos (JPDA 91-12) Pty Ltd	75 529 904	121 705 926	-	-	-	-	197 235 829
Sundagas Banda Unipessoal, Lda	-	-	-	-	-	-	-
TIMOR GAP Onshore Block Unip Lda	-	-	-	-	-	-	-
TIMOR GAP Onshore Block B 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	-	-	-	-	110 370	-	110 370
TIMOR GAP PSC 11-106 Unip Lda	-	-	-	-	-	-	-
Timor Resources Pty Ltd	-	-	120 060	-	-	-	120 060
Tokyo Timor Sea Resources	8 473 585	21 930 664	-	-	-	-	30 404 249
Woodside Energy Pty Ltd	-	-	320 000	-	-	-	320 000
Total	84 003 489	242 977 923	668 224	3 983 200	264 370	-	331 897 206

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:

Entities	VAT - JPDA	Corporate Income Tax	APT	Fees	Bank charges	Total	Notes
Carnarvon Petroleum Timor Unip Lda	-	-	-	-	- 80	- 80	1)
Sundagas Banda Unipessoal, Lda	-	-	-	-	200	200	1)
Tokyo Timor Sea Resources	-	-	-	-8 473 585	-	-8 473 585	2)
Total	-	-	-	-8 473 585	120	-8 473 465	

1) Adjustments on the amounts reported by Carnarvon Petroleum Timor Unip Lda and Sundagas Banda Unipessoal, Lda

The adjustments correspond to the bank charges which entities recorded as tax.

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

The adjustments correspond to FTP reported by Tokyo Timor Sea Resources and ANPM amounting to USD 8,473,585. Based on our discussion with ANPM, 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.

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:

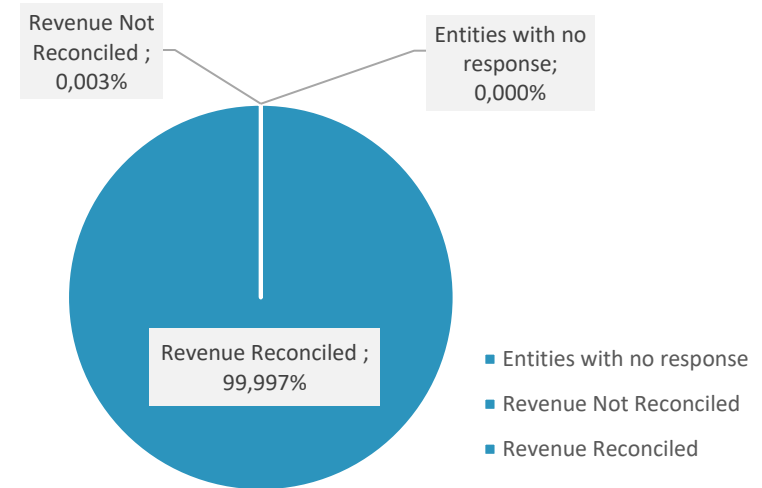
Entities	Reported by Entity	Reported by Government	Results of initial request	Adjustments by the entities	Adjustments by the Government	Reported by Entity	Reported by Government	Unreconciled differences
BU 12 Aust Pty Ltd	86 424 144	86 583 281	159 137	-	-	86 424 144	86 583 281	159 137
BU 13 Aust Pty Ltd	49 439 674	49 277 487	-162 187	-	-	49 439 674	49 277 487	-162 187
Carnarvon Petroleum Timor Unip Lda	324 125	291 731	-32 394	-80	32 314	324 045	324 045	-
Eni JPDA 03-13 Ltd	51 879 209	51 879 209	-	-	-	51 879 209	51 879 209	-
Eni JPDA 06-105 Pty Ltd	383 099	383 099	-	-	-	383 099	383 099	-
Eni JPDA 11-106 B.V	81 995	150 159	68 164	-	-68 164	81 995	81 995	-
Eni Timor Leste S.P.A	163 986	163 986	-	-	-	163 986	163 986	-
Inpex Sahul Ltd	74 896 910	74 896 910	-	-	-	74 896 910	74 896 910	-
Inpex Timor Sea Ltd	11 611	11 611	-	-	-	11 611	11 611	-
Santos NA Emet Pty Ltd	3 631 967	3 648 395	16 428	-	-16 427	3 631 967	3 631 968	1
Santos NA (19-12) Pty Ltd	76 294 324	78 044 323	1 749 999	-	-1 750 000	76 294 324	76 294 323	-1
Santos NA (19-13) Pty Ltd	22 804 568	22 804 569	1	-	-	22 804 568	22 804 569	1
Santos NA Timor Sea Pty Ltd	33 409 477	33 409 478	1	-	-	33 409 477	33 409 478	1
Santos NA Bayu-Undan Pty Ltd	29 964 235	29 964 236	1	-	-	29 964 235	29 964 236	1
Santos (JPDA 91-12) Pty Ltd	248 222 900	247 547 241	-675 659	-	675 465	248 222 900	248 222 706	-194
Sundagas Banda Unipessoal, Lda	108 016	33 138	-74 878	200	75 078	108 216	108 216	-
TIMOR GAP Onshore Block Unip Lda	25 956	25 680	-276	-	-	25 956	25 680	-276
TIMOR GAP Onshore Block B Unip Lda	188	188	-	-	-	188	188	-
TIMOR GAP Greater Sunrise 03-19	104	1 249	1 145	-	-	104	1 249	1 145
TIMOR GAP Greater Sunrise RL	8 539	5 938	-2 601	-	-	8 539	5 938	-2 601
TIMOR GAP Greater Sunrise RL2	104	-	-104	-	-	104	-	-104
TIMOR GAP Greater Sunrise 03-20	104	1 249	1 145	-	-	104	1 249	1 145
TIMOR GAP Offshore Block Unipessoal	176 810	193 518	16 708	-	-	176 810	193 518	16 708
TIMOR GAP PSC 11-106 Unip Lda	9 629	19 619	9 990	-	-	9 629	19 619	9 990
Timor Resources Pty Ltd	473 886	473 886	-	-	-	473 886	473 886	-
Tokyo Timor Sea Resources	44 087 602	35 614 017	-8 473 585	-8 473 585	-	35 614 017	35 614 017	-
Woodside Energy Pty Ltd	349 940	30 120	-319 820	-	320 000	349 940	350 120	180
Total	723 173 102	715 454 317	-7 718 785	-8 473 465	-731 734	714 699 637	714 722 583	22 946

8.2.6 Extractive companies - Unreconciled differences

Based on the results the difference not reconciled are approximately USD 22,946 an amount considered reasonable since it is virtually 0,003% of the total revenue reconciled.

Entities	Unreconciled differences (USD)
BU 12 Aust Pty Ltd	159 137
BU 13 Aust Pty Ltd	-162 187
Santos NA Emet Pty Ltd	1
Santos NA (19-12) Pty Ltd	-1
Santos NA (19-13) Pty Ltd	1
Santos NA Timor Sea Pty Ltd	1
Santos NA Bayu-Undan Pty Ltd	1
Santos (JPDA 91-12) Pty Ltd	-194
TIMOR GAP Onshore Block Unip Lda	-276
TIMOR GAP Greater Sunrise 03-19	1 145
TIMOR GAP Greater Sunrise RL	-2 601
TIMOR GAP Greater Sunrise RL2	-104
TIMOR GAP Greater Sunrise 03-20	1 145
TIMOR GAP Offshore Block Unipessoal	16 708
TIMOR GAP PSC 11-106 Unip Lda	9 990
Woodside Energy Pty Ltd	180
Total	22 946

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



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 29 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:

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	Total reported by Government
Konnekto Unipessoal Lda	134 999	-	-	-	134 999
Brunel Energy Pty Ltd	123 194	-	-	8 576	131 771
Caltech Unipessoal Lda	896 168	27 392	-	114 016	1 037 576
Cameron Services International Pty Ltd	7 778	-	-	560 852	568 629
Cape Australia Onshore Pty Ltd	286 795	-	-	-	286 795
Clough Amec Pty Ltd	1 128 387	183 086	-	323 883	1 635 355
Normant Driff AS Timor, Unipessoal Lda	102 230	-	-	-	102 230
MMA Offshore Vessel Operation Pty	262 545	-	-	-	262 545
Noble Services International Limited	608 794	292 119	-	-	900 912
Noble Contracting II GMBH	45 016	124 277	-	-	169 293
Rigforce Pty Ltd	483 732	567 374	-	-	1 051 106
Santos NA Timor Leste Pty Ltd	343 394	32 327	-	-	375 721
Schlumberger Australia P/L	70 003	4 537	-	110 576	185 115
SGS AUSTRALIA PTY LTD	137 443	-	-	63 313	200 756
Sodexo Timor Unip Lda	194 932	96 110	-	135 284	426 326
Oceaneering Aust Pty Ltd	108 174	-	-	-	108 174
Total	4 933 582	1 327 222	-	1 316 500	7 577 303

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.

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	APT	Withholding Tax on Services	Total	Notes
SGS AUSTRALIA PTY LTD	6 397	-	-	10 005	-	-	16 402	1)
Rigforce Pty Ltd	567 374	-	-	- 567 374	-	-	-	2)
Total	6 397	-	-	10 004	-	-	16 402	

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

The adjustment corresponds to a payment of Corporate Income Tax which the Government reported as Santos NA Emet Pty Ltd (including bank charges USD 25.00).

2) Adjustments on the amount reported by the Government for Rigforce Pty Ltd

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:

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	Total reported by Government
Konnekto Unipessoal Lda	-	-	-	-	-
Brunel Energy Pty Ltd	123 194	-	-	8 576	131 771
Caltech Unipessoal Lda	852 485	27 905	-	69 040	949 430
Cameron Services International Pty Ltd	-	-	-	-	-
Cape Australia Onshore Pty Ltd	286 705	-	-	-	286 705
Clough Amec Pty Ltd	-	-	-	-	-
Normant Driff AS Timor, Unipessoal Lda	-	-	-	-	-
MMA Offshore Vessel Operation Pty	-	-	-	-	-
Noble Services International Limited	-	-	-	-	-
Noble Contracting II GMBH	-	-	-	-	-
Rigforce Pty Ltd	1 047 826	1 237	-	-	1 049 063
Santos NA Timor Leste Pty Ltd	336 634	39 086	-	-	375 719
Schlumberger Australia P/L	-	-	-	-	-
SGS AUSTRALIA PTY LTD	147 448	-	-	69 710	217 158
Sodexo Timor Unip Lda	-	-	-	-	-
Oceaneering Aust Pty Ltd	-	-	-	-	-
Total	2 794 292	68 228	-	147 327	3 009 846

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.

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	APT	Total	Notes
Caltech Unipessoal Lda	44 306	-	-	43 649	-	87 955	1)
Total	44 306	-	-	43 649	-	87 955	

1) Adjustments on the amount reported by Caltech Unipessoal Lda

The adjustment corresponds to a payment of USD 44,305.94 for November-2020 (including bank charges \$25.00) which was made on 16th February 2021. The amount of USD 43,649 related to CIT for 2020Y which was paid in 2021. Entity did not report these amounts.

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.

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
Konnekto Unipessoal Lda	-	134 999	134 999	-	-	-	134 999	134 999
Brunel Energy Pty Ltd	131 771	131 771	-	-	-	131 771	131 771	-
Caltech Unipessoal Lda	949 430	1 037 576	88 147	87 955	-	1 037 385	1 037 576	192
Cameron Services International Pty Ltd	-	568 629	568 629	-	-	-	568 629	568 629
Cape Australia Onshore Pty Ltd	286 705	286 795	90	-	-	286 705	286 795	90
Clough Amec Pty Ltd	-	1 635 355	1 635 355	-	-	-	1 635 355	1 635 355
Normant Driff AS Timor, Unipessoal Lda	-	102 230	102 230	-	-	-	102 230	102 230
MMA Offshore Vessel Operation Pty	-	262 545	262 545	-	-	-	262 545	262 545
Noble Services International Limited	-	900 912	900 912	-	-	-	900 912	900 912
Noble Contracting II GMBH	-	169 293	169 293	-	-	-	169 293	169 293
Rigforce Pty Ltd	1 049 063	1 051 106	2 043	-	-	1 049 063	1 051 106	2 043
Santos NA Timor Leste Pty Ltd	375 719	375 721	2	-	-	375 719	375 721	2
Schlumberger Australia P/L	-	185 115	185 115	-	-	-	185 115	185 115
SGS AUSTRALIA PTY LTD	217 158	200 756	-16 402	-	16 402	217 158	217 158	-
Sodexo Timor Unip Lda	-	426 326	426 326	-	-	-	426 326	426 326
Oceaneering Aust Pty Ltd	-	108 174	108 174	-	-	-	108 174	108 174
Total	3 009 846	7 577 303	4 567 457	87 955	16 402	3 097 801	7 593 705	4 495 904

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 8.4.6.

8.3 General results of payments reconciliation - Subcontractors

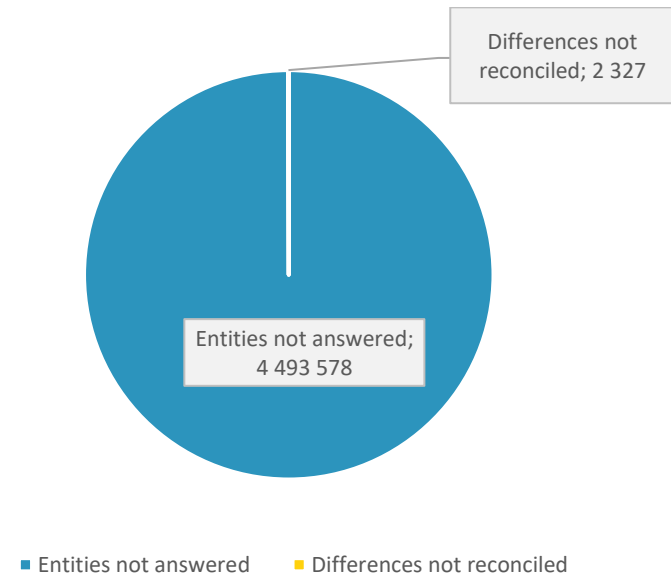
8.3.6 Subcontractors - Unreconciled differences

The total amount of initial difference is represented as follow:

Description	Amount in US\$	% Final amount reported Government
Total amount reported initially by the Government	7 577 303	100%
Adjustments by the Government entities	16 402	0%
Final tax amount reported by the Government	7 593 705	
Total amount reported initially by Subcontractors	3 009 846	40%
Adjustments by the entities	87 955	1%
Final tax amount reported by the Subcontractors	3 097 801	
Entities not answered	4 493 578	59%
Amount not conciliated	2 327	0%

Most of the differences are explained with amounts relating to entities that did not answer to the templates, totalizing USD 4,493,578. 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 2,327.



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 4 495 904 (considering the entities that did not report) future.

Subcontractors Companies	Reported by Government	Reported by Entity	Results after Reconciliation
Differences not reconciled			
Brunel Energy Pty Ltd	131 771	131 771	-
Caltech Unipessoal Lda	1 037 576	1 037 385	192
Cape Australia Onshore Pty Ltd	286 795	286 705	90
Rigforce Pty Ltd	1 051 106	1 049 063	-2 043
Santos NA Timor Leste Pty Ltd	375 721	375 719	-2
SGS AUSTRALIA PTY LTD	217 158	217 158	-
Total differences not reconciled			- 2 327

Note: During the 2021 revenue reconciliation period, several 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

Subcontractors Companies	Reported by Government	Reported by Entity	Results after Reconciliation
Not reported			
Konnekto Unipessoal Lda	134 999	-	134 999
Cameron Services International Pty Ltd	568 629	-	568 629
Clough Amec Pty Ltd	1 635 355	-	1 635 355
Normant Driff AS Timor, Unipessoal Lda	102 230	-	102 230
MMA Offshore Vessel Operation Pty	262 545	-	262 545
Noble Services International Limited	900 912	-	900 912
Noble Contracting II GMBH	169 293	-	169 293
Schlumberger Australia P/L	185 115	-	185 115
Sodexo Timor Unip Lda	426 326	-	426 326
Oceaneering Aust Pty Ltd	108 174	-	108 174
Total not reported			4 493 578
Total not reconciled and not reported amounts			4 495 904

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.

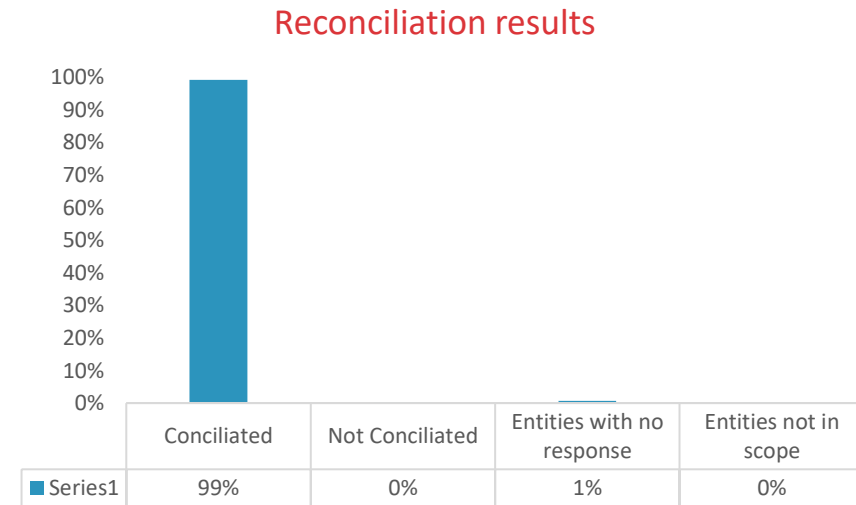
The reconciled amount totals 717,797,438 USD in both tax and non-tax revenues. This consists of 714,699,637 USD from contractors and 3,097,801 USD from subcontractors.

An unreconciled amount of 25,273 USD is accounted for by 22,946 USD from contractors and 2,327 USD from subcontractors.

Entities that failed to report contribute to a sum of USD 4,493,578, which encompasses both contractors and subcontractors. Entities that fell outside the scope have a total value of USD 521,826.

Total Amounts	Amounts in USD	%
Contractors - revenue reconciled	714 699 637	99%
Contractors - revenue unreconciled	22 946	0%
Contractors - Entities with no response	-	0%
Subcontractors - revenue reconciled	3 097 801	0%
Subcontractors - revenue unreconciled	2 327	0%
Subcontractors - Entities with no response	4 493 578	1%
Subcontractors - Entities not in scope	521 826	0%
TOTAL	722 838 115	100%

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



Reconciliation of tax and other payments

8.5 Pipeline fee

The Statement of Petroleum Fund includes the following types of other receipts for the fiscal year ended 31 December 2021:

Total Amounts of Other Receipts reported in PF	Amounts in USD
Development service fee	914 550
Pipeline fee	5 811 200
Adjustment taxpayers receipts into art. 6.1 (e)	2 497 474
Total	9 223 224

In 2021 the Pipeline Fee of 5,811,200 USD was transferred to the Petroleum Fund by the Banco Central de Timor Leste (BCTL). These payments were made in September 2021. We obtained a template from BCTL that confirmed these amounts.

Additionally, according to receipts disclosed by the Petroleum Fund during the year 2021, BCTL received 914,550 USD in Development Fees and another 2,497,474 USD 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

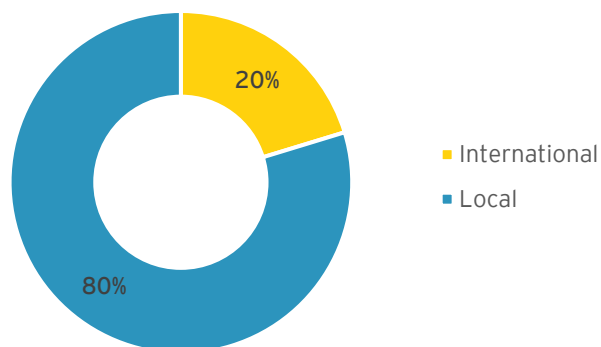
We have contacted ANPM to understand which companies paid amounts above the threshold (100,000 USD) in 2021, which were summarized in the next table.

Name of Proponent	Total Amount Paid (USD \$)
China HarbourTimor Lda.	1 031 704,19
CBMI Construction Co., & Chongqing Road Engineering (Group) Co., Lda.	541 755,20
Hoven II Unip., Lda.	133 038,78

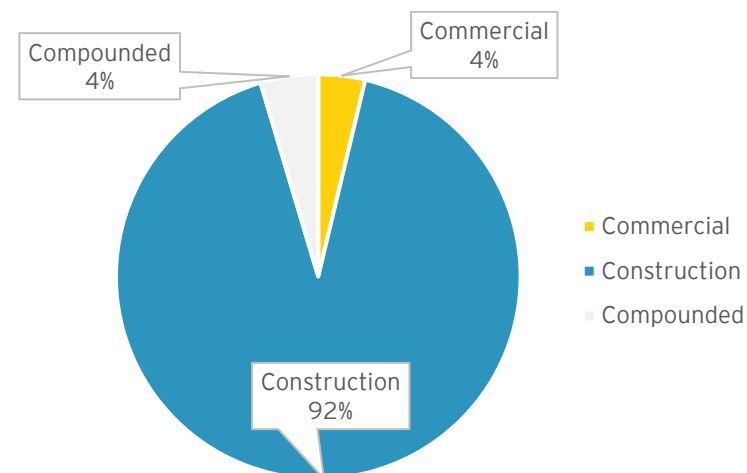
We have also obtained the detail of the payments received by this government entity in 2021 (please see Annex C).

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 80% (USD 1 573 459,39) international and 20% (USD 400 417,87) 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.

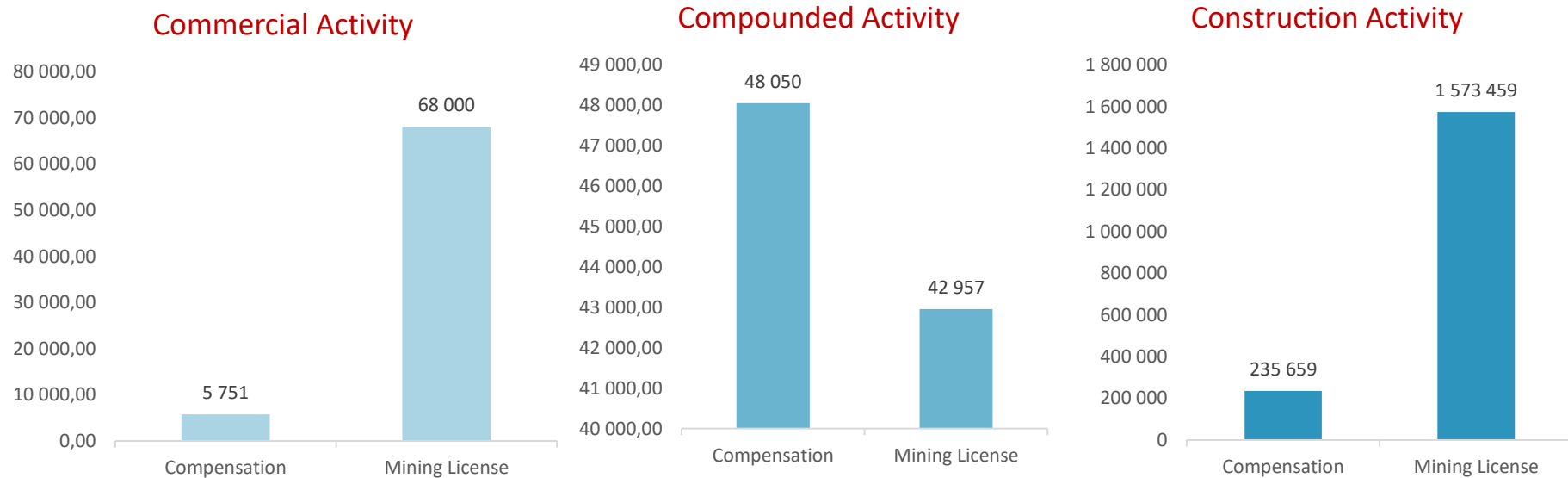


Reconciliation of tax and other payments

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:



The mining license constitutes 85% of the total payments, in the amount of 1,684,416.49 USD, however the compensation contributes with 15% of the total payments (289,460.77 USD).

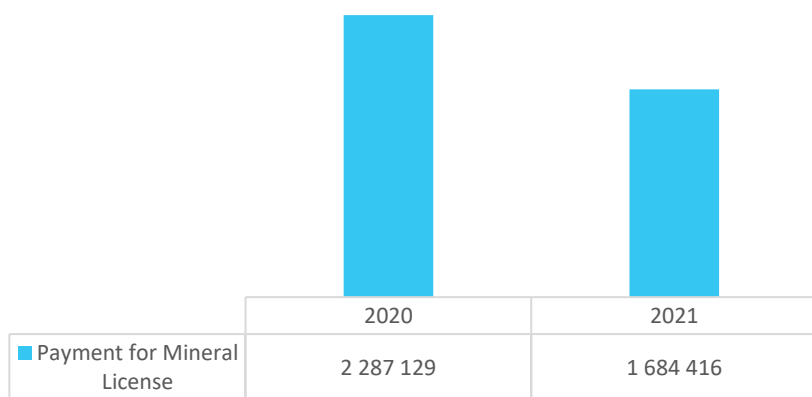
Reconciliation of tax and other payments

8.6 Payments in the mining sector

Compared to 2020, mineral license payments experienced a decline of USD 602,713.

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.

Payment for Mineral License



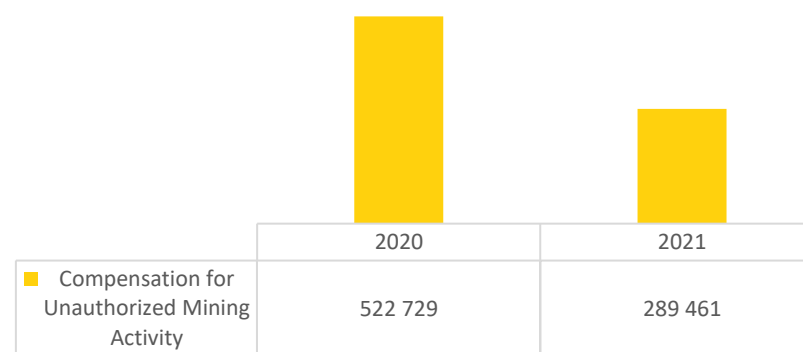
Related to mining license, there were two entities that paid fees above 100,000 USD, however they are related to contractions activities.

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 2020, the sum total of these payments reached USD 522,729. This included contributions of over USD 100,000 from two entities engaged in construction-related activities.

In 2021 the total amount further declined to USD 289,461, including three entities above 100,000 USD, whose activities also related to construction.

Compensation for Unauthorized Mining Activity



An aerial photograph of an offshore oil and gas platform in the middle of a vast, blue ocean. The platform is a complex of steel structures, including two tall derrick-like towers. A smaller support vessel is visible to the left of the platform. The sky is filled with soft, white clouds, and the water has a deep turquoise hue.

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 MSWG 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

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.

Regarding Timor-Leste's corruption risk, it worth to mentioned that Timor-Leste is a member of the Asia/Pacific Group on Money Laundering (APG) since July 2008. The objective of the APG is to ensure that individual members effectively implement the international standards against money laundering, terrorist financing and proliferation financing related to weapons of mass destruction.

The last evaluation of Timor-Leste was carried out by the APG in 2012. The subsequent evaluation reports, labelled as "Mutual Evaluation Reports - 2nd Round (2005-2012)", were released in July 2012⁴³.

On October 7th, 2016, the Timor-Leste government shared a public document that includes their first National Evaluation of Risks of Money Laundering and Terrorist Financing. It also presents the 2016-2020 National Strategic Plan to counteract money laundering and terrorism financing. This plan comprises 10 strategic objectives, complete with a timeline for actions and responsible bodies for implementation, hence facilitating citizens to analyze government measures in contrast to the jointly evaluated exercise.

The 10 strategic objectives are:

- Developing and implementing a strong Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) national policy framework;
- Gaining a comprehensive understanding of money laundering and terrorist financing risks in the country;
- Aligning the legal framework to tackle money laundering and terrorist financing with international standards;
- Enhancing the capacities of law enforcement, prosecution, and judicial authorities to improve investigation, prosecution, and conviction of money laundering and related crimes;
- Building up the supervisory bodies' capacity to maintain the financial sector and DNFBPs' compliance with money laundering and terrorist financing preventive measures;
- Strengthening the implementation of Anti-Money Laundering/Countering the Financing of Terrorism AML/CFT preventive measures by financial institutions and Designated Non-Financial Businesses and Professions (DNFBPs);
- Advancing the ability of the UIF to gather, analyze, and disseminate suspicious transaction and currency transaction reports for better investigation of money laundering and terrorist financing;
- Boosting the transparency of beneficial ownership of legal entities within the jurisdiction;
- Improving cooperation on a national and international level between competent authorities to combat money laundering and terrorist financing;

⁴³ Source: [Timor Leste \(fatf-gafi.org\)](http://fatf-gafi.org)

- Increasing public consciousness to fight money laundering and terrorist financing.

These strategic objectives are coordinated by the National Commission for the Implementation of Measures to Combat Money Laundering and Financing of Terrorism (also known as National Commission for Combating Money Laundering or CNCBC in Portuguese), which received approval from the Council of Ministers. This commission programs the implementation of recommendations and best practices as outlined by the FATF, an intergovernmental ensemble accountable for international standards to prevent and combat money laundering, terrorist financing, and the proliferation of weapons of mass destruction. The CNCBC also leads Timor-Leste's participation in the Asia/Pacific Group on Money Laundering⁴⁴.

Regarding Timor-Leste's position in the Corruption Perceptions Index, it has seen a continuous improvement since 2012, when the country obtained the first score of 33. In the last 3 years, the following progress has been observed⁴⁵:

- In 2020, Timor-Leste obtained a score of 40/100 and climbed up the rankings to 86th/180th place;
- In 2021, Timor-Leste obtained a score of 41 and climbed up the rankings to 82d/180th place;
- In 2022, Timor-Leste obtained a score of 42/100 and climbed up the rankings to 77th/180th place.

Noted that each country's score is a combination of at least 3 data sources drawn from 13 different corruption surveys and assessments. These data sources are collected by a variety of reputable institutions, including the World Bank and the World Economic Forum.

⁴⁴ Source: [Government publishes national evaluation on money laundering "Government of Timor-Leste"](#)

⁴⁵ Source: [2021 Corruption Perceptions Index - Explore... - Transparency.org](#)

The data mentioned above shows a positive trend in the country and progressive in the implementation of the recommendations and best practices issued by the FATF.

The next evaluation of Timor-Leste is slated for approval at the Asia/Pacific Group on Money Laundering's (APG) Annual Meeting in 2024. Throughout 2023, Timor-Leste took part in simulation activities or mock sessions to prepare for the on-site evaluation by the Asia/Pacific Group on Money Laundering⁴⁶.

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

⁴⁶ Source: [Executive Director of SERVE, I.P. present on the mock session of money laundering - SERVE, I.P.](#)

Source: [SERVE, I.P. participates on the program for "Money Laundering" - SERVE, I.P.](#)

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 met⁴⁷. 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.

Following the EITI International secretarial recommendation, an action plan was developed and executed to effectively address requirement 2.5. This plan was aimed at improving Beneficial Ownership transparency within the mining sector, whose economic weight continues to grow.

IA focused on expanding the scope of disclosure information to include subcontractors, thereby enhancing the effectiveness of BO disclosures. By actively soliciting detailed information from subcontractors and ensuring its accuracy, we successfully amplified the scope of reported data.

As part of strategy to boost the quality and reliability of BO data collection, IA conducted a thorough assessment of the beneficial ownership disclosures from all companies currently holding oil and gas licenses.

Finally, for completeness in collecting Beneficial Ownership (BO) information for the 2021 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.

Nevertheless, a significant barrier in completely implementing Requirement 2.5 is the lack of a corporate registry that records the

⁴⁷ Source: [Timor-Leste 2022 Validation Report](#)

Ultimate Beneficial Owners of all corporate entities. To progress this initiative, the Multi-Stakeholder Working Group (MSWG) is encouraged to schedule a meeting to discuss this subject in depth.

Involvement from key entities such as the Central Bank, the Financial Information Unit, and SERVE would be essential, as they are potentially pivotal stakeholders in this issue.

Company Name	Ultimate Beneficial Owner	Notes	Links
Eni JPDA 03-13 Ltd Eni JPDA 06-105 Pty Ltd Eni JPDA 11-106 B.V Eni Timor Leste S.P.A	Eni S.p.A.	Eni is listed on both New York Stock Exchange (NYSE) and the FTSE MIB of the Milan Stock Exchange.	Source: 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 B 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, E.P.	State Own Entity.	Source: www.timorgap.com

Company Name	Ultimate Beneficial Owner	Notes	Links
TIMOR GAP Offshore Block Unipessoal TIMOR GAP PSC 11-106 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 a 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)
Brunel Energy Pty Ltd	Brunel International NV	Brunel Australia Holdings Pty Ltd (Brunel Australia Holdings is owned by Brunel Energy Holding BV and ultimately owned by Brunel International NV).	Source: Source: Stock Information (www.brunelinternational.net)
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 2021, both BU13 and BU12 had one ordinary fully paid share each, held directly by SK E&S Co., Ltd.	Source: www.sk-inc.com

Company Name	Ultimate Beneficial Owner	Notes	Links
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	BO 1: Andrew John Butler (33,33%) BO 2: Paul William Bernard Ebdale (33,33%) BO 3: Baron Oil Plc (33,33%)	Baron Oil Plc acquired the remaining 66,67% of SundaGas, having an interest of 100% in the entity	Source: Share Information (baronoilplc.com)
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: BIDAUCIDERE, 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:

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	4
Companies are not required to report information on Beneficial Ownership	Listed companies	20
	State-owned enterprise group	8
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 12,5% 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 2021, the entities followed the recommendations of the IA. Besides this, the MSWG asked for more information for the entities in scope. MSWG 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 2021 EITI Report of Timor-Leste:

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 MSWG and are disclosed on the template that was sent out to the entities in scope for the 2021 EITI Report of Timor-Leste, as follows:

Beneficial ownership definition

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:

If the counterpart is a corporate legal entity, the beneficial owners are as follows:

Criteria for determining ownership or control:

a) Criteria based on Capital

The natural person or persons who ultimately own or control, directly or indirectly, more than 25% 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 25%, jointly own more than 25% 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.

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;

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;

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:

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.

"Politically Exposed Person" definition (PPE) as well as "Close Family Members" and "Persons known to be close associates"

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:

- 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.

The Close family members are:

- 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;

The Persons known to be close associates:

- 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;

An aerial view of an offshore oil rig in the middle of a vast, blue ocean under a clear sky. The rig is a complex of metal structures, including two tall derrick-like towers. A smaller red and white supply vessel is visible to the left of the rig. The water is a deep turquoise color, and the sky is a pale blue with some light clouds.

10

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.

10. Mainstreaming

Timor-Leste joined EITI in 2008 and since then it has published 12 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 expenditures⁴⁸.

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 and the Central Bank. 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 and afterwards EITI Standard 2019. 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 2019 EITI Standard and the challenges to be brought by 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.

⁴⁸ Sources: EITI Timor-Leste: <https://eiti.org/timorleste> & Transparency

Portal: <http://www.transparency.gov.tl/english.html>

An aerial view of an offshore oil rig in the middle of a vast, blue ocean under a clear sky. The rig is a complex of metal structures, including a tall derrick and various platforms. A smaller support vessel is visible to the left of the rig.

11

Social & Economic Expenditures

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.

11. Social & Economic Expenditures

11.1 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:

Social Expenditure	Amount reported in USD
Mandatory	20 393 200
Subtotal Santos entities (Mandatory)	20 393 200
Cost Recoverable project for BU	161 462
Voluntary	1 287 561
Subtotal Santos entities (Voluntary)	1 449 023
Voluntary	391 588
Subtotal Timor Resources (Voluntary)	391 588
Total	22 233 811

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:

Description of Social Expenditure	Company name of "beneficiaries"	Payments (Amounts in USD)
Others - Santos Offshore Timor-Leste Employees	Santos Offshore Timor-Leste Employees	1 196 290
Others - Local Goods & Services	Various vendors	3 186 580
Others - Contractors' Timor-Leste Employees	Various vendors	9 017 651
Others - Contractors' Timor-Leste Goods & Services	Various vendors	6 134 312
Others - Santos Dili Office Employees	Santos Dili Office Employees	858 367
Total Santos		20 393 200

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 2021 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.

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	718 732
Helicopter support for floods (in liaison with Aust. Govt)	Santos NA (19-12) Pty Ltd	McDermott Aviation, engaged through Avmin Aircraft Charter Services	250 000
Scholarship Programs - Fullbright-SERN Scholarship		IIE	161 462
Flood Relief	Santos NA (19-12) Pty Ltd	Red Cross Timor Leste	185 675
SESIM - World Science & Mathematics Day	Santos NA (19-12) Pty Ltd	National Commission of UNESCO in TL	56 012
NGOs Programs (Water, Sanitation, Health, Sports Events) - Reforestation Project	Santos NA (19-12) Pty Ltd	NGO Santalum	38 012
Support to National Event - First Lady Fun Run	Santos NA (19-12) Pty Ltd	Rotary Club of Dili	30 024
IT Equipment Donation and Christmas Gift Donation	Santos NA (19-12) Pty Ltd	IBTL & Maubisse School	5 362
Timor-Leste Flood Relief Fundraising event	Santos NA (19-12) Pty Ltd	Energy Club of WA	3 744
		Santos Entities	1 449 023
Employment	Timor Resources		376 588
Community Project road repair	Timor Resources	Voluntary	10 000
Community Project Horticultur Pilot Project in Suai	Timor Resources	Voluntary	5 000
		Timor Resources Pyt Ltd	391 588
Total			1 840 611

Social & Economic Expenditures

11.2 Other Expenditure

Environment expenditure

The environmental expenditures were reported by Timor Resources and confirmed by ANPM.

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	144 419
Total				144 419

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.



Recommendations

12

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 April 2025. 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.

12. Recommendations

The last EITI Validation report for Timor-Leste provides relevant recommendations for improvement across Outcomes and Impacts, Stakeholders, and Transparency components. Some of these recommendations have been emphasized in the current section and we have outlined a list of potential actions in response to the recommendations provided by the International Secretariat. Although, this list is not exhaustive, so we encourage you to refer to the validation report for a comprehensive understanding of all the recommendations.

Outcomes and Impact

The EITI Board indicates that the monitoring of 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 underscore 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 following potential actions can be considered by the Multi-Stakeholder Working Group (MSWG):

Regularly reviewing and updating the EITI work plan, correlating with consultations with key stakeholders, can help ensure national priorities remain the primary focus. Defining and tracking measurable objectives can efficiently monitor progress.

Public forums and town hall meetings focused on discussing EITI findings might prove useful for stimulating public debate. Partnerships with local media outlets could further improve the distribution and accessibility of EITI information.

The MSWG can consider an annual designated review period to evaluate the progress and impact of EITI implementation in Timor-Leste. This process can effectively guide the next year's activities and set focus areas.

Assigning a dedicated team within the MSWG to follow up on and action the EITI recommendations could streamline implementation procedures. Sharing updates during MSWG meetings can ensure progress transparency.

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 2019 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 Multi-Stakeholder Working Group (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, undertaking an annual review and update of the MSWG's Terms of Reference could better align the group with the latest EITI Standard. By formalizing constituency nomination procedures and enhancing coordination processes, the MSWG's public accountability could be significantly strengthened.

Transparency

The EITI Board suggests Timor-Leste has made more progress on the disaggregation of government revenue disclosures than on other aspects of the 2019 EITI Standard, such as contract disclosure and beneficial ownership transparency. While commending the nation's consistent disclosure of data related to extractives, the EITI Board encouraged Timor-Leste EITI to restructure its annual reporting to improve systematic disclosures and make information more accessible in an open data format.

Regarding beneficial ownership, the absence of a mechanism for systematic disclosures has been identified as a critical gap. To improve this, the EITI Board suggests that Timor-Leste discloses the beneficial owners of all companies holding or applying for extractive licenses. Hence, it is our recommendation that Timor-Leste should make an effort to establish a corporate registry to document the Ultimate Beneficial Owners of all its corporate entities. To advance 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 might be key stakeholders in this matter. Additionally, Timor-Leste is encouraged to consider a lower threshold for beneficial ownership, particularly for politically exposed persons (PEPs).

The EITI Validation report expects Timor-Leste to use its EITI process to strengthen government entities and extractive companies' governance and disclosure systems, and to restructure EITI reporting in a risk-based approach to assessing the comprehensiveness and reliability of their systematic disclosures.

12. Recommendations

Follow up of recommendations of previous EITI Reports

No	Issue	Detail of the issue	Recommendation	Status of implementation 2019 Timor-Leste's EITI Report (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
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. In some cases, making contact with extractive companies can be difficult as no contact details are available.	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 which prevents the public disclosure of information relating to O&G operations by both parts, except if mandatory by law. Annex F PSC model contains confidentiality provision which prevents the disclosure of most recent (less than two years) information on certain commercial sensitive information. However, the summaries of the model PSC has 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.	No



13

Annexes

13. Annexes

A. Companies in the Oil&Gas Sector

Entities

BU 12 Aust Pty Ltd	TIMOR GAP PSC 11-106 Unip Lda
BU 13 Aust Pty Ltd	Timor Resources Pty Ltd
Carnarvon Petroleum Timor Unip Lda	Tokyo Timor Sea Resources
Eni JPDA 03-13 Ltd	Woodside Energy Pty Ltd
Eni JPDA 06-105 Pty Ltd	Konnekto Unipessoal Lda
Eni JPDA 11-106 B.V	Brunel Energy Pty Ltd
Eni Timor Leste S.P.A	Caltech Unipessoal Lda
Inpex Sahul Ltd	Cameron Services International Pty Ltd
Inpex Timor Sea Ltd	Cape Australia Onshore Pty Ltd
Santos NA Emet Pty Ltd	Clough Amec Pty Ltd
Santos NA (19-12) Pty Ltd	Normant Driff AS Timor, Unipessoal Lda
Santos NA (19-13) Pty Ltd	MMA Offshore Vessel Operation Pty
Santos NA Timor Sea Pty Ltd	Noble Services International Limited
Santos NA Bayu-Undan Pty Ltd	Noble Contracting II GMBH
Santos (JPDA 91-12) Pty Ltd	Rigforce Pty Ltd
Sundagas Banda Unipessoal, Lda	Santos NA Timor Leste Pty Ltd
TIMOR GAP Onshore Block Unip Lda	Schlumberger Australia P/L
TIMOR GAP Onshore Block B Unip Lda	SGS AUSTRALIA PTY LTD
TIMOR GAP Greater Sunrise 03-19	Sodexo Timor Unip Lda
TIMOR GAP Greater Sunrise RL	Oceaneering Aust Pty Ltd
TIMOR GAP Greater Sunrise RL2	Australia Intern'l Petro-Cons
TIMOR GAP Greater Sunrise 03-20	Babcock Offshore Services
TIMOR GAP Offshore Block Unipessoal	OFFSHORE SERVICES AUSTRALASIA PTY
Callidues Process Solution Pty Ltd	Solar Turbines Int. Co

Entities

Compas Group (Australia) Pty.Ltd.
Haliburton Australia Pty Ltd
Japan Energy EP JPDA Pty Ltd
KOTUG MARITIME SERVICES (BAYU UNDAN PTY LTD)

Spectrum Geo Aust Pty Ltd
Total Marine Tech Pty Ltd
WEATHERFORD AUSTRALIA PTY LTD
Wood Australia Pty Ltd

B. Mineral Sector in 2021

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 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

D. Mineral Payments in 2020

No.	Name of Proponent	Origin	Type of Activities	Type of Payment	Mining Category	Total Amount Paid
1	Aquarius Construction Unip., Lda.	Local	Commercial	Mining License	Construction Materials	\$ 5,980.00
2	Aquarius Construction Unip., Lda.	Local	Commercial	Compensation	Construction Materials	\$ 7,840.00
3	Beduku Jaya Unip., Lda.	Local	Commercial	Compensation	Construction Materials	\$ 7,151.68
4	Boheek Unip., Lda.	Local	Commercial	Compensation	Construction Materials	\$ 12,414.82
5	CBMI Construction & Chongqing Road Engineering (Group) Co., Lda.	International	Construction	Mining License	Construction Materials	\$ 14,935.27
6	China Harbour Timor Lda.	International	Construction	Mining License	Construction Materials	\$ 2,062,650.45
7	China Wu Yi Co., Ltd., R.P.	International	Construction	Mining License	Construction Materials	\$ 114,470.97
8	China Wu Yi Co., Ltd., R.P.	International	Construction	Compensation	Construction Materials	\$ 59,340.75
9	City Development Group, Lda.	Local	Commercial	Mining License	Construction Materials	\$ 4,633.20
10	City Development Group, Lda.	Local	Commercial	Compensation	Construction Materials	\$ 8,553.60
11	Elegant Marble Group Unip., Ltd	Local	Commercial	Exploration License	Ornamental Stone	\$ 1,500.00
12	Elegant Marble Group Unip., Ltd	Local	Commercial	Annual Surface Fee	Ornamental Stone	\$ 4,869.00
13	Hoven II Unip., Lda.	Local	Construction	Compensation	Construction Materials	\$ 39,648.70
14	Jonize Construction Unip., Lda.	Local	Compound	Mining License	Construction Materials	\$ 23,880.00
15	JRM JV DRQ Unip., Lda. (Vitoria Group)	Local	Construction	Compensation	Construction Materials	\$ 2,533.82

No.	Name of Proponent	Origin	Type of Activities	Type of Payment	Mining Category	Total Amount Paid
16	King Construction, Unip., Lda.	Local	Commercial	Mining License	Construction Materials	\$ 9,377.55
17	Linatet Unip., Lda.	Local	Commercial	Compensation	Construction Materials	\$ 66,010.95
18	Montana Diak Unip., Lda.	Local	Compounded	Compensation	Construction Materials	\$ 1,992.00
19	Nananiu Unip., Lda.	Local	Compounded	Compensation	Construction Materials	\$ 92,717.71
20	Natureza Timor Naroman Lda., Contractor & Supplier	Local	Construction	Compensation	Construction Materials	\$ 116,708.78
21	Romante Pty., Ltd.	International	Construction	Compensation	Construction Materials	\$ 7,993.03
22	Shanghai Construction Group Co., LTD., R.P	Local	Construction	Mining License	Construction Materials	\$ 28,038.84
23	Shanghai Construction Group Co., LTD., R.P	Local	Construction	Compensation	Construction Materials	\$ 10,478.70
24	Starking Raw Material Industry Unip., Lda.	Local	Compound	Mining License	Construction Materials	\$ 20,162.40
25	Starking Raw Material Industry Unip., Lda.	Local	Compounded	Compensation	Construction Materials	\$ 11,964.00
26	Timor General Development Group Unip., Lda.	Local	Commercial	Compensation	Construction Materials	\$ 58,116.92
27	Uma Marble Timor, Unip., Lda.	Local	Commercial	Exploration License	Ornamental Stone	\$ 1,500.00
28	Uma Marble Timor, Unip., Lda.	Local	Commercial	Annual Surface Fee	Ornamental Stone	\$ 602.88
29	Weng Enterprise Group Lda.	Local	Commercial	Compensation	Construction Materials	\$ 19,263.54
Total Revenue Receipts Deposited for The Year						\$ 2,815,329.56

E. List of licenses 2006-2021

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
11	Jonize Construction Unip. Lda	No. 00005/LT/DNGRM/II/09
12	Linatet Unipessoal Lda	No. 00009/LT/DNGRM/III/09

2009		
No.	Name of License	License no.
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
6	Montana Diak Unip. Lda.	No. 0011/LT/DNGRM/XI/2010
7	Montana Diak Unip. Lda.	No. 0014/LT/DNGRM/XI/2010
8	Monte Veado Ltd.	No. 0009/LT/DNGRM/V/2010

2010		
No.	Name of License	License no.
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
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

2011		
No.	Name of License	License no.
9	Monte Veadó 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
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

2012		
No.	Name of License	License no.
12	Yefa Unipessoal Lda.	No. 0011/LT/DNGRM/VIII/2012

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

2014		
No.	Name of License	License no.
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 Construções Lda.	No. 0006/LT/DNM/X/2014
15	TL Cement Lda.	No. 01/2014
16	Uha Cae Lda.	No. 0008/LT/DNM/XI/2014
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
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

2015		
No.	Name of License	License no.
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 Veadó 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
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
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

2016		
No.	Name of License	License no.
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
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	Ilatur Unipessoal, Lda.	No. 01/2017
2	Sinohydro Corporation Limited, R.P	No. 02/2017
3	Jova Construction Unipessoal Lda.	No. 03/2017

2017		
	Name of License	License no.
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
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

2018		
No.	Name of License	License no.
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
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	China Harbour Timor Lda	No. 01/2019
2	CBMI Construction. Co & Chongqing Road Engineering (Group) Co, Lda	No. 02/2019

2019		
No.	Name of License	License no.
3	CBMI Construction. Co & Chongqing Road Engineering (Group) Co, Lda	No. 03/2019
4	CBMI Construction. Co & Chongqing Road Engineering (Group) Co, Lda	No. 04/2019
5	CBMI Construction. Co & Chongqing Road Engineering (Group) Co, Lda	No. 05/2019
6	CBMI Construction. Co & Chongqing Road Engineering (Group) Co, Lda	No. 06/2019
7	CBMI Construction. Co & Chongqing Road Engineering (Group) Co, Lda	No. 07/2019
8	CBMI Construction. Co & Chongqing Road Engineering (Group) Co, Lda	No. 08/2019
9	CBMI Construction. Co & Chongqing Road Engineering (Group) Co, Lda	No. 09/2019
10	CBMI Construction. Co & Chongqing Road Engineering (Group) Co, Lda	No. 10/2019
11	CBMI Construction. Co & Chongqing Road Engineering (Group) Co, Lda	No. 11/2019
12	CBMI Construction. Co & Chongqing Road Engineering (Group) Co, Lda	No. 12/2019
13	CBMI Construction. Co & Chongqing Road Engineering (Group) Co, Lda	No. 13/2019
14	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

2020/2021		
No.	Name of License (Note: Updated until 25th of January 2022)	License no.
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, Unipessoal, 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

F. Production Sharing Contracts

License number	Description	Operators	Joint Venture Partners	Extracted Material	Effective date	Expiry date
TL-SO-T 19-12 ⁴⁹	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	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	20-05-2002	31-12-2022
TL-SO-T 19-13	Bayu Undan Joint Venture to perform petroleum activities in Bayu Undan contract area. The Bayu Undan annual operating costs for year 2021 were mainly to cover the operation and production including lifting costs, logistic, supply, minor and major maintenance. For 2021 capital expenditures, there were costs mainly related to Phase 3C infill well drilling campaign.	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	20-05-2002	31-12-2021
TL-SO-T 19-10	The operation of this PSC was suspended in December of 2015 due to the impact of low oil price to the economics of the Kitan field. The operation of this PSC was suspended 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	Eni JPDA 06-105 Pty Ltd.	INPEX Timor Sea Ltd.; Repsol Oil and Gas Australia Pty Ltd.	Oil	22-09-2006	* ⁵⁰

⁴⁹ 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%.

⁵⁰ * Upon the completion of work program commitment of the exploration period and relinquishment of the contract area

License number	Description	Operators	Joint Venture Partners	Extracted Material	Effective date	Expiry date
	expenditures reported for the year ended 31 December 2021 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.					
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 2021, this PSC continues to maintain its present with annual minimum work programs and budget for its local office, permits and corporate initiative investments.	Woodside Petroleum (Timor Sea 19) Pty Ltd; Woodside Petroleum (Timor Sea 20) Pty Ltd..	Timor Gap Greater 03-19, Unipessoal Lda ⁵¹ ; 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
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 2021 was related to G&G studies, G&A, permit maintenance and local content.	Eni JPDA 11-106 B.V.	Inpex Offshore Timor-Leste Ltd; TIMOR GAP, E.P. PSC 11-106	Oil	23-10-2013	*

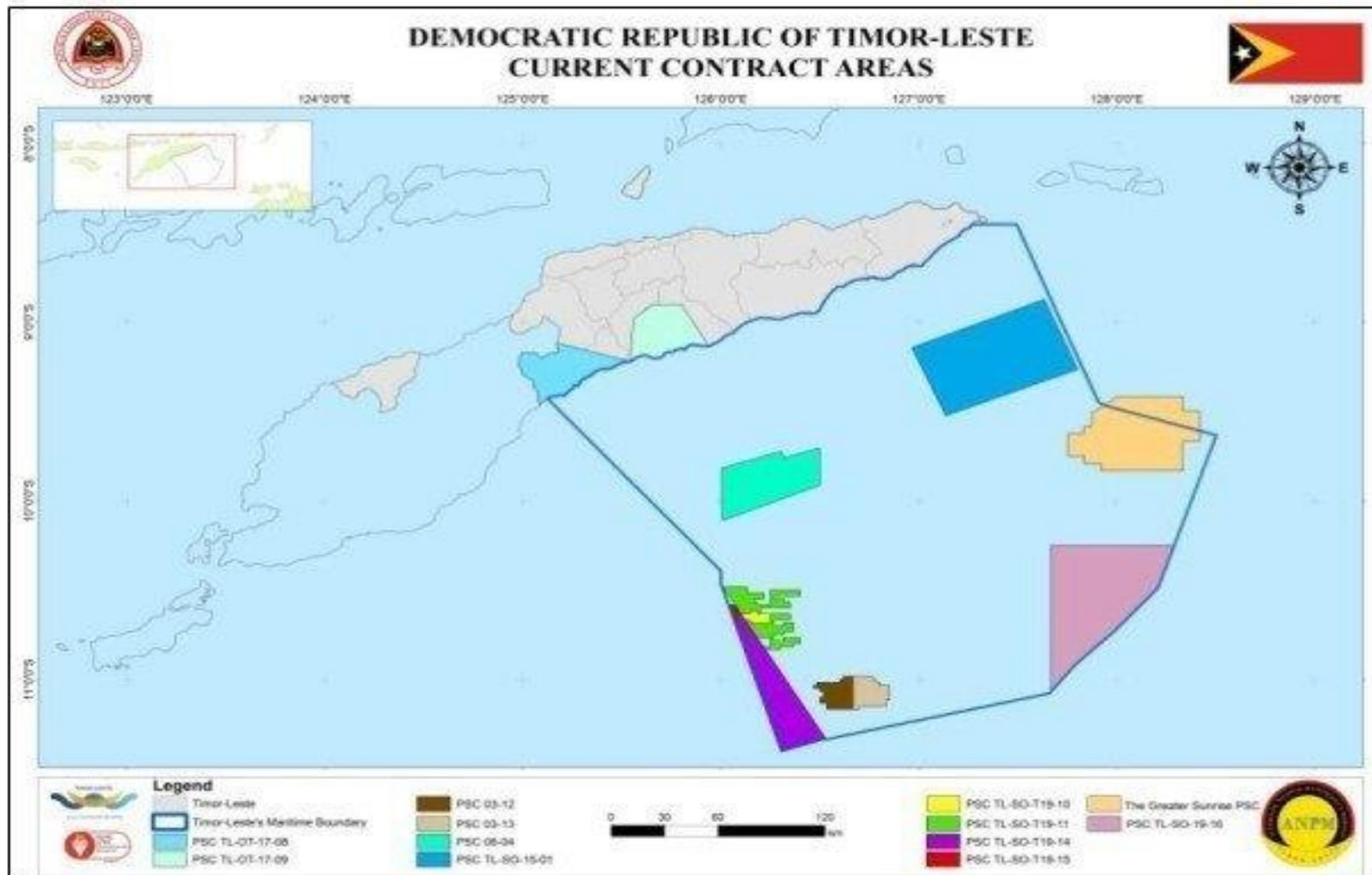
⁵¹ TIMOR GAP has entered into an agreement with ConocoPhillips's and Shell Australia in 2018 for acquisition of their respective participating interest, totaling to 56.56%, in Greater Sunrise Oil Fields. The transaction was completed during the fiscal year 2019 with effective date of April 16, 2019.

License number	Description	Operators	Joint Venture Partners	Extracted Material	Effective date	Expiry date
TL-S0-15-01	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 2021, the majority of expenditure was related to seismic data processing and interpretation, G&A including permit maintenance and local content.	Timor Gap Offshore Block Unipessoal, Lda ("TGOB")	N/A	Oil & gas	23-12-2015	*
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 2021 the majority of the expenditure was related to the G&G studies, G&A including permit maintenance and local content.	Eni Timor-Leste S.P.A	N/A		11-03-2006	28-07-2023

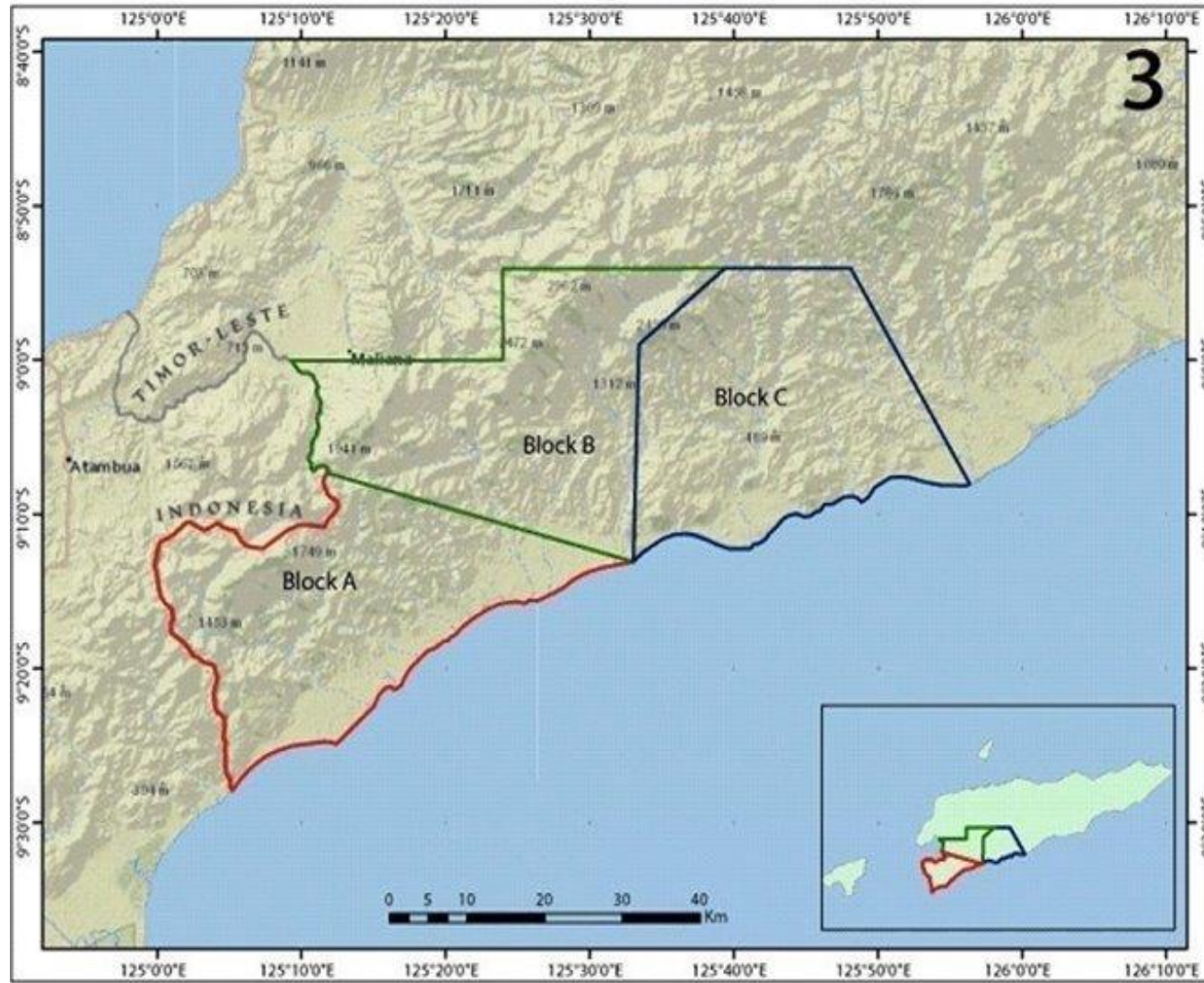
License number	Description	Operators	Joint Venture Partners	Extracted Material	Effective date	Expiry date
TL-SO-T 19-14	The contract area was previously under the Australian jurisdiction but with the new maritime boundary it became under Timor - Leste new territorial water jurisdiction. After the result 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 incurred in the year 2021 were related to G&G studies, the drilling of exploration well, G&A including local content	Carnarvon Petroleum Timor Unip. Ltd.	N/A	Oil	29-08-2019	*
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.	Timor Resources Pty Ltd	TIMOR GAP ONSHORE BLOCK, UNIPESSOAL, LDA	Oil & gas	26-06-2017	*
TL-OT-17-09	On 27 the 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 2021 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	*

License number	Description	Operators	Joint Venture Partners	Extracted Material	Effective date	Expiry date
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 2021, the majority of expenditure was related to seismic data acquisition and interpretation, G&A including local content.	SundaGas Banda Unipessoal, Lda	TIMOR GAP Chuditch, Unipessoal, Lda	Oil	19-12-2019	*
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	*

G. Undersea oil and gas resources



H. TIMOR GAP Onshore Blocks



I. New blocks after Decree Law 15/2019

